



VIDRALA, S.A.

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

Maximum outstanding balance of €200,000,000

Commercial Paper Programme Vidrala 2022

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

VIDRALA, S.A., a public limited company (*sociedad anónima*) incorporated under the laws of Spain with registered office at Barrio Munegazo, 22, Llodio (España), registered in the Commercial Registry of Alava, Volume 499, Page 147, Sheet VI-1551, with Tax Identification Number A-01.004.324 and LEI Code 95980020140005399488, will request the admission (*incorporación*) to trading of commercial paper notes (the “**Commercial Paper**”) which will be issued 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) (“**MARF**”). Except where the context otherwise requires or where otherwise indicated, all references to “**Vidrala**”, “**Vidrala Group**”, “**Group**”, the “**Company**”, the “**Issuer**”, “**we**”, “**us**” and “**our**” refer to Vidrala S.A. and its consolidated subsidiaries, except where the context otherwise requires.

The Alternative Fixed Income Market (“**MARF**”) is a multilateral trading facility (“**MTF**”) in accordance with the terms of Royal Decree-Law 21/2017, of 29 December, on urgent measures for adapting Spanish law to the regulations of the European Union in relation to securities markets. This Base Information Memorandum for the admission to trading of the Commercial Paper is the one required in Circular 2/2018, of 4 December, of MARF, on admission (*incorporación*) and removal of securities on the Alternative Fixed-Income Market.

The securities will be represented by book entries at Sociedad de 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 abovementioned Circular 2/2018.

The underwriting of the Commercial Paper is solely addressed to professional clients or qualified investors pursuant to article 2.e) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council, of 14 June 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (“**Regulation (EU) 2017/1129**”), article 205 of Royal Legislative Decree 4/2015, of 23 October, by virtue of which the restated text of the Securities Market Act is approved (*Texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) (“**Securities Market Act**”) and article 39 of Royal Decree 1310/2005, of 4 November, which partially develops Act 24/1988, of 28 July, on the Securities Market, with regard to the admission of securities to trading on official secondary markets, public offerings or subscription and the prospectus required for this purpose (*Real Decreto 1310/2005, de 4 de noviembre, por el que se desarrolla parcialmente la Ley 24/1998, de 28 de julio, del Mercado de Valores, en materia de admisión a negociación de valores en mercados secundarios oficiales, de ofertas públicas de venta o suscripción y del folleto exigible a tales efectos*) (“**Royal Decree 1310/2005**”). 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 (*Documento Base Informativo de Incorporación*) does not represent a prospectus (*folleto informativo*) approved and registered with the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (“**CNMV**”). The subscription of the Commercial Paper does not represent a public offering pursuant to the provisions set out in article 34 of the Securities Market Act, which removes the obligation to approve, register and publish a prospectus at the CNMV.

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The date of this document is 22 July, 2022.

IMPORTANT INFORMATION

The potential investor should not base his investment decision on information other than the information contained in this Information Memorandum. The Managers do not take responsibility for the content of this Information Memorandum. The Managers have entered into a collaboration agreement with the Issuer to place the Commercial Paper but neither the Managers nor any other entity has accepted any undertaking to underwrite the Commercial Paper. This is without prejudice to the Managers 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 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 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.

PRODUCT GOVERNANCE RULES UNDER 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 market to which the Commercial Paper are intended to be issued is solely for "eligible counterparties" and "professional clients" as defined for each of these terms in the Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments and amending Directives 2002/92/EC and 2011/61/EC ("**MiFID II**") and their implementing legislation and (ii) all channels of distribution of the Commercial Paper to eligible counterparties and professional clients 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 are 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 European Economic Area ("**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 2002/92/EC (as amended), 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 or selling the Commercial Paper or otherwise making them 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.

SELLING RESTRICTIONS

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 and in particular in the United Kingdom or the United States of America.

Financial promotion: it has only been communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of any Commercial Paper in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

General compliance: it has been complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Commercial Paper in, from otherwise involving the United Kingdom.

The Commercial Paper notes have not been and will not be registered under the Securities Law of 1933 of the United States of America, with its respective amendments (the “Securities Law”) and may not be offered or sold in the United States unless it is registered or exempt from registration under the Securities Law. There is no intention to register any Commercial Paper notes in the United States or to make an offer of any kind of the securities in the United States.

Prohibition on marketing and sale to Russian persons or entities in view of Russia’s actions destabilizing the situation in Ukraine

In view of the gravity of the situation, on 25 February 2022 the Council adopted several legislative measures (“*packages of sanctions*”) regarding Russia’s actions destabilizing Ukraine imposing further restrictive measures in the financial sector, limiting the access of Russian citizens and entities to the EU capital markets: (i) Council Decision (CFSP) 2022/327 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia’s actions destabilizing the situation in Ukraine (Decision 2022/327); Council Decision (CFSP) 2022/346 of 1 March 2022 amending Decision 2014/512/CFSP and Council Regulation (EU) 2022/345 of 1 March 2022 amending Regulation (EU) No 833/2014; Council Decision (CFSP) 2022/351 of 1 March 2022 amending Decision 2014/512/CFSP and Council Regulation (EU) 2022/350 of 1 March 2022 amending Regulation (EU) No 833/2014 and (ii) Council Regulation 2022/328 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia’s actions destabilizing the situation in Ukraine (Regulation 2022/328); Council Regulation (EU) 2022/394 of 9 March 2022 amending Regulation (EU) No 833/2014 and Council Decision (CFSP) 2022/395 of 9 March 2022 amending Decision 2014/512/CFSP; Council Implementing Regulation (EU) 2022/396 of 9 March 2022 implementing Regulation (EU) No 269/2014 and Council Decision (CFSP) 2022/397 of 9 March 2022 amending Decision 2014/145/CFSP; Council Implementing Regulation (EU) 2022/427 of 15 March 2022 implementing Regulation (EU) No 269/2014 and Council Decision (CFSP) 2022/429 of 15 March 2022 amending Decision 2014/145/CFSP; Council Regulation (EU) 2022/428 of 15 March 2022 amending Regulation (EU) No 833/2014 and Council Decision (CFSP) 2022/430 of 15 March 2022 amending Decision 2014/512/CFSP; Council Regulation (EU) 2022/576 of 8 April 2022 amending Regulation (EU) No 833/2014 and Council Decision (CFSP) 2022/578 of 8 April 2022 amending Decision 2014/512/CFSP; Council Regulation (EU) 2022/580 of 8 April 2022 amending Regulation (EU) No 269/2014, Council Implementing Regulation (EU) 2022/581 of 8 April 2022 implementing Regulation (EU) No 269/2014, and Council Decision (CFSP) 2022/582 of 8 April 2022 amending Decision 2014/145/CFSP.

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.

ALTERNATIVE PERFORMANCE MEASURES

The financial data included or incorporated by reference in this Information Memorandum, in addition to the financial measures established by IFRS-EU, contains certain alternative performance measures ("APMs") (as defined in the ESMA Guidelines on Alternative Performance Measures (the "ESMA Guidelines")) that include, among others, EBITDA, which are presented for purposes of providing investors with a better understanding of the Issuer's financial performance, cash flows or financial position as they are used by the Issuer when managing its business.

Such measures have not been prepared in accordance with IFRS-EU, have been extracted or derived from the accounting records or other management systems of the Group, have not been audited and should not be considered as a substitute for those required by IFRS-EU.

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ANNEX 1: STANDALONE AND CONSOLIDATED 2020 AND 2021 ANNUAL ACCOUNTS

1. Risk factors

An investment in Commercial Paper is subject to a number of risks.

Before investing in Commercial Paper, potential investors should carefully assess the risks described below, together with the remaining information contained in this Information Memorandum.

If any of the risks described below actually materializes, the business, financial condition and operating results of Vidrala -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 Commercial Paper.

The Issuer believes that the following factors represent the main or material risks inherent to the investment in its 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 the present 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 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) *General risks related to economic and political circumstances*

1. Our customers sell to consumers of food and beverages; whose demand depends on purchasing patterns that are affected by economic conditions.

Demand for Vidrala's packaging depends on final demand for the products which use our packaging, which is primarily consumer driven. General economic conditions concerns about the impact of a potential recession, political uncertainties, highly volatile energy costs, diminished business confidence and persistent unemployment in Europe may adversely impact consumer confidence resulting in reduced spending on our customers' products and, thereby, reduced or postponed demand for our products.

Adverse economic conditions may also lead to more limited availability of credit, which may have a negative impact on the financial condition, particularly on the purchasing ability, of some of our customers and distributors and may also result in requests for extended payment terms, and result in credit losses, insolvencies and diminished sales channels available to us. Vidrala's suppliers may have difficulties obtaining necessary credit, which could jeopardize their ability to provide timely deliveries of raw materials and

other essentials to us. The adverse economic conditions may also lead to suppliers requesting credit support or otherwise reducing credit, which may have a negative effect on our cash flows and working capital.

The volatility in exchange rates may also increase the costs of our products that we may not be able to pass on to our customers; impair the purchasing power of our customers in different markets; result in significant competitive benefit to certain of our competitors who incur a material part of their costs in other currencies than we do; hamper our pricing; and increase our hedging costs and limit our ability to hedge our exchange rate exposure.

Changes in economic conditions may reduce our ability to forecast developments in our industry and plan our operations and costs, resulting in operational inefficiencies. Negative developments in our business, results of operations and financial condition due to changes in global economic conditions or other factors could impair our ability to raise new financing or refinance our current borrowings and increase our costs of issuing any new debt instruments.

Finally, armed conflicts could also have negative effects on our operations, such as business interruption, physical damage, logistics challenges, supply chain disruption, demand destruction, commodity pricing impacts, increased cyberattacks, nationalisation of activities or expropriation of assets, among others.

In fact, the ongoing military conflict between Russia and Ukraine has already impacted both the global economy and financial markets. In particular, the conflict has caused a significant increase in commodity prices and could lead to supply problems, which will probably affect the economic recovery in the Eurozone. Moreover, equity markets have experienced sharp declines and fixed-income markets have tightened, with issuers bearing higher financing costs. Currently, an eventual extension of the war to other countries cannot be ruled out.

In these unpredictable situations, business priorities will focus on evaluating and mitigating operational risks, ensuring security of people, assets and supply chains, accelerating scenario planning and developing associated action plans, implementing cost control/reduction measures and assessing potential divestment decisions.

2. Continuing uncertain political conditions across the European Union and United Kingdom, could intensify the risks faced by our business.

Western Europe is our principal market representing more than 95% of our sales. In 2021, Spain and Portugal concentrated 39% of our sales, the United Kingdom and Ireland 36%, Italy 8% and the remaining 17% was broken down mainly between France, Belgium and Germany. Different economic and geopolitical uncertainties, including the effectiveness of measures implemented by the European Central Bank and the Bank of England to address prevailing low growth rates across these regions, could affect regional economic performance across our areas of sales.

Furthermore, on June 23, 2016 a referendum was held in the United Kingdom on its stay in the European Union, which resulted in a decision to depart and after a long period of negotiations, the exit of the United Kingdom materialized at the beginning 2020. On December 30, 2020, the European Union and the United Kingdom signed a Trade and Cooperation Agreement with entry into force on January 1, 2021. The agreement establishes the absence of tariffs for any goods related to Vidrala's business, despite the fact that the United Kingdom and the European Union submit, since January 1, 2021, their commercial transactions to new customs procedures, in the same way that taxation and the movement of people must adapt to new requirements. More importantly, freedom of movement within the island of Ireland has been guaranteed by avoiding any border between the Republic of Ireland and Northern Ireland.

Vidrala maintains strategic business activities in the United Kingdom and Ireland through Encirc Ltd., acquired in early 2015. Encirc is a glass packaging manufacturer aimed at supplying domestic demand for food and beverage products in Ireland and the United Kingdom, where it operates two plants from which it offers a complete range of services including, in addition to the manufacture of glass containers, packaging processes of the latest technology and logistical services. Overall, Encirc's business is primarily domestic, producing glass containers locally for internal commercialisation, with the volume of exports outside the British Isles being immaterial outside these regions.

3. Changes in consumer lifestyle, nutritional preferences and health-related concerns could adversely affect our business.

The modern consumer, living in urban areas, is refocusing its behaviour and preferences towards quality, health, convenience, premiumisation and on-the-go purchasing. New distribution channels, as online sales, are simply accelerating the process. Globally, new regulations are progressively driving transition to a sustainable, resource efficient and competitive economy. Beyond these legal frameworks, consumers are becoming more aware, increasingly demanding sustainable packaging solutions and sustainability across the complete supply chain. Simultaneously, the retail industry requires more packaging to solve distances between producers and consumers, provide preservation, protect the product and secure longer shelf-lives.

However, these trends can change, any decline in the popularity of glass products as a result of lifestyle, nutrition, health considerations or consumer taxation could have a significant impact on our customers and could have a material adverse impact on our business, financial condition and results of operations.

B) Risks related to Vidrala business

1. We are subject to various environmental requirements and may be subject to new requirements of this kind in the future.

Our operations are subject to extensive laws, ordinances, regulations and other legal requirements relating to environmental protection. Such laws and

regulations include, among others, requirements regarding emissions in the atmosphere, dumping, waste management, consumption of raw materials, energy, water supply and use and noise pollution.

We have incurred, and expect to continue to incur, costs to comply with such legal requirements, and these costs are likely to increase in the future. As an example, concrete efforts to minimise the potential pollutant effect of our facilities have materialised in the conclusion of an investment project developed for the installation, in all the production centers, of special systems of purification of atmospheric emissions, denominated electrostatic precipitators or electrofilters.

If we were to violate or fail to comply with these laws and regulations or our permits, we could be subject to criminal, civil and administrative sanctions and liabilities, including substantial fines and orders, or a partial or total shutdown of our operations. To avoid these situations, one of the Group's strategic guidelines is the implementation of environmental management systems. In line with this commitment, all Group's production facilities have ISO 14001:2015 certification. Furthermore, in line with its undertaking to continuous improvement, we have started implementation and verification processes for new environmental standards such as ISO 14064:2018, related to the voluntary declaration of CO2 emissions, or ISO 50001:2018, on energy management systems.

2. Our manufacturing facilities are subject to operating hazards.

Our manufacturing processes include heating glass to extremely high temperatures and forming it into glass containers. These processes, which are conducted at high speeds and involve operating heavy machinery and equipment, entail risks including industrial accidents, leaks and ruptures, explosions, fires, mechanical failures and environmental hazards, such as spills, storage tank leaks, discharges or releases of hot glass or toxic or hazardous substances and gases.

A mechanical failure or disruption affecting any major operating line may result in a disruption of our ability to supply customers. The potential impact of any disruption would depend on the nature and extent of the damage caused to such facility. Further, our facilities may be disrupted by the occurrence of natural phenomena, such as earthquakes, tsunamis and hurricanes.

Albeit a relevant portion of any potential major economic damage cause by these type of incidents are protected by the well develop group's insurance policies, these may cause unplanned business interruptions, unscheduled downtime, transportation interruptions, personal injury, severe damage or the destruction of property, civil, criminal and administrative sanctions and liabilities, and third-party claims, any of which may have a material adverse effect on our business, financial condition and results of operations.

Our commitment to occupational health and safety is evidenced by the progressive implementation of occupational health and safety systems, based on the ISO 45001:2018 standard, which are certified by independent entities

accrediting the existence of an internationally recognized management framework.

Regardless of Group's policies and monitoring actions, employees may deviate from Group's standards and safety policies and there is a risk that Group will not manage to avoid significant liability exposure relating to these and other occupational, health and safety hazards, which could have a material adverse effect on Group's business, results of operation and financial condition.

3. We are involved in a continuous manufacturing process, that can be vulnerable to risks of distortions in the supply chain, availability and cost of raw materials.

Production-intensive, continuous-service industries –such as our's– can be vulnerable to risks of distortion in the supply chain. The raw materials we use have historically been available in adequate supply from multiple sources. For certain raw materials, however, there may be temporary shortages due to weather, transportation, production delays or other factors. In such an event, no assurance can be given that we would be able to secure our raw materials from sources other than our current suppliers on terms as favorable as our current terms, or at all. Any such shortages, as well as material increases in the cost of any of the principal raw materials that we use, including the cost to transport materials to our production facilities, could have a material adverse effect on our business, financial condition and results of operations. We may not be able to pass on all or substantially all raw material price increases, now or in the future. In addition, we may not be able to hedge successfully against raw material cost increases.

Our manufacturing operations consume significant amounts of raw materials to manufacture glass, particularly silica sand, soda ash (natural or synthetic), as well as cullet (recycled glass) in variable percentages depending on the products manufactured. Sand is a natural and abundant raw material whose main limitation is transport. Our strategy is focused on attracting suppliers to operate mines in the proximities of our sites. The availability and price of cullet varies widely from one region to another due to regulatory disparities concerning the collection and recycling systems, as well as the distance of cullet procurement centers from production sites. The soda ash market has experienced an imbalance between supply and demand resulting in a significant increase in price. As a response, we are trying to attract alternative competitive imports into our regions of activity.

The glass production industry is energy-intensive. Vidrala relies on a continuous supply of energy, primarily natural gas but also electricity, to maintain manufacturing operations. In the recent past, energy prices have been subject to significant price volatility and will surely remain volatile in the future. Higher energy prices may have an adverse effect on Vidrala's operating income and profitability. At the 2021 closing date, the Vidrala group had contracted energy commodity derivatives to hedge the price for a nominal amount equivalent to EUR 48 million. Additionally, some energy supplies have been directly contracted at a fixed price. As a result of these measures,

the Group estimates that it has approximately 23% of its expected exposure to changes in the energy markets until 2024.

With regard to supply risk affecting key products for the production process, management initiatives include the continual and specialised search for supply sources and strengthening ties with suppliers, diversifying and forging long-term relationships, establishing ongoing audit and standardisation processes and developing supply alternatives in all relevant areas. Nevertheless, the failure to obtain adequate supplies of raw materials or future price increases could have a material adverse effect on our business, financial condition and results of operations.

4. Our business requires relatively high levels of capital expenditures, which we may be unable to fund.

Glass manufacturing is an energy-intensive, continuous process as melting furnaces are in operation 24 hours a day, 365 days a year. As a consequence, the industrial process is intensive in capital (periodical replacements) and cost (labour and energy).

Our business requires relatively high levels of maintenance capital expenditures to replace furnaces and other production machinery when they reach their end of useful life. We may not be able to make such capital expenditures if we do not generate sufficient cash flow from operations, have funds available for borrowing under our existing credit facilities to cover these capital expenditure requirements or if we were restricted from incurring additional debt to cover such expenditures or as a result of a combination of these factors. If we are unable to meet our investment plans, we may not be able to maintain our manufacturing capacity, which may negatively impact our competitive position and ultimately, our revenues and profitability.

Moreover, cost structure is characterised by a high degree of fixed costs, resulting in a high level of operating leverage and lowering flexibility. As a result, operating at high utilisation rates turns crucial for profitability levels.

5. Our sales are partially driven by varied seasonal demands.

Demand for some products is seasonal and some segments of our markets are more cyclical than others. As an example, our sales in the beer and soft drinks markets, that account for approximately 40% of annual sales, depend mainly on the domestic consumption patterns and experience a peak demand during the summer months or when tourism is stronger. Adverse weather conditions, such as unseasonably cool or wet weather in the spring and summer months, could adversely affect sales volumes and may have a material adverse effect on our business, financial condition and results of operations. Wine and food product segments –which represent 34% and 11% of our sales, respectively– are less cyclical markets due to its export nature. But, also in these segments, weather conditions can affect crop outputs and adversely affect volumes of products needed to be packed.

In addition, we schedule temporary stoppages of our furnaces for rebuilding. If demand for glass packaging should unexpectedly rise during such a

shutdown, we would not have the ability to fulfill such demand and may lose potential revenues. These shutdowns and seasonal sales patterns could adversely affect profitability.

6. An increase in manufacturing capacity without a corresponding increase in demand could cause prices to decline, which could have a material adverse effect on our business, financial condition and results of operations.

As pointed above, profitability of glass packaging companies is heavily influenced by the supply of and demand for glass. We cannot assure that the glass container manufacturing capacity in any of our markets will not increase further in the future, nor can we assure that demand will meet supply. If glass container manufacturing capacity increases and there is no corresponding increase in demand, the prices we receive for our products could materially decline, which could have a material adverse effect on our business, financial condition and results of operations.

In addition, the high levels of fixed costs for operating glass container manufacturing production plants encourage high levels of output, even during periods of reduced demand, which can lead to excess inventory levels and exacerbate the pressure on profit margins. Our profitability is dependent, in part, on our ability to spread fixed costs over an increasing number of products sold and shipped. Decreased demand or the need to reduce inventories could lower our ability to absorb fixed costs and materially impact financial condition and results of operations.

7. We face intense competition from other glass packaging producers, as well as from manufacturers of alternative types of packaging.

Vidrala operates in highly competitive markets. The industry is subject to intense competition from other glass packaging producers against whom we compete on the basis of price, product characteristics, quality, reliability of delivery and the overall attractiveness of our customer service. Advantages or disadvantages in any of these competitive factors may be sufficient to cause customers to consider changing suppliers or to use an alternative form of packaging. Even though perceptions about service quality, project management skills and competence often influence customer decisions, price continues to be an important factor for many customers. As a result, Vidrala is exposed to strong price competition, which could have a material adverse effect on its business, results of operations and financial condition.

Our principal competitors in glass packaging include Owens-Illinois, Verallia and Ardagh. Glass packaging is naturally regional, as transport costs represent a relevant portion of the total cost structure. Despite this generally regional nature of the glass packaging markets, some export operations from low-cost regions, mainly from Eastern Europe could have a material negative impact on our business, financial condition and results of operations.

In some instances, we also face the threat of vertical integration by our customers into the manufacture of their own packaging materials. Some customers may decide to develop their own glass packaging production activity to serve their packaging needs and to reduce their purchases of glass

packaging. The potential vertical integration of our customers could introduce a new production capacity in the market, which may create an imbalance between the supply and demand for glass packaging that could have a material negative impact on our future performance. As a response, we have also widely invested in developing our own bottling activities in the site in Elton, England, with the aim of securing competitive advantages and captivity of sales offering a global range of packaging services to brand owners.

In addition to competing with other manufacturers in the glass industry, we also compete with producers of other forms of rigid and non-rigid packaging, principally plastic packaging and metal cans. Albeit glass packaging lost a relevant amount of share across the global consumer rigid packaging market over the last four decades, we believe that today the use of glass packaging for food and beverages is supported by favourable consumer preferences, dynamics towards sustainable packaging solutions and premiumisation.

Surveys across the developed world show that consumers and packagers increasingly prefer glass as the packaging material of choice. Anyway, if economic conditions are poor, we believe that consumers may be less likely to prefer glass packaging over other forms of packaging. We cannot ensure that our products will continue to be preferred by our customers' end-users and that consumer preference will not shift from glass packaging to non-glass packaging. A material shift in consumer preference away from glass packaging, or competitive pressures from our various competitors, could result in a decline in sales volume or pricing pressure that would have a material adverse effect on our business, financial condition and results of operations. Furthermore, new threats from container and production innovations in all forms of packaging could disadvantage our existing business. If we are unable to respond to competitive technological advances, our future performance could be materially adversely affected.

8. Customer concentration could adversely affect our business.

Our customer base is composed of a solid balance between blue chip customers, multinational brand owners and regional retailers. For the year ended December 31, 2021, our customer base was comprised by more than 1,600 different active customers. No customer accounts for more than 10% of revenue. Top ten clients represent approximately 32% of revenue. The 50th percentile of sales is composed of the main 23 customers.

We typically sell directly to customers under one to five-year arrangements. Although these arrangements have provided, and we expect they will continue to provide, the basis for long-term partnerships with our customers, there can be no assurance that our customers will not cease purchasing our products. If our customers unexpectedly reduce the amount of glass packaging they purchase from us, or cease purchasing our glass packaging our revenues could decrease and our inventory levels could increase, both of which could have an adverse effect on our business, financial condition and results of operations. In addition, while we believe that the arrangements that we have with our customers will be renewed, there can be no assurance that such arrangements

will be renewed upon their expiration or that the terms of any renewal will be as favourable to us as the terms of the current arrangements.

There is also the risk that our customers may shift their filling operations from the origin of production to the destiny of consumption. To adapt to risks of potential changes of filling locations, we are developing our own filling facilities in the United Kingdom, offering a global range of packaging and logistic services.

9. Our expansion strategy may adversely affect our business.

As part of our business strategy, and in order to remain competitive, we have in the past acquired complementary companies. Although going forward Vidrala intends to continue to pursue this business strategy, it may not be able to identify suitable acquisition targets or complete such acquisitions on favourable terms, if at all. On the other side, we could also incur in indemnification obligations relating to potential divestments.

If Vidrala does complete acquisitions, it may not ultimately strengthen its competitive position or achieve its goals to the extent anticipated, and any acquisitions that it completes could be viewed negatively by its customers, analysts and investors.

In addition, if Vidrala is unsuccessful at integrating such acquisitions or the technologies associated with such acquisitions, its business results of operations and financial condition could be adversely affected. Any integration process may require significant time and resources, and Vidrala may not be able to manage this process successfully. In particular, any such process could divert management attention from other parts of Vidrala's business. Vidrala may not successfully evaluate or utilize acquired technologies or personnel, or accurately forecast the financial impact of an acquisition transaction, including accounting charges. Vidrala may have to pay cash or incur debt, each of which could adversely affect its financial condition.

For example, the incurrence of indebtedness to finance such acquisitions could result in increased fixed charges and the application of financial covenants or other restrictions that could impede Vidrala's ability to manage its operations. Further, unsuccessful acquisitions may lead to substantial write-downs of goodwill recorded in connection with such transactions, as well as other unfavourable accounting effects. Any of the foregoing could materially adversely impact Vidrala's business, results of operations and financial condition.

Additionally, antitrust laws may contain provisions that require authorization by certain antitrust authorities for the acquisition of, or entering into joint venture agreements with, companies with a relevant market share. Accordingly, Vidrala's ability to expand its business through acquisitions may be limited or delayed.

10. Our business may suffer if we do not retain our senior management and qualified staff.

Our success depends, partly, on the continued service of its senior management and key personnel. Any loss of services from Vidrala's senior management or key personnel, who have specific knowledge relating to Vidrala and to its industry, or who have longstanding relationships with key suppliers or are able to provide relationship-based customer services, would be difficult to replace and could harm its future operations.

11. Organized strikes or work stoppages by unionized employees may have a material adverse effect on our business.

Some of our operating companies are party to collective bargaining agreements with trade unions. These agreements cover the majority of our employees. Upon the expiration of any collective bargaining agreement, our operating companies' inability to negotiate acceptable contracts with trade unions could result in strikes by the affected workers and increased operating costs as a result of higher wages or benefits paid to union members. If the unionized workers were to engage in a strike or other work stoppage, we could experience a significant disruption of operations and/or higher ongoing labor costs, which may have a material adverse effect on our business, financial condition and results of operations.

Labour laws applicable to Vidrala's business in certain jurisdictions are onerous and can be highly restrictive. In certain jurisdictions, our employees are partially or fully unionised, and in others, Vidrala may be subject to mandatory consultation processes with its employees in managing its business. These labour laws and formal consultative procedures could, among other things, limit Vidrala's flexibility to rationalise its workforce in response to poor market conditions or require Vidrala to change working condition procedures. As a result, these limitations on Vidrala's flexibility with its workforce could have a material adverse effect on its business, results of operations or financial condition.

12. Changes in legal and/or product requirements have a material impact on our operations.

Changes in laws and regulations relating to deposits on and the recycling of glass packaging could affect our business if implemented on a large scale in the major markets in which we operate. Similarly, restrictions on bisphenol A and/or other legal developments could have an impact in our business. It is very difficult to predict the outcome and effect of potential legal developments of this kind.

13. We may be subject to litigation, arbitration and other proceedings that could have an adverse effect on us.

Risks inherent in our business expose us to litigation, including civil, administrative and criminal liability, competition, intellectual and industrial property, taxation, employment and environmental matters, personal injury, and contractual litigation with customers and suppliers. We cannot predict with certainty the outcome or effect of any claim or other litigation matter, or a combination of these.

In particular, consequences of a failure of control measures regarding safety and quality of our products could be severe. Customers and end-consumers may seek to recover these losses through litigation and, under applicable legal rules, may succeed in any such claim despite there being no negligence or other fault on our part. In addition, if our products fail to meet our usual rigorous standards, we may be required to incur substantial costs in taking appropriate corrective action (up to and including recalling products from consumers).

At the same time, if the product contained in packaging manufactured by us is contaminated, it is possible that the manufacturer of the product in question may allege that our packaging is the cause of the contamination, even if the packaging complies with contractual specifications.

If we are involved in any future litigation, costs associated with asserting our claims or defending such lawsuits may have an adverse effect on our business, financial position, results of operations.

14. Our existing insurance coverage may be insufficient and future coverage may be difficult or expensive to obtain.

Although we believe that our insurance policies provide adequate coverage for the risks inherent in our business, these insurance policies typically exclude certain risks and are subject to certain thresholds and limits. We cannot assure that our property, plant and equipment and inventories will not suffer damages due to unforeseen events or that the proceeds available from our insurance policies will be sufficient to protect us from all possible loss or damage resulting from such events.

We renew our insurance policies on an annual basis. The cost of coverage may increase to an extent that we may choose to reduce our policy limits or agree to certain exclusions from our coverage. Several factors may adversely affect available insurance coverage and result in increased premiums for available coverage and additional exclusions from coverage.

15. We may have exposure to greater than anticipated tax liabilities.

Currently, we have operations in a large number of taxing jurisdictions, and are subject to, among others, income tax, withholding tax, and value added tax ("VAT"), as well as other sales-based taxes in such jurisdictions. In addition, we pay social security costs relating to its employees. There is a risk that its tax liabilities in one or more jurisdictions could be more than reported in respect of prior taxable periods and more than anticipated in respect of future taxable periods. As a result, the aggregate amount of income tax that Vidrala will pay in future taxable periods could be higher if earnings are lower than anticipated in jurisdictions with lower statutory rates and higher than anticipated in jurisdictions with higher statutory rates.

The jurisdictions in which we operate have transfer pricing regulations that require transactions involving associated companies to be carried out on an arm's length terms. We seek to ensure that all arrangements between members of Vidrala, such as intra-group transactions involving management services,

royalties, IT service fees, cash-pool arrangements, intra-group loans and consultancy fees, are carried out on an arm's length basis. However, if the tax authorities in any relevant jurisdiction do not regard such arrangements as being made on an arm's length basis and successfully challenge those arrangements, the amount of tax payable by the relevant member or members of Vidrala, in respect of both current and previous years, may increase materially and penalties or interest may be payable.

In general, the determination of Vidrala's worldwide liability for income and other taxes involves a significant degree of judgment and there are many transactions and calculations where the ultimate tax determination is uncertain. Although Vidrala believes its estimates are reasonable, its ultimate tax liability may differ from the amounts recorded in its financial statements and may adversely affect its financial results in the period or periods for which such determination is made. From time to time, Vidrala establishes provisions with respect to such tax liabilities when it believes this to be appropriate. However, there can be no assurance that its ultimate tax liability will not exceed any reserves that may have been created.

16. Related risks to the conflict between Russia and Ukraine

In February 2022, Russia began the war in Ukraine. As of the reporting date, this conflict is still in force and its effects on the financial markets are intensifying.

The direct impact on Vidrala's business is limited, as the Group does not have assets or maintains any industrial or commercial activity, does not produce, sell or buy directly in Ukraine or Russia.

However, the indirect impact is evident in the growing difficulties in global supply chains and, specially, in the abnormal increases in energy prices. In particular, the price of natural gas, the main source of energy in glass manufacturing, which represented approximately 15% of the Group's total cost of production in 2021, generally dictated by organized pan-European markets, is behaving with abnormal volatility related to the perception of the risks of lower supply from Russia to central Europe. Thus, it has become more than 120% more expensive since the beginning of the year, multiplying by more than 17 times from 2020 levels. Additionally, we observe collateral effects of higher electricity prices and some raw materials, which together accounted for 35% of production costs in 2021.

In response to this inflationary situation, Vidrala has implemented exceptional measures to adapt sales prices and temporary hedging by setting energy prices. These measures should be efficient in preserving business margins at consistent levels over a normal period of time. However, in the short term, if extreme volatilities persist, a deterioration in operating margins would be unavoidable until the measures take full effect or markets stabilise. Regarding the risks of a cut in the gas supply, experts believe that the infrastructure in our regions of activity, Iberia, the United Kingdom and Italy, is particularly protected. However, there would be physical measures that would allow, in

most of the facilities and for a short time, alternatives to natural gas supply to maintain production activity.

C) ***Financial risk factors***

1. Vidrala's business is exposed to exchange rate fluctuations.

We operate at international level and are therefore exposed to currency risk on foreign currency operations.

Currency risk affecting the Group's present structure arise, mainly, from the risks inherent in the global expansion of the Group after the incorporation of Encirc Ltd. in 2015, whose business is largely conducted in Pounds Sterling. In order to quantify the sensitivity to the currency at a consolidated level, as a result of the above, 33.77% of sales and 43.64% of operating income, EBITDA, were generated in Pounds Sterling in 2021, which may be affected by fluctuations in this currency against the Euro. There is also a risk of translating cash generated by the acquired business in Pounds Sterling to Euros, to repay a debt that was acquired in Euros. The depreciation of the Pound Sterling against the Euro could reduce its equivalent value in Euros, thus reducing cash.

Quantifying currency risk based on 2021 data, if the Pound Sterling depreciated against the Euro by an average of 5% over a year, without considering any hedging or insurance instruments, and the remaining variables remained constant, consolidated profit of the group would be affected by approximately 2%, and annual cash flow would be reduced by approximately 2%.

2. Vidrala's business is exposed to interest rate fluctuations.

Vidrala's interest rate risk derives from non-current and current borrowings, which accrue an interest rate indexed to the Euribor, plus a spread. Vidrala analyses its exposure to interest rate risk on a dynamic basis and manages the interest rate risk on cash flows, when management considers it necessary, using interest-rate swaps.

In order to manage this risk factor, Vidrala uses financial derivatives that may qualify as hedging instruments and therefore hedge accounting. The corresponding accounting standard (IAS 39) does not specify the type of derivatives that may be considered hedging instruments except for options issued or sold. It does, however, specify the prerequisites for consideration as hedging instruments. In line with the management of foreign exchange risk, the arrangement of any financial derivative which is suspected not to comply with the prerequisites to be considered as a hedging instrument requires the express approval of the relevant management body. By way of example, the basic hedging instruments are interest rate swaps: through these derivatives, these Group segments convert the variable interest rate reference of a loan to a fixed reference with respect to either all or part of the amount of the loan, affecting all or part of the life of the loan.

Vidrala's sensitivity to interest rate risk is limited to the direct effect of changes in interest rates applied to financial instruments subject to recognised

interest in the balance sheet. In this sense, as a result of this risk control policy, at the end of 2021, Vidrala has contracted interest rate hedging instruments in the form of interest rate swaps for a notional of EUR 235.0 million, with progressive maturities up to 2026. Consequently, it is expected that the entire cost to be borne by the group in 2022 in the form of interest on debt will be secured against fluctuations in interest rate markets.

3. Vidrala may require additional financing in the future and may not be able to obtain such financing on favourable terms, or at all.

Vidrala expects that its current financial resources will be sufficient to fund its operations for the foreseeable future. However, it may need additional financing in the event of unexpected developments or opportunities. Vidrala may seek such additional funds from public and private securities offerings, corporate collaborations, borrowings under lines of credit or other sources. Additional capital may not be available on favourable terms, or at all. Any additional equity financing may be dilutive to shareholders, and any debt financing, if available, may include restrictive covenants limiting Vidrala's business flexibility. If Vidrala cannot raise more money when needed, it may have to alter its business strategy, including its acquisition strategy, reduce its capital expenditures, scale back its development plans or reduce its workforce, all of which could have a material adverse effect on its business, results of operations and financial condition.

4. Vidrala is subject to restrictive covenants, which could limit its operating, strategic and financial flexibility.

Vidrala's financing agreements (including agreements which refinance its existing agreements) contain covenants which could impose significant restrictions on Vidrala's operations, including restrictions on Vidrala's ability to, among other things, incur or guarantee additional debt, grant security, dispose of assets, cash collateralise guarantee facilities, repurchase share capital, make certain payments, including dividends or other distributions and make certain investments or acquisitions, including participating in joint ventures and restrictions on Vidrala's capital expenditure.

Those restrictive covenants could limit Vidrala's operating, strategic and financial flexibility, and therefore could materially adversely affect Vidrala's business, results of operations and financial condition.

Additionally, Vidrala indebtedness may have significant effects, which include, among others, the following: (a) the Group's ability in the long term to obtain additional financing or to refinance the debt may be limited due to its level of indebtedness, (b) Vidrala's indebtedness establishes financial and other restrictions, limiting its ability to, among other things, incur additional indebtedness, and encumber or dispose of assets; and additionally the failure to comply with such restrictions could result in an acceleration event, which, if not cured or waived by the lender, could have a material adverse effect on the Group, (c) Vidrala's indebtedness could place it at a competitive disadvantage compared to those of its competitors that have less debt and

reduce the Group's ability to adjust rapidly to changing market conditions and therefore become more vulnerable in case of a further economic downturn.

5. At certain times, Vidrala may not be adequately insured.

Although Vidrala seeks to adequately insure itself, there can be no assurance that all claims made against Vidrala or all losses suffered may be effectively covered by its insurance

Vidrala seeks to obtain adequate insurance protection for its business. In particular, Vidrala seeks to insure itself against the financial consequences of claims asserting professional liability. However, there can be no assurance that all claims made against Vidrala or all losses suffered are or will be effectively covered by insurance, nor that the policies in place will always be sufficient to cover all costs and financial awards it may be required to pay as a result. It is possible that there may be claims in the future that may not be covered in full by Vidrala's insurance, and that insurance premiums may increase over time, which could prevent Vidrala from obtaining adequate insurance, potentially resulting in Vidrala from incurring risks or withdrawing from certain markets in which it currently operates. If Vidrala is subject to material costs or liabilities on which is not covered by its insurance policy, its business, results of operations and financial condition could be materially adversely impacted.

1.2 Essential information regarding the specific risks of the Commercial Paper

The main risks of the Commercial Paper are the following:

1. 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.

2. There may not be an active public trading market for the Commercial Paper and the ability to transfer them is limited, which may adversely affect the value of the Commercial Paper

There may not be an active trading market for the Commercial Paper and there can be no assurance that an active trading market for the Commercial Paper will develop. We cannot predict the extent to which investor interest in our company will lead to the development of an active trading market or how liquid that trading market might become. The market price of our Commercial Paper may be influenced by many factors, some of which are beyond our control, including:

- changes in demand, the supply or pricing of our products;
- general economic conditions, including raw material prices;
- the activities of competitors;
- our quarterly or annual earnings or those of our competitors;

- investors' perceptions of us and the glass industry;
- the public's reaction to our press releases or our other public announcements;
- future sales of notes; and
- other factors described under these "Risk Factors".

As a result of these factors, you may not be able to resell your Commercial Paper at or above the initial offering price. In addition, securities trading markets experience extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of our Commercial Paper, regardless of our operating performance. If an active trading market does not develop, you may have difficulty selling any Commercial Paper that you buy.

3. Market risk

The Commercial Paper are fixed-income securities assets 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 the subscription price.

4. Credit risk

The Commercial Paper is secured by the Issuer's total net worth. The credit risk arises from the potential inability of the counterparty to comply with the obligations set out in the agreement and involves the possible loss that a full or a partial breach of these obligations could cause.

5. Risk relating to changes in the credit quality of the Issuer

The Issuer's credit quality may be deteriorated due to an increase of its indebtedness or due to the deterioration of its financial ratios, which would imply a worsening of the Issuer's capacity to meet its payment obligations.

6. Liquidity risk

This is the risk by virtue of which investors may not be able to find a counterparty for the securities when they want to sell the Commercial Paper prior to their maturity date. Even though the admission (*incorporación*) 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.

7. 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.

8. Order of priority and subordination risk

Legislative Decree (“*Real-Decreto Legislativo*”) 1/2020, dated May 5 on insolvency (“**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 of the Insolvency Law. See section 11 of this Base Information Document.

In accordance with Article 281 of the Insolvency Law, the following are deemed to be subordinated credits, among others:

- 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.
- Credits held by any of the persons especially related to the debtor, as referred to in Article 283 of the Insolvency Law.

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 VIDRALA, S.A.

Its registered office is located at Barrio Munegazo, nº 22; 01400 Llodio (Alava) – Spain.

The Company is a public limited company (*sociedad anónima*) under the laws of the Kingdom of Spain. It was incorporated on 17 March 1965 by means of a deed granted before the Notary Public Mr. Miguel de Miguel de Miguel. It is registered with the Commercial Registry of Alava, under Volume 499, Page 147, Sheet VI-1551.

The Tax Identification Number of the Issuer is A/010004324.

The Legal Entity Identifier (LEI) of the Issuer is 95980020140005399488.

Its corporate website sits at <http://www.vidrala.com/en/>

2.2. Description of the Issuer.

A) Main milestones

1965: Vidrala is founded in the northern region of Spain (Llodio, Álava) to supply glass bottles to the strategic wine regions of La Rioja and Bordeaux.

1985: Vidrala successfully executes an initial public offering (“IPO”) in the Bilbao and Madrid stock exchanges.

1989: Vidrala expands domestically through the construction of a second greenfield in southeastern Spain.

2003: Vidrala acquires Ricardo Gallo Vidro, located in Marinha Grande (Portugal).

2005: Following antitrust remedies to a large M&A transaction in the industry –Owens-Illinois buying BSN Glasspack, former glass packaging division of Danone– Vidrala acquires two manufacturing sites: one in Castellar (Barcelona, Spain) and another one in Corsico (Milan, Italy).

2007: Vidrala acquires La Manufacture du Verre, the solely glass manufacturing plant in Belgium.

2015: Vidrala acquires Encirc, with glass manufacturing facilities in the UK & Ireland, together with filling and logistic services. This transformational acquisition was supported on strong market fundamentals and the guarantee of Encirc’s competitive commercial positioning in a region of demonstrated strategic interest.

2017: Vidrala acquires Santos Barosa, a strategic step for the Group, reinforcing our competitiveness and making us leaders of the Iberian market. Santos Barosa owned a major production facility located in Marinha Grande, Portugal, producing around 400,000 glass tons per year.

2019: Vidrala sells its manufacturing activity in Belgium.

B) *Main shareholders*

Vidrala is listed on the Bilbao and Madrid Stock Exchanges.

Pursuant to Royal Decree 1362/2007, of October 19th, and Circular 2/2007, of December 19th, the persons below are holders as of 18 July 2022 of significant holdings in the Issuer:

Shareholder	%
Mr. Carlos Delclaux Zulueta	7.580
Bidaroa, S.L.	6.292
Urdala, 21, S.L.	6.340
Addvalia Capital, S.A.	5.512
Mrs. Fuensanta de la Sota Poveda	3.696
Noronha Gallo, S.a.r.l.	3.666

C) *Brief description of the Issuer’s activity*

Vidrala is a consumer packaging company. Since its foundation in 1965 in Llodio, Alava, it has been engaged in the manufacturing and sale of glass containers for food and beverage products. The activities offered to the customer are complemented by filling and logistic services.

Vidrala sells its products to a strong customer base composed of a solid balance between blue chip customers, multinational brand owners and domestic packagers. Vidrala’s commercial positioning is focused on Western Europe, among diverse product segments such as wine, beer, food preserves, water and soft drinks.

Today, Vidrala is one of the suppliers of reference in Western Europe. The Group produces more than 8.3 billion bottles and jars per year, which are sold to over 1,600 customers.

Packaging for food and beverage products is an essential part of modern day living. Without containers, it would be impossible to distribute these products from the origin of production to the destiny of consumption. In developed regions, such as Europe, consumers are becoming more aware, increasingly demanding sustainable packaging solutions and sustainability across the complete supply chain. As a result, the use of containers is becoming increasingly necessary.

Containers can be produced with different materials in a variety of shapes, sizes and characteristics. Each of them has a different effect on the environment as a result of the material used to produce it, the manufacturing process and, especially, whether it can be recycled or not. The packaging industry is constantly working to improve the environmental impact of its products. Glass has unique advantages in this respect; it is made from natural sources and is 100% recyclable an infinite number of times, without losses in quality or quantity. Recycling glass helps the environment, limiting the use of natural resources, saving energy consumption, reducing carbon emissions and absorbing waste.

Surveys show that consumers and packagers around the world opt for glass as their preferred material. Glass is safe, hygienic, inert and impermeable to gases, vapours and liquids. It is the most beneficial material for health. It protects, preserves the flavour and properties of the packaged products. Moreover, glass helps brand owners to connect with end consumers, identifying and promoting their goods, acting as a marketing tool and an iconic representation of the product inside.

In conclusion, Vidrala progresses and consolidates itself as a key player in the packaging industry for food and beverage products, keeping the focus on offering an appropriate service level at a competitive cost, developing long-term business relationships with customers, and reinforcing the solvency of its capital structure. The evolution of the Group's financial results demonstrates the strength of the business model of Vidrala, a company that grows and evolves, being an organization with a clear vision: placing people, customers and suppliers at the center of all the actions put in place.

D) *The Issuer's business model*

Vidrala's business model is characterized by three key aspects that create noteworthy entry barriers:

- **LOGISTICS. Local sales nature.** Natural characteristics of hollow glass containers limit logistics. Customers' packaging activity demands service on time and supply flexibility. Proximity to the customer and service quality determines sales capabilities.
- **CONTINUOUS PROCESS. Capital intensive.** Glass manufacturing is based on a continuous 24/365 activity. Production process is intensive

in cost (labour and energy) and capital (periodical replacements). Technological development demands constant and complex adaptation.

- **OPERATING GEARING. Utilization rates.** Cost and capital intensity creates a high level of operating leverage. High utilization rates are crucial for profitability.

The global food and beverages market is large and growing and the use of primary packaging for these products increases gradually. Moreover, glass is gaining ground against alternative materials, supported by its unique characteristics in terms of recyclability, environmental sustainability, health, taste preservation and image. Under this long-term context, our internal management priorities remain firmly focused on customer, cost competitiveness and solvency of the capital structure, as the guarantees to consolidate the business under different economic cycles.

Acquisitions have contributed to build up a stronger, more diversified business model. A model with the capacity to expand margins, generate cash and reduce debt, thus creating shareholder value on a recurring basis. Therefore, the premises of our business stand on the need to balance growth and margins, investments and cash returns, through an adequate risk profile that secures the future of Vidrala in the long term.

E) The Issuer's 2021 financial performance

Net sales registered by Vidrala during the full year 2021 amounted to EUR 1,084.2 million, representing an increase of 9.7% over the previous year. On a constant currency basis, sales grew organically 8.2%.

Operating profit –EBITDA– obtained over 2021 reached EUR 267.7 million. This represents a variation of -4.3% over the figure reported last year reflecting an organic change, on a constant currency basis, of -5.7%. EBITDA margins reached 24.7% over sales. This represents a contraction of approximately 360 basis points over the previous year, as a result of growing inflationary pressures in glass manufacturing costs not reflected in sales prices.

Net profit for the full year 2021 amounted to EUR 145.2 million. As a result, earnings per share during the period reached EUR 4.88 per share. This represents a decrease of 8.8% over the previous period.

The solid cash generation obtained in the year was mainly allocated, with financial discipline, to debt reduction. As a result, net debt stood at EUR 97.1 million as of December 31, 2021, 58% below the previous year. Leverage ratio stood at 0.4 times twelve months EBITDA.

Find below a summary table with relevant financial figures:

	Full Year 2021	Full Year 2020
Sales (EUR million)	1,084.2	988.4
EBITDA (EUR million)	267.7	279.8
EBITDA margin (as percentage of sales)	24.7%	28.3%
EBIT (EUR million)	178.6	194.3
Net profit (EUR million)	145.2	159.5
Free cash flow (EUR million)	172.0	140.0
Debt (EUR million)	97.1	233.5
Debt / EBITDA (multiple)	0.4x	0.8x
Debt / shareholders' equity (multiple)	0.1x	0.3x
EBITDA / net financial expenses (multiple)	79.01x	50.74x
Total assets (EUR million)	1,703.2	1,521.4
Shareholders' equity (EUR million)	966.9	816.2

F) ESG Strategy

Vidrala continues to make progress in integrating sustainability into its corporate strategy. The Issuer is firmly committed to streamline the environmental impact of its processes, products and services. Progress of the Issuer's environmental efficiency is documented in detail in the statement of non-financial information / sustainability report, part of its annual report.

Glass is the most sustainable packaging material. It is made from natural and abundant raw materials. It is 100% recyclable, without any quantity or quality loss, so it can be shaped over and over again without losing any of its properties. Finally, glass packaging is safe, healthy and inert, thereby protecting and preserving the flavour and properties of the product inside. So, first of all, Vidrala is involved in encouraging the use of raw materials of natural / recycled origin, supporting progress in favor of the circular economy.

On the other hand, Vidrala has been investing above historical industry standards in furnaces modernisation, replacing old furnaces with newer ones that exhibit lower energy consumption. On top of that, Vidrala is analysing alternative sources to feed its furnaces that will help reduce its carbon footprint.

Apart from this, Vidrala is executing complementary projects to further optimize the environmental impact of its activity. This includes initiatives such as investing in self-generation power facilities, acquiring guarantees of renewable origin, carrying out CO2 absorption projects (tree planting),

executing energy-efficient projects (such as heat recovery), and developing a green logistic fleet, among others.

From a financial point of view, the Issuer has also undertaken several initiatives. In 2019, the Issuer completed the novation of a significant part of its debt towards a sustainable financing structure by committing specific objectives of environmental improvement and linking part of the financial cost to its achievement. In 2020, Vidrala invested an initial sum of £5 million into the HSBC Green Deposits scheme, with the interest being used to finance environmentally progressive projects such as those focused on renewable energy, energy efficiency, pollution control, and biodiversity conservation. In 2021, Vidrala formalised a sustainable interest rate swap, by linking its conditions to the reduction of its carbon footprint.

2.3. Standalone and Consolidated financial statements of the Issuer for the financial years ended on 31 December, 2020 and 31 December, 2021.

The Issuer's standalone and consolidated financial statements for the financial years ended on 31 December, 2020 and 31 December, 2021, audited and without reservations, are included by reference to this Information Memorandum:

- **2020 Standalone and Consolidated Annual Accounts:**

https://www.vidrala.com/default/documentos/1303_en-2020_individual_financial_information.pdf

https://www.vidrala.com/default/documentos/1304_en-2020_consolidated_financial_information.pdf

- **2021 Standalone and Consolidated Annual Accounts:**

https://www.vidrala.com/default/documentos/1390_en-2021_individual_financial_information.pdf

https://www.vidrala.com/default/documentos/1413_en-2021_consolidated_financial_information.pdf

3. Full name of the securities issue

Commercial Paper Programme Vidrala 2022.

4. Persons responsible

Mr. Raúl Gómez Merino, as representative, in the name and on behalf of VIDRALA, S.A., and jointly with the entities of the Issuer's group, the Group, is responsible for the entire content of this Base Information Memorandum (*Documento Base Informativo de Incorporación*) (the "**Information Memorandum**"), pursuant to his condition of Chief Financial Officer ("*Director Financiero*") of the Issuer.

Mr. Raúl Gómez Merino hereby declares that the information contained in this Information Memorandum is, to the best of his knowledge and after executing the reasonable diligence to ensure that it is as stated, compliant with the facts and does not suffer from any omission that could affect the content.

5. Duties of the Registered Advisor of the MARF

NORBOLSA, S.V., S.A. is a company duly registered in the Commercial Registry of Bizkaia, Volume 2.205, Page 32, Sheet 16.034, and in the Registry of Registered Advisors pursuant to Operative Instruction (*Instrucción Operativa*) 10/2014, of 23 June, in accordance with section 2 of the Circular 3/2013, of 18 July, on Registered Advisors on the Alternative Fixed-Income Market (“**Norbolsa**” or the “**Registered Advisor**”).

Norbolsa 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 (“**MARF**” or the “**Market**”), acting as specialist liaison between both, MARF and Vidrala, and as a means to facilitate the insertion and development of the same under the new securities trading regime.

Therefore, Norbolsa 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*).

Norbolsa has been designated as Registered Advisor of the Issuer in order to provide advisory services to Vidrala (i) on the admission to trading (*incorporación*) 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, Norbolsa with respect to the request for the admission (*incorporación*) 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 (*incorporación*) of the securities to trading;
- (ii) has assisted the Issuer in the preparation of the Information Memorandum, has reviewed all the information provided by the Issuer to the Market in connection with the request for the admission (*incorporación*) 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 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 Issuer's securities;
- (ii) sign any declarations which, in general, have been set out in the regulations as a consequence of the admission (*incorporación*) to trading of the securities on MARF, as well as with regard to the information required from companies with securities on the Market;
- (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 amount of this Commercial Paper programme will be a nominal of two hundred million euros (€200,000,000) (the “**Commercial Paper Programme**” or the “**Programme**”).

Such balance refers to the total maximum limit that the aggregate value of the outstanding securities issued under the Commercial Paper Programme can reach at any time.

7. Description of the type and class of the securities. Nominal value

The Commercial Paper are securities issued at discount, which represent a debt for the Issuer, accrue interest and will 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 two thousand (2,000).

8. Governing Law of the securities

The securities are issued in accordance with the Spanish legislation applicable to the Issuer or to the Commercial Paper. In particular, the Commercial Paper is issued pursuant to Royal Legislative Decree 4/2015, of 23 October, by virtue of which the restated text of the Securities Market Act is approved (*Texto Refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) (“**Securities Market Act**”), in accordance with its current wording and with any other related regulations.

This Information Memorandum is the one required in Circular 2/2018, of 4 December, of MARF, on admission (*incorporación*) and removal of securities on the Alternative Fixed-Income Market.

The courts and tribunals of the city of Bilbao 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 securities through book entries

The Commercial Paper to be issued under the Programme will be represented by book entries ("*anotaciones en cuenta*"), as set out in the mechanisms for trading on the MARF for which admission (*incorporación*) of the securities is requested. The party in charge of accounting records is Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. ("**Iberclear**"), with registered office in Madrid, Plaza de la Lealtad, 1, together with its Participating Entities pursuant to article 8.3 of the Securities Market Act and Royal Decree 878/2015, of October 2, on the clearing, settlement and recording of transferable securities represented by book entries, on the legal regime of the central securities depositories and central counterparties, and on the transparency requirements for issuers of securities admitted to trading in a regulated market, as amended by Royal Decree 827/2017, of September 1.

10. Currency of the issue

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

11. Order of priority

The present issue of Commercial Paper by Vidrala 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 securities and the procedure to exercise such rights. Method and term for payment and delivery of the securities

In accordance with the applicable legislation, the Commercial Paper issued under this 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 below.

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 Banco Santander, S.A. (as paying agent), into the account specified by the Issuer on the corresponding date of issuance.

In all cases the Managers 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 securities may be issued and subscribed on any day during its term. Notwithstanding the previous, the Issuer reserves the right not to issue new securities when it deems such action appropriate, pursuant to the cash needs of the Issuer or because it has found more advantageous conditions of funding.

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 Banco Santander, S.A., Bankinter, S.A., Banca March, S.A. and Norbolsa, S.V., S.A. (the “**Managers**”) 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 Managers transfer the Commercial Paper to third parties will be the rate freely agreed between the interested parties.

As these are discounted securities with 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 a decimal.

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.

EFFECTIVE VALUE OF €100,000 NOTIONAL NOTE

(Less than one year term)

Nominal rate (%)	7 DAYS			14 DAYS			30 DAYS			60 DAYS		
	Suscription Price (euros)	IRR/AER (%)	+10 days (euros)	Suscription Price (euros)	IRR/AER (%)	+10 days (euros)	Suscription Price (euros)	IRR/AER (%)	+10 days (euros)	Suscription Price (euros)	IRR/AER (%)	+10 days (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	1.62%	-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	2.17%	-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	2.71%	-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	3.26%	-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	3.82%	-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	4.38%	-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	4.93%	-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	5.50%	-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	6.06%	-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	6.63%	-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	7.20%	-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	7.78%	-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	8.35%	-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	8.93%	-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	9.52%	-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	10.10%	-122.23	99,265.71	4.59%	-121.34

EFFECTIVE VALUE OF €100,000 NOTIONAL NOTE

Nominal rate (%)	(Less than one year term)						(Equal to one year term)			(More than one year term)		
	90 DAYS			180 DAYS			365 DAYS			730 DAYS		
	Suscription Price (euros)	IRR/AER (%)	+10 days (euros)	Suscription Price (euros)	IRR/AER (%)	+10 days (euros)	Suscription Price (euros)	IRR/AER (%)	+10 days (euros)	Suscription Price (euros)	IRR/AER (%)	+10 days (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%	-6.81
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%	-13.53
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%	-20.17
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%	-26.72
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	1.25%	-33.19
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	1.50%	-39.59
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	1.75%	-45.90
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	2.00%	-52.13
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	2.25%	-58.29
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	2.50%	-64.37
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	2.75%	-70.37
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	3.00%	-76.30
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	3.25%	-82.16
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	3.50%	-87.94
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	3.75%	-93.65
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	4.00%	-99.29
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	4.25%	-104.86
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	4.50%	-110.37

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 a decimal.

N = nominal amount of the Commercial Paper.

E = cash amount at the time of subscription or acquisition.

d = number of calendar days between the date of issue (inclusive) and the date of maturity (exclusive).

IRR will be the annual interest of the Notes described in this section for periods of time longer than 365 days.

15. Managers, Paying agent and depository entities

The entities which will be collaborating in this Programme (the “**Managers**”) are:

- Banco Santander, S.A.
- Bankinter, S.A.
- Banca March, S.A.
- Norbolsa, S.V., S.A.

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

The Issuer has the possibility to appoint new Managers under the Programme. In the case that a new Manager is appointed by the Issuer, a relevant information notice will be published on the website of MARF (<http://www.bmerf.es>).

Banco Santander, S.A. will also act as paying agent (the “**Paying Agent**”).

The Issuer has not designated any securities’ depository entity. Each subscriber will designate, from among the participants in Iberclear, the entity in which to deposit its securities.

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

The Commercial Paper issued under this 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 this 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 securities to their legitimate holder. Banco Santander, 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 TARGET 2 calendar (*Transeuropean Automated Real-Time Gross Settlement Express Transfer System*), reimbursement will be deferred to the first subsequent business day. This case will not have 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 this Information Memorandum 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).

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 securities

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 securities

In accordance to the provisions set out in current legislation, the Commercial Paper is rated as financial assets with implicit returns. Following is described the tax regime applicable to the acquisition, ownership and, if only, later transfer of the offered Commercial Paper.

This summary is not intended to be, nor should it be construed to be legal or tax advice. This summary is not a complete analysis or description of all the possible Spanish tax implications of such transactions and does not address all tax considerations that may be relevant to all categories of potential investors, some of whom may be subject to special rules (for instance, EU pension funds and EU harmonized collective investment institutions). In particular, this tax section does not address the Spanish tax consequences applicable to partnerships or other entities that are taxed as "look through" entities (such as trusts or estates).

Similarly, this information does not take into account specific regulations established in Navarra or in the historic territories of the Basque Country or the specialties in place in other Autonomous Communities of Spain (including the Autonomous Cities of Ceuta and Melilla).

Accordingly, prospective investors in the Commercial Paper should consult their own tax advisors as to the applicable tax consequences of their purchase, ownership and

disposition of our Commercial Paper, including the effect of tax laws of any other jurisdiction, based on their particular circumstances.

The description of Spanish tax laws set forth below is based on law currently in effect in Spain as at the date of this Programme, and on administrative interpretations of Spanish law. As a result, this description is subject to any changes in such laws or interpretations occurring after the date of this Programme, including changes having retrospective effect.

For illustrative purposes only, the applicable regulations will be:

- Law 35/2006, of 28 November, governing Personal Income Tax and partial amendment of the laws on Corporate Tax, Non-residents Income Tax and Wealth Tax (“**PIT Law**”), as well as Royal Decree 439/2007, of 30 March, which approves the Regulation on Personal Income Tax and modifies the Regulations on Pension Funds and Plans approved through Royal Decree 304/2004, of 20 February (“**PIT Regulation**”);
- Law 27/2014, of 27 November, of the Corporate Tax Law (“**CIT Law**”) as well as Corporate Tax Regulations approved through Royal Decree 634/2015, of 10 July (“**CIT Regulation**”);
- Royal Legislative Decree 5/2004, of 5 March, which approves the consolidated text of the Non-residents Income Tax Law (“**NRIT Law**”), and in Royal Decree 1776/2004, of 30 July, which approves the regulations of Non-residents Income Tax (“**NRIT Regulation**”);
- Law 19/1991, of 6 June, of the Wealth Tax (“**WT Law**”);
- Law 29/1987, of 18 December, of the Inheritance and Gift Tax (“**IGT Law**”);
- Law 37/1992, of 28 December, regulating Value Added Tax (“**VAT Law**”); and
- Royal Decree 1/1993, of 24 September, regulating the consolidated text of Law of the tax on Onerous Property Transfers and Documented Legal Acts (“**OPT and DLA Law**”).
- Additional Provision One of Law 10/2014, of 26 June, of management, supervision and solvency of credit institutions (Law 10/2014);
- Royal Decree 1065/2007, of 27 July, approving the General Regulations for tax management and inspection actions and procedures (“RD 1065/2007”).

All the foregoing without prejudice to the tax regimes in force in the provinces of the Basque Country and Navarra (*regímenes tributarios forales de Concierto y Convenio económico en vigor, respectivamente, en los territorios históricos del País Vasco y en la Comunidad Foral de Navarra*) or other that may be applicable due to the characteristics of the Investor.

As a general rule, in order to dispose of or obtain the reimbursement of financial assets with implicit yield that are subject to withholding tax at the time of the 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 price of the transaction. The financial institutions through which the payment of interest is made or which intervene in the transfer, redemption or reimbursement of the securities holder must determine and notify the income allocated to the taxpayer to both the holder of the security as well as to the Tax Authorities. The Tax Authorities must also be notified of those persons taking part in the aforementioned transactions. This as it will be explained more in detail below.

Investors that are individuals with tax residence in Spanish territory

Personal Income Tax

Income obtained by the assets holders that are taxpayers of the Personal Income Tax (“**PIT**”) because of the transfer, redemption or reimbursement thereof will be considered as an implicit yield (movable income) derived from the transfer of own capital to third parties, in the terms provided in article 25.2 of PIT Law.

The difference between the value of subscription or acquisition of the asset and its transfer, redemption, or reimbursement value will be added to the saving taxable base of the financial year in which the sale, redemption or reimbursement takes place. The tax will be paid at the rate in force, which is currently 19% up to €6,000, 21% from €6,000.01 to €50,000, 23% from €50,000.01 to €200,000 and 26% from EUR 200,000.01 upwards.

In order to carry out the transfer or reimbursement of the assets, the prior acquisition must be certified by a public notary or by the financial institutions obliged to carry out the withholding tax, together with the acquisition price at which the transaction was carried out. The issuer shall not be entitled to reimburse the financial assets in case the asset holder does not certify its condition through the corresponding certificate.

In general, the implicit yield derived from the investments in commercial paper by individuals that are resident on Spanish territory are subject to withholding tax at source, as interim payment of PIT at the current rate of 19%. The withholding carried out will be deductible from the PIT amount, giving rise, where appropriate, to the tax rebates provided for in current legislation.

In the case of returns obtained through the transfer of the Commercial Paper, the financial institution acting on behalf of the transferring party will be obliged to make the withholding at source.

In the case of returns obtained through the reimbursement, the entity obliged to make the withholding will be the issuer or the financial institution responsible for the transaction.

Similarly, to the extent that the securities are subject to the tax regime set out in Additional Provision One of Law 10/2014, of 26 June, governing the legal system, supervision and solvency of credit institutions (“Law 10/2014”) the reporting regime set out in article 44 of Royal Decree 1065/2007, of 27 July, will apply pursuant to the wording given in Royal Decree 1145/2011, of 29 July, for the securities issued with a redemption period of 12 or less months.

In case the Additional Provision One of Law 10/2014 was not applicable, or applying, the amortization or redemption period of the Commercial Paper was higher than 12 months, the general reporting obligations would be applicable.

Wealth tax

Individuals are subject to Spanish Wealth Tax (“WT”) on all their assets (such as the Commercial Paper) owned every December 31 net of debt, irrespective of where the assets are located.

WT Law exempts from taxation the first €700,000 of net wealth owned by an individual (some additional exemptions may apply on specific assets); the rest of the net wealth is taxed at rates ranging between 0.2% to 3.5%. However, this taxation may vary depending on the Spanish Autonomous Community of residence of the corresponding Spanish Holder.

Spanish individuals subject to WT filing obligations will be obliged to include reference (in the corresponding tax form) to the Commercial Paper yearly owned at December 31. These Commercial Paper should be reported at their average market value during the last quarter of the year. The Spanish Ministry of Finance and Taxation publishes annually such market value for the purposes of the WT.

Inheritance and Gift Tax

Moreover, pursuant to IGT Law, individuals resident in Spain that acquire the securities or rights over these securities through inheritance or gift will be subject to the Inheritance and Gift Tax (“IGT”) without prejudice to the specific legislation applicable in each Autonomous Community. The effective tax rate, after applying all relevant factors, ranges from 0% to 81.6%. Some tax benefits may reduce the effective tax rates (bearing in mind the Autonomous regions provisions).

Investors that are entities with tax residence on Spanish territory

Corporate Income Tax

Both interest periodically received and income derived from the transfer, redemption or repayment of the Commercial Paper are subject to Corporate Income Tax (“CIT”) at the current general tax rate of 25%, in accordance with the rules for such tax.

The profits obtained by CIT taxpayers when said profits arise from these financial assets are exempt from the obligation of carrying out the withholding tax provided that the commercial paper (i) are represented by book entries and (ii) are traded on a Spanish official secondary market of securities, or on a multilateral trading facility such as the MARF. Otherwise, the withholding at source -performed as an interim payment of the CIT- will be carried out at the current rate of 19%. The interim withholding carried out will be deductible from the CIT amount payable.

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 which is explained in sections “Reporting Regime set out in article 44 of Royal Decree 1065/2007” and “General Reporting Regime”.

In order to carry out the transfer or reimbursement of the assets, the prior acquisition must be certified by a public notary or by the financial institutions obliged to carry out the withholding tax, together with the acquisition price at which the transaction was carried out.

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 Royal Decree 1065/2007, of 27 July, will be applicable in accordance

with the wording given through Royal Decree 1145/2011, of 29 July, for the securities issued with a redemption of 12 or less months.

Wealth Tax

Legal entities are not subject to WT.

Inheritance and Gift Tax

Legal entities do not pay IGT and will be subject to the CIT Law.

Investors that are not resident in Spanish territory

Non-residents income-tax for investors not resident in Spain with a permanent establishment

Non-resident investors with a permanent establishment in Spain will be subject to the provisions governed by Chapter III of the referred NRIT Law, without prejudice to which is established by the Treaties entered by Spain to avoid double taxation.

Income obtained by non-resident investors with a permanent establishment in Spain will not be subject to withholding tax on account of the NRIT upon the same terms indicated above for legal entities resident in Spain. The withholding tax procedure will be also the same as provided for such entities.

Non-residents income-tax for investors not resident in Spain without permanent establishment

To the extent that the provisions set out in Additional Provision One of Law 10/2014 are met, the implicit yield derived from the securities will be exempt from NRIT in the same terms as the public debt (regardless it is obtained through a tax haven). If the aforementioned Additional Provision One is not applicable, the returns resulting from the difference between the value of redemption, transfer, reimbursement or swap of the securities issued under the Commercial Paper Programme and their subscription or acquisition value, will be subject to taxation at a tax rate of 19%, in general. Tax treaties and domestic exemptions should be borne in mind.

In order to apply the exemption referred to in the previous paragraph to the securities issued with a redemption of 12 or less months, it will be necessary to comply with the procedure set out in article 44 of Royal Decree 1065/2007, of 27 July, in the wording given by Royal Decree 1145/2011, of 29 July.

In case the Additional Provision One of Law 10/2014 was not applicable, or applying, the amortization or redemption period of the Commercial Paper was higher than 12 months, the general reporting obligations would be applicable.

Wealth Tax

Without prejudice to the provisions set out in the treaties to avoid double taxation, in general those individuals that do not reside in Spain pursuant to the provisions set out in article 9 of the PIT Law and who, at 31 December each year, own properties that are located in Spain or rights that are executable in Spain, are subject to WT, without prejudice to any applicable exemptions.

Taxpayers will be entitled to apply a minimum exemption amount to 700,000 euros, as well as the general scale of charges whose tax rates ranges from 0.2% to 3.5%, and

without prejudice to what had already been established, where appropriate, in each Autonomous Region.

The valuation of these assets will be subject to the same criteria as provided in connection with individuals resident for tax purposes in Spain.

However, it should be taken into account that those securities whose implicit yields are exempt from the NRIT will be also exempt from WT.

Moreover, since the resolution issued by the Court of Justice of the European Union on September 3, 2014 (case C-127/12), which involve the amendment to the Fourth Additional Provision of WT Law, Non-Spanish individual holders tax resident in a State of the European Union or of the European Economic Area will be entitled to apply the specific regulation of the Autonomous Community where their most valuable assets are located and which trigger WT due to the fact that they are located or are to be exercised within the Spanish territory. We recommend investors to consult their own advisors in this regard.

Inheritance and Gift Tax

Without prejudice to the provisions set out in the treaties to avoid double taxation, individuals non-resident in Spain that acquire securities located in Spain or executable rights over the same through inheritance or gift will be subject to IGT pursuant to state laws, regardless of the residence of the heir or the beneficiary. The applicable tax rate, after applying all relevant factors, ranges approximately between 0% and 81.6% for individuals.

However, according to the resolution issued by the Court of Justice of the European Union on September 3, 2014 (case C-127/12) if the deceased, heir or the donee are resident in a European Union or European Economic Area Member State, depending on the specific situation, the applicable rules will be those corresponding to the relevant autonomous regions according to the law. Accordingly, prospective holders should consult their tax advisors.

Also, as a consequence of the recent Judgements of February 19, March 21 and March 22, 2018, the Supreme Court has declared that the application of state regulations when the deceased, heir or donee is resident outside of a Member State of the European Union or the European Economic Area violates Community law to the free movement of capital, so even in that case it would be appropriate to defend the application of regional regulations in the same cases as if the deceased, heir or donee was resident in a Member State. The Spanish Tax Administration (“*Dirección General de Tributos*”) has expressed the same opinion under their binding resolutions V3151-18 and V3193-18.

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

In the event that the First Additional Provision of Law 10/2014 applies to the issue of the commercial paper, the reporting regime established in article 44 of the Royal Decree 1065/2007, as amended by Royal Decree 1145/2011, of 29 July will apply thereto. The above as long as the commercial paper issued has a redemption period equal or lower than twelve months.

In case the referred reporting regime applies, (i) the entities maintaining the securities in its third parties accounts, and (ii) entities managing the securities compensation and liquidation systems established in a foreign country which have signed an agreement with such compensation and liquidation entity domiciled within the Spanish territory, shall file before the issuer, or the financial institution acting on its behalf, the statement according to the form annex to the aforesaid Royal Decree 1145/2011, which will include:

- Identification of the securities
- Reimbursement date.
- Total amount of income derived from the reimbursement of the securities
- Amount of income corresponding to taxpayers of Personal Income Tax
- Amount of income that shall be paid on its gross amount

Income corresponding to non-residents without a permanent establishment in Spain, to taxpayers of CIT and to non-residents with permanent establishment in Spain, will be paid on its gross amount.

According to the wording of section 6 of article 44 of the Royal Decree 1065/2007 after the aforesaid legal modification, such statement will be submitted the working day prior to the maturity date of the paper, taking into account the situation at the end of the market of the mentioned day. Such statement could be presented through electronic processes.

The lack of submission of the statement referred to in article 44 of the Royal Decree 1065/2007, by any of the obliged entities, at the date foreseen in first paragraph of article 44.6 of the Royal Decree 1065/2007 would imply, for the issuer or its authorized paying agent, the obligation of paying the income corresponding to such entity on its net amount resulting after deducting withholding taxes at the general tax rate over the total amount of such interest.

Subsequently, if the obliged entity submits the statement established in article 44 of the Royal Decree 1065/2007 prior to the 10th day of the month following to the month when the maturity of the paper takes place, the issuer or its authorized paying agent will refund the exceeded withholding.

General reporting regime

In the event that the First Additional Provision of Law 10/2014 did not apply to the issue of the commercial paper or applying, the redemption period was higher than twelve months, the information obligations set out in articles 92 of the PIT Regulation and article 63 of the CIT Regulation would be applicable.

As per such provisions, in order to carry out the transfer or reimbursement of the assets, the prior acquisition of the same must be certified by notaries public or financial institutions obliged to perform the withholding, as well as showing the price at which the transaction was carried out.

Indirect taxation in the acquisition and transfer of the securities issued

The acquisition and, where appropriate, subsequent transfer of the Commercial Paper is exempt from Value Added Tax and Tax on Onerous Property Transfers and Documented Legal Acts (“**OPT and DLA**”), as per VAT Law and OPT and DLA Law, under the terms provided by the referred legislation.

22. Publication of the Information Memorandum

This Information Memorandum will be published on the website of MARF (<http://www.bmerf.es>)

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

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

For these purposes, the Managers 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 qualified investors.

The amount, interest rate, issue and disbursement dates, maturity date, as well as the rest of the terms of each issue shall be agreed between the Issuer and the Manager or Managers involved. Such terms shall be confirmed by means of the delivery of a document which includes the conditions of the issue, to be sent by the Issuer to the relevant Managers and Paying Agent.

If the Commercial Paper are originally subscribed by the Manager or Managers for its subsequent transmission to the final investors, the price will be the one freely agreed by the interested parties, which may not be the same as the issue price (that is, the effective amount).

The interest to which the Managers transmit the Commercial Paper to the final investors will be the same as agreed by the Manager and the Issuer, and there can be no difference between the listing price of the Commercial Paper, that is, the interest rate that the Issuer is willing to satisfy and has notified to the Managers, and the interest rate to which the Managers place such Commercial Paper to the investors.

Issue and subscription of the Commercial Paper directly by investors

Additionally, final investors who are eligible as qualified investors (as such term is defined in Article 39 of Royal Decree 1310/2005 or the regulation that may replace it and in the equivalent legislation in other jurisdictions) may subscribe for the Commercial Paper directly from the Issuer, as long as they fulfil any requirements that could arise from the legislation in force.

In such cases, the amount, interest rate, issue and disbursement dates, maturity date, as well as the rest of the terms of each issue shall be agreed between the Issuer and the relevant 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 admission (*incorporación*)

The costs for all legal, financial and auditing services, and other services provided to the Issuer for the admission to trading of the Commercial Paper sum up a total of € 25.000, excluding taxes, and including the fees of MARF and Iberclear.

25. Admission (*incorporación*) to trading of the securities

Deadline for the admission (incorporación) to trading

The admission (*incorporación*) to trading of the securities described in the present 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 securities. 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 published as relevant information (“*Otra información relevante*”). This is without prejudice to any possible contractual liability that may be incurred by the Issuer. The date of incorporation of the Commercial Paper must be, in any event, a date falling within the validity period of the Programme and under no circumstances will the listing period exceed the maturity date of the Commercial Paper.

MARF has the legal structure of a multilateral trading facility (MTF) (*sistema multilateral de negociación (SMN)*), under the terms set out in the Royal Decree-Law 21/2017, of 29 of December, on urgent measures for the adaptation of Spanish law in accordance with European Union regulation in relation to the securities market, constituting an unofficial alternative market for the trading of fixed-income securities.

This Information Memorandum is the one required in Circular 2/2018, of 4 December, of MARF, on admission (*incorporación*) and removal of securities on the Alternative Fixed-Income Market, and the applicable proceedings on admission (*incorporación*) to trading and removal of MARF set out in its own Regulations and other applicable regulations.

Neither MARF, the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (CNMV) or the Managers have approved or carried out any verification or testing regarding the content of the Information Memorandum and the audited financial statements. 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 the present 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 its requirements, 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 admission (*incorporación*) to trading.

The admission (*incorporación*) to trading will be published on the website of MARF (<http://www.bmerf.es>).

26. Liquidity agreement

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

In Llodio, July 22, 2022

As the person responsible for this Base Information Memorandum:

Mr. Raúl Gómez Merino

VIDRALA, S.A.

ANNEX 1
STANDALONE AND CONSOLIDATED 2020 AND 2021 ANNUAL ACCOUNTS

2020 Standalone and Consolidated Annual Accounts:

https://www.vidrala.com/default/documentos/1303_en-2020_individual_financial_information.pdf

https://www.vidrala.com/default/documentos/1304_en-2020_consolidated_financial_information.pdf

2021 Standalone and Consolidated Annual Accounts:

https://www.vidrala.com/default/documentos/1390_en-2021_individual_financial_information.pdf

https://www.vidrala.com/default/documentos/1413_en-2021_consolidated_financial_information.pdf

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