

REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF THE COMPANY VIDRALA, S.A. IN RELATION TO THE AGREEMENT REFERRED TO IN ITEM SIX OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS MEETING.

1.- PURPOSE OF THE REPORT.

Section 286 of the current Corporations Act requires, among other requirements, that the directors prepare a written report with the justification thereof, which, together with the full text of the proposed amendment, must be made available to shareholders in the time and form mentioned in that provision.

Section 296 of the Corporations Act establishes that the share capital increase must be agreed at the General Shareholders Meeting with the requirements established to amend the Articles of Association.

The purpose of this report is to comply with the aforementioned rules, which are drawn up by the Board of Directors of Vidrala, S.A. ('**Vidrala**' or the '**Company**') to justify the proposal -which is submitted for approval by the Company's General Shareholders Meeting called for April 27, 2021, 12:00 p.m., at first call and the following day, April 28, 2021, at the same time, at second call, under item seven of the agenda.

2.- JUSTIFICATION OF THE PROPOSAL.

The capital increase referred to in this report consists of a determinable amount resulting from multiplying (a) the par value of each share of Vidrala S.A. of ONE EURO AND TWO CENTS (€1.02), par value each by (b) the determinable number of new shares (the 'New Shares') of the Company in the proportion of ONE (1) New Share for each TWENTY (20) shares existing at the time of the capital increase.

It is therefore a question of offering the Company's shareholders a number of New Shares, released, in the proportion of ONE (1) New Share for each TWENTY (20) shares existing at the time of the capital increase.

The capital increase will be made from the 'Voluntary reserves' account, which can be freely disposed of, in the overall amount of EUR 149,294 thousand at December 31, 2020.

The Board of Directors considers that the capital increase proposed at the General Shareholders Meeting is a high interest transaction for the Company that is justified for three basic reasons:

- 1.- The Company thus allows it to pay the shareholder and, at the same time, maintain the resources necessary to face new projects that generate value for the shareholder.

The Company therefore remains faithful to its objective of creating value for the shareholder.

- 2.- This promotes greater liquidity of the value of VIDRALA, S.A. on the stock exchange, due to the increase in the shares of the Company in circulation.
- 3.- The structure of own resources, arising from the capitalization of the reserves, is strengthened.

Based on the above, the Board of Directors submits to the Ordinary General Shareholders Meeting the approval of the aforementioned capital increase operation, recognizing the right of proportional free of charge allocation in favor

of the shareholders, which is a new share for each TWENTY (20) shares already held.

The Company's balance sheet at December 31, 2020, which has been submitted for approval by the Ordinary General Shareholders Meeting, will be used as a reference.

Based on the above considerations, the Board considers it necessary for the General Shareholders Meeting, when agreeing to the share capital increase agreement, to delegate the aforementioned broad powers to the Board of Directors, with express authorization to replace these powers by any of the Board members, in order to further increase its speed of operation.

3.- FULL TEXT OF THE PROPOSED AMENDMENT AGREEMENT SUBMITTED FOR DELIBERATION AND DECISION AT THE ORDINARY GENERAL SHAREHOLDERS MEETING.

SIX.- Increase the share capital by the amount determined by the terms of the agreement, by issuing new ordinary shares of one euro and two cents (€1.02) par value each, without an issue premium, of the same class and series as those currently in circulation, charged to free disposal reserves, for the purpose of assigning them free of charge to the Company's shareholders, in the proportion of one (1) new share per twenty (20) existing shares of the Company. Delegation of authority to the Board of Directors, with express powers of substitution, to execute the extension - in whole or in part, within the limits of this agreement - and consequent amendment of article 5 of the Articles of Association, requesting the acceptance of the resulting shares in the Market Interconnection System and on the Bilbao and Madrid Stock Exchanges.

1.- Capital increase.

Increase the share capital by the determinable amount resulting from multiplying (a) the par value of each share of Vidrala S.A. of ONE EURO AND TWO CENTS (€1.02), with a par value each by (b) the determinable number of new shares (the "New Shares") of the Company in the proportion of ONE (1) New share for each TWENTY (20) shares existing at the time of the capital increase.

For clarity and illustrative purposes, with the share capital figure existing on the date of this agreement, the share capital would be increased by ONE MILLION FOUR HUNDRED FORTY NINE THOUSAND FOUR HUNDRED FORTY EUROS AND FORTY CENTS (€1,449,440.40), through the issue and putting into circulation of ONE MILLION FOUR HUNDRED TWENTY ONE THOUSAND TWENTY (1,421,020) new ordinary shares of ONE EURO AND TWO CENTS (€1.02), par value each, belonging to the only class and series of shares of the company, represented through book entries.

In any case, the New Shares are issued at par, that is to say, for their par value of ONE EURO AND TWO CENTS (€1.02), without issue premium, and will be allocated free of charge to the Company's shareholders.

The New Shares will be paid up against available reserves and will be allocated free of charge to the Company's shareholders in a proportion of ONE (1) new share for each TWENTY (20) old shares they hold.

In accordance with section 311 of the Corporations Act (the revised text of which was approved by Royal Legislative Decree 1/2010 of July 2 (the "Corporations Act")), the possibility of incomplete allocation of the Capital Increase is envisaged in the event that a beneficiary of the free of charge allocation rights waives all or part of the rights they hold, and therefore, if this waiver occurs, the capital will be increased by the corresponding amount.

2.- Recipients.

All of the New Shares issued under this Agreement will be allocated free of charge to the Company's shareholders in a proportion of ONE (1) New share for each TWENTY (20) shares held by the Company.

The free of charge allocation rights will be transferable on the same terms as the shares deriving from them.

For these purposes, shareholders are all natural or legal persons who, at the end of the day immediately before the start date of the free of charge allocation period referred to in the following paragraph, appear as holders of shares of the Company in the accounting records of the entities attached to the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal, the commercial name of which is IBERCLEAR-.

3.- Procedure for exercising the right to free allocation of shares.

In accordance with section 306.2 of the Corporations Act, the free of charge allocation rights may be exercised during a period of fifteen (15) calendar days following the announcement of the capital increase in the Official Gazette of the Commercial Registry and the Company's website www.vidrala.com.

The allocation of the shares subject to the capital increase may be processed through any of the entities affiliated with the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal, whose commercial name is IBERCLEAR-.

Once the negotiation period for the free of charge allocation rights has ended, the New Shares that could not have been allocated for reasons not attributable to Vidrala will remain in deposit at the disposal of those who prove the legitimate ownership of the corresponding free of charge allocation rights. Three (3) years after the end date of the negotiation period for free of charge allocation rights, the New Shares that are still pending allocation may be sold in accordance with Section 117 of the Corporations Act, at the expense and risk of the interested parties. The liquid amount of the sale will be deposited with the Bank of Spain or the General Deposit Fund at the disposal of the interested parties.

4.- Available reserves and reference balance sheet.

The capital increase will be made from the 'Voluntary reserves' account - of which it can be freely disposed, in the overall amount that at December 31, 2020 was EUR 149,294 thousand.

The balance sheet that will serve as the basis for the transaction will be on December 31, 2020, duly audited and approved at this Ordinary General Shareholders Meeting.

5.- Rights of the new shares.

The New Shares will attribute to their owners from the date of registration in the accounting records of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal - whose commercial name is IBERCLEAR-, the same political and economic rights that the rest of the Company's shares hold. Consequently, they will be entitled to receive the dividends that are agreed to be distributed after the date on which the award of the shares is registered in the book entries.

6.- Application for listing.

Request for admission to official listing, through the Shareholder Interconnection System on the Bilbao and Madrid stock exchanges, of the New Shares issued under this share capital increase agreement, following compliance with any applicable regulations, empowering the Board of Directors, with express powers of substitution

in one or more Board members, to execute any documents and perform any acts that may be necessary for this purpose, with full authority and without any restriction whatsoever.

7.- Amendment of Articles of Association.

Amend article 5 of the Articles of Association, as a result of this share capital increase agreement, to reflect the amount that results after the increase, expressly empowering the Board of Directors to redraft it with regard to the share capital once the increase has been agreed and implemented.

8.- Execution of the capital increase.

Within one (1) year of the date of this agreement, the Board of Directors may agree to effect the capital increase and set its terms regarding any provision not envisaged in this agreement. However, if the Board of Directors does not consider the capital increase to be appropriate within the period indicated, it may submit to the Vidrala General Shareholders Meeting the possibility of revoking it.

Once the negotiation period for free of charge allocation rights has ended:

- (a) The New Shares will be allocated to those which, in accordance with the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) and its participating entities, hold free of charge allocation rights in the proportion of ONE (1) New Share for each TWENTY (20) shares existing at the time of the capital increase.
- (b) The Board of Directors will declare the negotiation period of the free of charge allocation rights closed and will be responsible for the application of the 'voluntary reserves' in the amount of the capital increase, being paid up in this manner.

Likewise, once the free of charge allocation rights negotiation period has ended, the Board of Directors will approve the corresponding resolutions to amend the Articles of Association to reflect the new share capital figure and to request the admission to trading of the New Shares.

9.- Delegation to the Board of Directors.

In accordance with section 297.1 (a) of the current Corporations Act, the Board of Directors, with express powers of substitution, is authorized to set the exact amount of the capital increase and the exact number of New Shares to be issued, to set the date on which the capital increase agreement will take effect, in whole or in part, within a period not exceeding one year; and to determine all the terms of the capital increase not agreed by the General Shareholders Meeting.

They are also delegated, without the list below being exhaustive or entailing any limitation or restriction whatsoever to the powers that, as broadly as possible under the law, to the Board of Directors with the broadest powers to:

- (a) Indicate the date on which the capital increase agreement must take effect, in any case within one (1) year of its approval.
- (b) Fix the exact amount of the capital increase and the exact number of New Shares to be issued; to declare the capital increase closed and carried out
- (c) Carry out any action, statement or measure before the Spanish National Securities Market Commission, Companies Rector of the Stock Exchanges, Stock Market Company, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal, whose commercial name is IBERCLEAR-

and any other body or entity or public or private registry, to obtain any authorizations, verifications or formalities that may be necessary for the fullest enforcement of the above agreements.

- (d) *Draft, sign and execute any public and private documents that may be necessary or appropriate, so that the new shares issued are admitted to trading on the Bilbao and Madrid stock exchanges.*
- (e) *Draft and publish any announcements that may be necessary. Carry out any actions that may be necessary or appropriate to execute and formalize the capital increase before any public or private entities and bodies, including those of declaring, supplementing or rectifying errors or omissions that could impede or hinder the full effectiveness of the above agreements.*
- (f) *Agree on the cases of revocation of the capital increase in accordance with the usual practice in these types of transactions and to withdraw from the capital increase if this is legally possible and appropriate for the Company.*
- (g) *Amend article 5 of the Articles of Association, adapting it to the resulting new capital figure based on determining the amount of the capital increase and the number of shares that are ultimately subscribed and paid up.*
- (h) *Replace all or some of the powers granted under this Agreement in favor of one or more of the members of the Board of Directors.*

It is noted that the directors prepared a report justifying the proposal presented here."

Llodio, March 23, 2021