

PROPOSED RESOLUTIONS TO BE ADOPTED AT THE GENERAL SHAREHOLDERS' MEETING OF FAES FARMA, S.A. TO BE HELD ON 14 OR 15 JUNE 2023

1º.- Examination and approval, where appropriate, of the annual accounts and management report of Faes Farma, S.A. and its consolidated Group, of the proposed allocation of profits for year 2022 and of the corporate management.

1.1. Approval of the annual accounts and management report of Faes Farma, S.A. and its consolidated Group for the 2022 financial year.

"To approve the annual accounts (balance sheet, profit and loss account, statement of changes in equity, cash flow statement and notes) and the management reports, both of Faes Farma, S.A. (the "**Company**" or "**Faes Farma**") and of its consolidated group, prepared by the Board of Directors, which coincide with those audited, for the financial year ended 31 December 2022".

1.2. Approval of the consolidated statement of non-financial information for the 2022 financial year, which forms part of the consolidated management report of Faes Farma, S.A. and its consolidated Group.

"To approve the consolidated statement of non-financial information for the year ended 31 December 2022, which forms part of the consolidated management report of Faes Farma."

1.3. Approval of the proposed allocation of the profit of Faes Farma, S.A. for the 2022 financial year.

"To approve the distribution of the Company's profit for the financial year 2022, amounting to 73,075,077.75 euros, as follows:

To Voluntary Reserves	61,485,926.37
To Legal reserve	267,293.38
To Interim dividend paid in January 2023	11,321,858.00

A)

In addition, regarding shareholder remuneration, it should be taken into account that an amount of 3,285,701.50 euros has been allocated to the cash payment derived from the acquisition by Faes Farma of the free allocation rights of the shareholders who so requested in the bonus share capital increase agreed in execution of the resolutions adopted by the General Shareholders' Meeting held on 22 June 2022 under item 4 of the agenda for

the implementation of a flexible remuneration system. This amount was paid on 28 April 2023.

In addition to the aforementioned amounts totalling more than 14,607 thousand euros paid in cash, 34,540,185.32 euros in shares (equivalent to 10,882,226 new shares valued at 3.174 per share, which was the average price of the five sessions prior to the adoption of the resolution by the Board) were allocated to remunerate shareholders within the framework of the scrip dividend remuneration scheme, in application of point 4 of the Agenda approved by the General Meeting of Shareholders held on 22 June 2022.

Therefore, adding the aforementioned items together, the total remuneration to be received by shareholders for the two dividends (scrip and cash) will amount to €0.155 per share.

B)

In the consolidated annual accounts for the year 2022, the consolidated profit before tax amounted to 101,421 Ml/€, income tax amounted to 11,919 Ml/€, so that the profit for the year amounted to 89,502 Ml/€ and the profit attributable to the parent company amounted to 89,550 Ml/€."

1.4. Approval of the management of the Board of Directors of Faes Farma, S.A.

"To approve the management carried out by the Board of Directors during the financial year 2022".

2 °.- Shareholder remuneration plan. Approve a capital increase charged to reserves in order to meet the shareholder remuneration scheme.

To increase the share capital by an amount to be determined in accordance with the terms of the resolution, by issuing new ordinary shares with a par value of €0.10 each, without share premium, of the same class and series as those currently in circulation, charged to voluntary reserves from retained earnings. Express provision for the possibility of incomplete subscription of the capital increase. Delegation of powers to the Board of Directors to set the terms and conditions of the increase in all matters not provided for by this General Meeting, to carry out the acts necessary for its execution, to adapt the wording of article 5 of the Articles of Association to the new share capital figure. Application to the competent national bodies for the new shares to be admitted to trading on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges, through the Stock Market Interconnection System (Continuous Market).

1. Enlargement

It is resolved to increase the share capital by the amount resulting from multiplying (a) the nominal value of ten euro cents (€0.10) per share of the Company by (b) the determinable number of new shares of the Company resulting from the formula set out in point 2 below (the "**New Shares**").

The capital increase is carried out through the issue and circulation of the New Shares, which will be ordinary shares with a par value of 0.10 euros each, of the same class and series as those currently in circulation, represented by book entries.

The capital increase is entirely charged to the reserves provided for in article 303.1 of the Capital Companies Act.

The New Shares are issued at par, i.e. for their nominal value of 0.1 euro, without share premium, and will be allotted free of charge to the Company's shareholders.

In accordance with the provisions of article 311 of the Capital Companies Act, provision is made for the possibility of incomplete allocation of the increase.

2. New shares to be issued

The number of New Shares shall be the number resulting from the application of the following formula, rounded down to the next lower whole number:

$$\text{NAN} = \text{NTAcc} / \text{No. of allocation rights}$$

where,

NAN = Number of New Shares to be issued;

NTAcc = Number of Faes Farma shares in circulation on the date on which the Board of Directors resolves to carry out the capital increase; and

No. rights = Number of free allocation rights necessary for the allocation of one New Share, which will be the result of applying the following formula, rounded down to the next lower number:

$$\text{No. rights} = \text{NTAcc} / \text{Provisional no. shares.}$$

where,

$$\text{Provisional no. of shares} = \text{Amount of the Alternative Option} / \text{PreCot.}$$

To this end:

"Alternative Option Amount" is the market value of the capital increase, to be set by the Board of Directors, based on the number of shares outstanding (i.e. NTAcc).

"PreCot" is the arithmetic mean of the weighted average prices of Faes Farma shares on the Spanish Stock Exchanges in the 5 trading sessions prior to the resolution of the Board of Directors to carry out the capital increase, rounded to the nearest thousandth of a euro and, in the case of half a thousandth of a euro, to the next higher thousandth of a euro.

3. Free allocation rights

Each outstanding share of the Company will confer one free allocation right.

The number of free-of-charge allocation rights required to receive one New Share will be determined automatically according to the ratio between the number of New Shares and the number of shares outstanding (NTAcc). Specifically, shareholders will be entitled to receive one New Share for each number of free allotment rights determined in accordance with point 2 above (No. rights) held.

If the number of free allocation rights required for the allocation of one share (No. rights) multiplied by the New Shares (NAN) is less than the number of outstanding shares (NTAcc), the Company or an entity of its group will waive a number of free allocation rights equal to the difference between the two figures, for the sole purpose of making the number of New Shares a whole number and not a fraction.

The free-of-charge allocation rights will be allocated to the shareholders of the Company that appear as such in the accounting records of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.* (Iberclear) on the corresponding dates in accordance with the applicable securities clearing and settlement rules. During the free-of-charge allocation rights trading period, sufficient free-of-charge allocation rights may be acquired on the market in the proportion necessary to subscribe New Shares. The free-of-

charge allocation rights may be traded on the market during the period determined by the Board, with a minimum of fifteen calendar days.

4. Irrevocable commitment to acquire the free-of-charge allocation rights.

The Company or, with its guarantee, such company of its Group as may be determined, will enter into an irrevocable commitment to purchase the rights received free of charge by the shareholders at the price indicated below. The Purchase Commitment shall be in force and may be accepted by the aforementioned shareholders during the term, within the trading period of the rights, to be determined by the Board of Directors. For this purpose, it is resolved to authorise the Company, or the corresponding company of its Group, to acquire such free allocation rights (as well as the shares corresponding thereto), up to the maximum limit of the total number of rights to be issued, in all cases in compliance with the legal limitations. The "Purchase Price" of each free-of-charge allocation right will be equal to the result of the following formula, rounded off to the nearest thousandth of a euro and, in the case of half a thousandth of a euro, to the next higher thousandth of a euro:

$$\text{Purchase Price} = \text{PreCot} / (\text{Num. Rights} + 1)$$

5. Balance sheet for the operation and reserve against which the increase is being made

The balance sheet on which the transaction is based is the balance sheet as at 31 December 2022, duly audited and approved by this Shareholders' General Meeting.

The capital increase will be carried out entirely with a charge to the reserves provided for in article 303.1 of the Capital Companies Act. Upon implementation of the Increase, the Board of Directors will determine the reserve to be used and the amount thereof in accordance with the balance sheet used as the basis for the transaction.

6. Representation of new shares

The shares issued will be represented by book entries, the accounting record of which is attributed to *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear)* and its participating entities.

7. Rights of the new shares

The new shares will confer on their holders the same voting and dividend rights as the Company's ordinary shares currently in circulation as from the date on which the increase is declared subscribed and paid up.

8. Depositary Shares

At the end of the trading period for the free-of-charge allocation rights, the New Shares that could not be allotted for reasons not attributable to the Company will

be held in deposit at the disposal of those who can prove their legitimate ownership of the corresponding free-of-charge allocation rights. Three years after the end of the trading period for the free allocation rights, any shares still pending allocation may be sold in accordance with the provisions of article 117 of the Capital Companies Act, at the risk and expense of the interested parties. The net proceeds of such sale shall be deposited with the Bank of Spain or with the *Caja General de Depósitos* at the disposal of the interested parties.

9. Application for admission to official negotiation

It is resolved to apply for admission to trading of the New Shares on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges, through the Stock Exchange Interconnection System (Continuous Market), expressly stating Faes Farma's submission to the rules that exist or may be issued regarding the Stock Exchange and, especially, regarding contracting, permanence and exclusion from official listing.

It is expressly stated for the record that, in the event that the delisting of the Company's shares is subsequently requested, the delisting shall be adopted with the same formalities as those applicable and, in such event, the interest of the shareholders who oppose the delisting resolution or do not vote for it shall be guaranteed, in compliance with the requirements set forth in the Capital Companies Act and concordant provisions, all in accordance with the provisions of the legislation in force at any given time.

10. Implementation of the increase

Within a period of one year from the date of this resolution, the Board of Directors may resolve to carry out the increase and set the terms and conditions thereof in all matters not provided for in this resolution. Notwithstanding the foregoing, if the Board of Directors does not consider it advisable to implement the capital increase, it may decide not to implement it, and must report such decision to the first General Meeting held thereafter. The capital increase referred to in this resolution shall be null and void if, within the period of one year set by the General Meeting for the implementation of the resolution, the Board of Directors does not exercise the powers delegated to it.

After the end of the trading period of the free allotment rights:

- (a) The New Shares will be allocated to those who, according to the accounting records of Iberclear and its participating entities, were holders of free allocation rights in the proportion resulting from section 3 above.
- (b) The Board of Directors shall declare the trading period for the free-of-charge allocation rights closed and shall proceed to formalise the application of reserves in the amount of the capital increase, which shall be paid up with such application.

Likewise, once the trading period for the free allocation rights has ended, the Board of Directors will adopt the corresponding resolutions to amend the Bylaws to reflect the new capital figure resulting from the increase and to apply for admission to trading of the new shares on the Spanish Stock Exchanges where Faes Farma shares are listed.

11. Delegation for implementation

It is resolved to delegate to the Board of Directors, in accordance with the provisions of article 297.1.a) of the Capital Companies Act, the power to set the terms and conditions of the capital increase in all matters not provided for in this resolution. In particular, and by way of illustration only, the following powers are delegated to the Board of Directors:

- (a) To indicate, within one year of its approval, the date on which the resolution thus adopted to increase the share capital is to be put into effect and to set the amount of the Alternative Option, the reserves out of which the increase is to be made from among those provided for in the resolution and the duration of the trading period for the free-of-charge allocation rights.
- (b) To determine the exact amount of the capital increase, the number of New Shares and the free allotment rights necessary for the allotment of New Shares, applying the rules established by this Meeting.
- (c) Declare the capital increase closed and executed.
- (d) To redraft article 5 of Faes Farma's Bylaws, relating to share capital, in order to adapt it to the result of the implementation of the capital increase.
- (e) To renounce the New Shares corresponding to the free allocation rights acquired by the Company or the corresponding company of its Group pursuant to the Purchase Commitment and, if applicable, to apply the voluntary reserves arising from undistributed profits for this purpose, as appropriate.
- (f) To take all necessary steps to ensure that the New Shares covered by the capital increase are registered in the accounting records of Iberclear and admitted to trading on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges, in accordance with the procedures established on each of these Stock Exchanges.
- (g) To take such actions as may be necessary or advisable to execute and formalise the capital increase before any public or private entity or body, including those of declaration, supplementation or correction of defects or omissions that could impede or hinder the full effectiveness of the foregoing resolutions.

The board of directors is expressly authorised so that it, in turn, may delegate (with the power of substitution where appropriate) to the Chairman or the Secretary of the Board, pursuant to the provisions of article 249 bis. I) of the Capital Companies Act, all the delegable powers referred to in this resolution, all without prejudice to the powers of attorney that exist or may be conferred in relation to the content of this resolution".

3º.- Re-election or appointment of Directors**3.1 Re-election of Mr. Iñigo Zavala Ortiz de la Torre, as a proprietary director.**

"To re-elect Mr Iñigo Zavala Ortiz de la Torre as director in accordance with the proposal made by the Board of Directors, following a favourable report from the Appointments and Remuneration Committee, for the statutory term of four years. In accordance with article 529 duodecies of the Capital Companies Act, the director is considered a proprietary director".

3.2 Re-election of Mr Carlos de Alcocer Torra, as an independent director.

"To re-elect Mr Carlos de Alcocer Torra as director in accordance with the proposal made by the Appointments and Remuneration Committee for the statutory term of four years. In accordance with article 529 duodecies of the Capital Companies Act, the director is considered independent".

3.3 Re-election of Ms María Eugenia Zugaza Salazar, as an independent director.

"To re-elect María Eugenia Zugaza Salazar as director in accordance with the proposal made by the Appointments and Remuneration Committee for the statutory term of four years. In accordance with article 529 duodecies of the Capital Companies Act, the director is considered independent".

4º. Appointment of the statutory auditor for the Company and its consolidated group.

" To Re-elect Pricewaterhouse Coopers Auditores, S.L., with registered office in Madrid, Torre PWC, Paseo de la Castellana 259B and tax identification number B79031290, as auditors of the company and its consolidated group of companies for the financial years 2023, 2024 and 2025, in accordance with legal provisions. It is registered in the Mercantile Register of Madrid, page 87.250-1, folio 75, volume 9.267, book 8.054, section 3 and in the Official Register of Statutory Auditors under registration number S0242".

5º.- Reduction of share capital through the cancellation of a maximum of 5,441,113 own shares. Delegation of powers to the Board of Directors to establish the other conditions of the reduction in all matters not foreseen by the General Meeting, including, among other matters, redrafting article 5 of the Bylaws, requesting the delisting and cancellation of the accounting records of the shares to be redeemed.

1. Reduction of share capital through the redemption of treasury shares to be acquired through a buy-back programme for their redemption

It is resolved to reduce the share capital by the aggregate nominal value of € 544,111.30, representing the shares, with a nominal value of ten euro cents each, to be acquired through a share buy-back programme (the "**Buy-back Programme**") addressed to all shareholders, which has been approved by the Board at its meeting held on 4 May 2023 and the implementation of which is carried out in accordance with the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the "**Market Abuse Regulation**"), and of the Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing the Market Abuse Regulation as regards regulatory technical standards concerning the conditions applicable to buy-back programmes and stabilisation measures (the "**Delegated Regulation**"), and under the authorisation for the acquisition of treasury shares granted by the ordinary general meeting of shareholders held on 16 June 2021 under agenda item 8 (the "**Meeting Authorisation**").

The Repurchase Programme is subject to two quantitative limits in terms of the maximum monetary amount allocated to the Repurchase Programme and the number of shares to be acquired:

- (a) The maximum monetary amount allocated to the Buyback Programme is twenty-five million euros (€25,000,000.-).
- (b) The maximum number of shares to be acquired is five million four hundred and forty-one thousand one hundred and thirteen (5,441,113) shares, representing one point sixty-nine per cent (1.69%) of the share capital of the Company as of this date (including for the purposes of this calculation the new shares issued as a result of the capital increase of the Company formalised on 28 April 2023 "Scrip Dividend"-General Meeting 2022).

Consequently, the maximum amount of the capital reduction will be five hundred and forty-four thousand one hundred and eleven euros and thirty cents (€544,111.30) euros, which corresponds to the aggregate nominal value of the shares, each with a nominal value of ten euro cents, which are expected to be acquired through the Repurchase Programme, with the indicated maximum of 5,441,113 shares (the "**Capital Reduction**").

The final amount of the Capital Reduction shall be set by the Board of Directors (with express power of substitution) within the limits provided for in this resolution referred to above.

2. Purpose of the Capital Reduction

The purpose of the Programme Reduction is to redeem treasury shares, contributing to the Company's shareholder remuneration by increasing earnings per share, inherent to the reduction in the number of shares. This operation is configured as a nominal or accounting reduction, as its execution does not entail the return of contributions to shareholders.

3. Procedure, timeframe for implementation and reserves from which the Programme Reduction is made

The acquisition of the shares to be redeemed will be carried out under the authorisation of the General Meeting and in accordance with the applicable market abuse and stock market regulations. The shares will be acquired in accordance with the price and volume conditions set out in the applicable regulations.

The Capital Reduction shall be implemented within one year of the adoption of this resolution.

Pursuant to article 340.3 of the Capital Companies Act, if the Company does not reach the maximum number of shares to be acquired under the Buyback Programme, the capital shall be deemed to be reduced by the nominal value corresponding to the number of shares actually acquired under the Programme.

The Programme Reduction will not entail the return of contributions to the shareholders, given that, at the time of execution of the reduction, the Company will be the owner of the shares to be redeemed. The redemption of treasury shares to implement the Programme Reduction will be charged for accounting purposes to the reduction of share capital for an amount equivalent to the par value of the shares redeemed and any excess, until the price paid for their acquisition is reached, will be charged against the free reserves accounts. Likewise, for the purposes of the provisions of article 335 of the Capital Companies Act, it is hereby stated for the record that a reserve for amortised capital for an amount equal to the par value of the amortised shares shall be charged to the free reserves account, which may only be drawn down subject to the same requirements as those established for the reduction of share capital. Consequently, in accordance with the provisions of article 335 c) of the Capital Companies Act, the creditors' right of objection set out in article 334 of the same Act will not apply.

4. Delegation of powers and authorisations

It is resolved to delegate to the Board of Directors the power to determine the terms and conditions of this resolution in all matters not expressly provided for herein. In particular, and by way of illustration only, the following powers are delegated to the board of directors:

- (a) Proceed with the execution of the Capital Reduction within one year of the adoption of this resolution.
- (b) To set the final amount of the Capital Reduction in accordance with the rules set out in this resolution and depending on the final number of shares to be acquired from shareholders under the Buy-Back Programme.
- (c) To declare the Capital Reduction closed and executed and to redraft the

article of the Articles of Association relating to the capital and number of shares.

- (d) Carry out any actions, declarations or formalities that may be required in connection with the provision of public information and with any actions that may be required before the National Securities Market Commission and Stock Exchanges on which the Company's shares are admitted to trading, as well as before the regulators and governing bodies of the markets on which the Company's shares are traded.
- (e) Carry out the necessary formalities and actions and submit the necessary documents to the competent bodies so that, once the redemption of the Company's shares has taken place and the corresponding deed of capital reduction has been executed and registered in the Mercantile Register, the redeemed shares are delisted from trading on the Madrid, Barcelona, Bilbao and Valencia stock exchanges, through the *Sistema de Interconexión Bursátil* (Continuous Market), and the corresponding accounting records are cancelled.
- (f) To take such actions as may be necessary or advisable to execute and formalise the Capital Reduction before any public or private entities and bodies, including the declaration, supplementation or correction of defects or omissions that could impede or hinder the full effectiveness of the foregoing resolutions, all in the broadest terms.

The Board of Directors is expressly authorised so that it, in turn, may delegate (with the power of substitution where appropriate) to the Chairman, pursuant to the provisions of article 249bis.l) of the Capital Companies Act, all the delegable powers referred to in this resolution, all without prejudice to the powers of attorney that exist or may be conferred in relation to the content of this resolution".

6º.- Approval of the Remuneration Policy for years 2024, 2025 and 2026.

"To approve the Remuneration Policy for the Directors of Faes Farma, S.A. for the years 2024, 2025 and 2026, the full text of which has been made available to the shareholders together with the mandatory report of the Appointments and Remuneration Committee, as part of the documentation relating to the General Shareholders' Meeting, from the date of publication of the announcement of the call to meeting. The Remuneration Policy shall be in force from the date of its approval and, if applicable, for the following three years (2024 to 2026). Any modification or substitution of the directors' remuneration policy during the aforementioned period shall require the prior approval of the general shareholders' meeting in accordance with the provisions of the legislation in force".

7º.- **Consultative vote on the Annual Report on Directors' Remuneration for the 2022 financial year.**

"The Annual Directors' Remuneration Report for 2022 is published on the Company's website and is available to shareholders. In compliance with the provisions of article 541 of the Capital Companies Act, it is submitted to the consultative vote of the General Shareholders' Meeting".

8°. **To empower the Board of Directors to execute the resolutions adopted at the General Shareholders' Meeting.**

"To empower the Board of Directors with the broadest powers possible under the law, and in particular the Chairman and the Secretary, without distinction, to formalise and execute all resolutions adopted by the General Meeting, as well as to correct any omissions, corrections or errors therein and their interpretation, and to proceed with the registration in the Companies Register of the resolutions that require such a requirement".

4 May 2023
The Board of Directors