

## BASE INFORMATION MEMORANDUM DATED 26/06/2024



**Minerales y Productos Derivados, S.A. (MINERSA)**

*(Incorporated under the laws of the Kingdom of Spain)*

**Maximum outstanding balance of € 50,000,000**

**Minersa Commercial Paper Programme 2024**

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

Minerales y Productos Derivados, S.A. (“**Minersa**”, the “**Issuer**” or the “**Company**” and jointly with the entities of the Issuer’s corporate group “**the Group**”), a public limited company (*sociedad anónima*) incorporated under the laws of Spain with registered office Avenida Algorta 16, Getxo, registered in the Commercial Registry of Vizcaya under volume 1.412, sheet 8, page BI-579-A, and with Spanish Tax Identification Number A48008502 and Legal Entity Identification number 95980020140005436930 will request the admission (*incorporación*) to trading of commercial paper notes (“**Commercial Paper**”, “**Commercial Paper Notes**” or “**Notes**”) which will be incorporated to trading in accordance with the provisions set out in this base information memorandum (*documento base informativo de incorporación*) (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 the “Company” or the “Issuer” and similar terms refer to Minerales y Productos Derivados, S.A., and all references to “**Minersa**”, “**Group**”, “**Minersa Group**” and the like refer to the Issuer and its consolidated subsidiaries.

“**MARF**” is a multilateral trading facility system (“**MTF**”) and not a regulated market, in accordance with article 68 based on the terms of Law 6/2023, of March 17<sup>th</sup>, on Securities Markets and Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*) (“**Securities Markets Act**”). This Information Memorandum for the admission to trading of the Commercial Paper is the one required in Circular 2/2018, of 4<sup>th</sup> December, issued by MARF, on admission (*incorporación*) and removal (*exclusión*) of securities on the Alternative Fixed-Income Market (Circular 2/2018, de 4 de diciembre, sobre incorporación y exclusión de valores en el Mercado Alternativo de Renta Fija) (“**Circular 2/2018**”).

Application will be made for the Commercial Paper to be listed on the MARF under this Information Memorandum. The Commercial Paper will be represented by book entries (anotaciones en cuenta) and their accounting record will be entrusted to the book-entry (registro contable) 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 Commercial Paper involves certain risks.**

**Please refer to section 1 of this Information Memorandum related to the risk factors.**

**MARF has not undertaken any kind of verification or check in relation to the Information Memorandum, nor on the content of the rest of the documentation or information provided by the Issuer in compliance with the requirements set forth by the said abovementioned Circular 2/2018.**

**The Commercial Paper issued under the Programme is intended exclusively for: (i) persons in countries pertaining to the European Economic Area (“EEA”) that are “qualified investors” as defined by 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 (as amended, the “Prospectus Regulation”), and (ii) particularly to professional customers and “eligible counterparties”, as defined in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and**

Directive 2011/61/EU ("MiFID II") and its implementing regulations (including Articles 194 and 196 of the Securities Markets Act).

No action has been taken in any jurisdiction to permit a public offering of the Commercial Paper or the possession or distribution of the Information Memorandum or any other offering material in any country or jurisdiction where such action is required for said purpose. This Information Memorandum is not to be directly or indirectly distributed in any jurisdiction in which such distribution represents a public offering of securities. This Information Memorandum is not a public offering of securities or an application for an offering to buy securities, and no securities will be offered in any jurisdiction in which such an offer or sale is considered to be a violation of applicable law. In particular, this Information Memorandum does not represent a prospectus (*folleto informativo*) in accordance with the Prospectus Regulation and, therefore, it has not been approved by, or registered with, the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) ("CNMV"). The offering of the Notes under the Programme does not constitute a public offering in accordance with the provisions of Article 35 of the Securities Markets Act and therefore there is no obligation to approve, register, and publish a prospectus with the CNMV.

Neither MARF nor the Dealers (as defined below) have carried out any kind of verification or testing with regard to this Information Memorandum or with regard to the contents of the documentation and information provided by the Issuer in compliance with Circular 2/2018. The admission to MARF does not represent a statement or recognition of the fullness, comprehensibility and consistency of the documentation and information provided by the Issuer to the MARF in connection with this Information Memorandum.

#### **PLACEMENT ENTITY AND SOLE LEAD ARRANGER**

Banco Santander, S.A.

#### **PLACEMENT ENTITY**

Banca March, S.A.

#### **REGISTERED ADVISOR**

Deloitte Strategy, Risk & Transactions, S.L.U.

This Base Information Memorandum is dated 26<sup>th</sup> June 2024

## IMPORTANT NOTICE

Any potential investor should not base its investment decision on information other than (i) the information contained in this Information Memorandum and (ii) the public information of the company available on the websites of the Company (<http://www.minersa.com/>) and of the Commercial Registry of Vizcaya. The Dealers do not take responsibility for the contents of this Information Memorandum. The Dealers have entered into a collaboration agreement with the Issuer to place the Commercial Paper, but neither the Dealers nor any other entity has accepted any undertaking to underwrite the Commercial Paper. This is without prejudice to the Dealers having the possibility (but not being obliged) to acquire part of the Commercial Paper in his own name.

**THE DISTRIBUTION OF THIS INFORMATION MEMORANDUM AND THE COMMERCIAL PAPER MAY BE RESTRICTED BY LAW IN SOME JURISDICTIONS. ANY PERSON IN POSSESSION OF THIS INFORMATION MEMORANDUM MUST BE LEGALLY ADVISED AND COMPLY WITH THOSE 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. THIS DOCUMENT IS NOT TO BE DISTRIBUTED, DIRECTLY 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 (OR SHOULD FOR ANY REASON BE) CONSIDERED CONTRARY TO APPLICABLE LEGISLATION.**

## 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, all statements other than statements of historical facts contained in this Information Memorandum, including, without limitation, those regarding the Company's future financial position and results of operations, its strategy, plans, objectives, goals and targets, future developments in the markets in which the Company operates or is seeking to operate or anticipated regulatory changes in the markets in which the Company operates or intends to operate. These forward-looking statements can be identified by the use of terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "guidance", "intend", "is likely to", "may", "plan", "potential", "predict", "projected", "should" or "will" or the negative of such terms or other similar expressions or terminology.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements speak only as of the date of this Information Memorandum and are not guarantees of future performance and are based on numerous assumptions. The Company's actual results of operations, financial condition and the development of events may differ from (and be more negative than) those made in, or suggested by, the forward-looking statements. A number of factors could cause results and developments of the Issuer to differ materially and substantially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, market conditions, public health conditions, industry trends, competition, changes in law or regulation, changes in taxation regimes or development planning regime, the availability and cost of capital, currency fluctuations, changes in its business strategy, political and economic uncertainty and other factors, including without limitation those included in section "*Risk Factors*" below.

Except as required by law, the Company does not undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated or unanticipated events or circumstances. Given the uncertainty inherent in forward-looking statements,

prospective investors are cautioned not to place undue reliance on these statements, and to conduct their own informed assessments regarding their investment.

Investors should read the section entitled "*Risk Factors*" of this Information Memorandum for a more complete discussion of the factors that could affect the Company or the Commercial Paper.

## **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 MiFID II and their implementing legislation (including articles 194 and 196 of the Securities Market Act, as this term is defined below) 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 (for these purposes, a "**Distributor**") shall consider the manufacturer's target market assessment. However, any distributor subject to MiFID II is responsible for carrying out its own target market assessment in respect of the Commercial Paper (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

### **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 2016/97 (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 Notes 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 Notes 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 Notes 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.

#### **ALTERNATIVE PERFORMANCE MEASURES**

The Information Memorandum includes financial figures and ratios such as “EBITDA”, among others, that are considered to be Alternative Performance Measures (“APM”) in accordance with the Guidelines published by the European Securities and Markets Authority (“ESMA”) in October 2015.

The APM originate or are calculated based on the financial statements in the audited consolidated annual accounts or the interim consolidated summarized financial statements subject to limited review by the Company’s auditors, generally adding or deducting amounts from the items in those financial statements, the result of which uses a nomenclature habitual in business and financial terminology, but not used by the General Accounting Plan in Spain approved by Royal Decree 1514/2007 or by the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) adopted by the European Union (“IFRS-EU”). The APM are presented so that a better assessment may be made of the financial performance, cash flows and the financial situation of the Issuer since they are used by the Company to take financial, operating or strategic decisions within the Group. Nevertheless, the APM are not audited and are not required or presented in accordance with the General Accounting Plan in Spain approved by Royal Decree 1514/2007 or IFRS-EU. The APM therefore must not be taken into consideration on an isolated basis, but rather as information supplementing the audited consolidated financial information regarding the Company. The APM used by the Company and included in the Information Memorandum may not be comparable to the same or similarly named APM by other companies.

#### **FORECASTS OR ESTIMATES**

The Information Memorandum does not contain any forecasts or estimates of profits or future results with respect to any period whatsoever.

#### **ROUNDING OF FIGURES**

Some figures in the Information Memorandum, including the financial and market information, and certain operating data, have been rounded off for ease of reference. Therefore, in certain cases, the sum or subtraction of the numbers indicated in a column or row of a table may not correspond exactly to the total figure indicated for the column or row, and the sum or subtraction of some figures expressed as a percentage may not correspond exactly to the total percentage indicated.

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## **BASE INFORMATION MEMORANDUM ON THE ADMISSION TO TRADING OF COMMERCIAL PAPER NOTES (PAGARÉS)**

### **1. Risk Factors**

An investment in the Commercial Paper is subject to a number of risks. Potential investors should carefully assess the risks described below, together with the remaining information contained in this Information Memorandum, before investing in the Commercial Paper. The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Commercial Paper Programme. The list of factors is not intended to be comprehensive or exhaustive. All 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 such contingency occurring. The order in which these risks are described does not necessarily reflect a greater probability of their materialization. If any of these risks materializes, the business, results of operations, financial condition, profitability and future prospect of the Issuer as well as the Issuer's ability to reimburse the Commercial Paper on maturity may be negatively affected and, accordingly, the market price of the Commercial Paper may decrease, resulting in a loss of all or part of any investment made in the Commercial Paper.

Any of these risk factors, individually or in aggregate, may have an adverse effect on the Issuer. The impact that each risk may have on the Issuer is summarized below. Any factors that the Issuer may consider material for the purpose of assessing the market risks associated with the Commercial Paper are also described below.

The Issuer believes the factors described below represent the main or material risks inherent to investment in the Commercial Paper. The Issuer may be unable to pay interest, principal or other amounts in connection with the Commercial Paper Notes for other risks and uncertainties that are not currently known to the Issuer or which currently deem to be immaterial, and the Issuer does not represent that the statements below regarding the risks of holding the Commercial Paper are exhaustive. Potential investors should also read carefully the rest of the information set out in this Information Memorandum (including any documents incorporated by reference herein) and reach their own conclusions prior to making any investment decision.

Potential investors should consider carefully and fully understand the risks set forth in this section, along with all other information contained in this Information Memorandum and reach their own view prior to making any investment decision.

#### **1.1. Risks in relation to the business of the Issuer and its industry**

##### *1.1.1. Risks related to the political and economic situation*

#### **Risks related to the political and macroeconomic arising from current military conflicts, as well as potential extensions to other countries**

On February 24<sup>th</sup>, 2022, the president of Russia, Vladimir Putin, announced a “special military operation” in eastern Ukraine. This operation ended with a large-scale bombing attack on multiple Ukrainian cities and its evolution presents an uncertain ending.

The European Union, the United States and the United Kingdom responded with a strong sanctions' roadmap, trying to contain Putin and with the intention to isolate the Russian country. Furthermore, a long list of companies around the world and from all sectors have left the Russian country because of supply logistical difficulties and the reputational risks that any firm that remains in the country after the invasion of Ukraine may suffer.

The conflict in Ukraine has had profound repercussions on the global economy and financial markets, manifesting in heightened volatility, disrupted supply chains, and increased commodity prices, particularly in energy and agriculture. In response, central banks worldwide have implemented a series of measures to

stabilize economic conditions and restore market confidence, including among others, adjusting interest rates, providing liquidity support, and coordinating with international financial institutions to mitigate economic disruptions. Such interventions have played a crucial role in tempering market instability, supporting economic recovery, and ensuring the continued functioning of global financial systems amidst the ongoing geopolitical uncertainty. Consequently, the global economy has adapted to those challenges and while the situation in Ukraine remains a concern, it no longer poses a substantial threat to the broader stability of the global economy.

Furthermore, on October 7<sup>th</sup>, 2023, Hamas, a Palestinian Islamist political and militant organization, designated as a terrorist group by several countries, carried out a series of terrorist raids into Israel from Gaza that prompted a military response from Israel, including a ground incursion into Gaza. This situation has added another layer of uncertainty. Since this date, there have been numerous clashes that have had their highest point with Iran's rocket and drone attack on Israel, which have raised tensions in the area. As of the date of this Information Memorandum, military hostilities continue and threaten to destabilize the region both politically and economically.

Both situations pose significant risks for the Issuer and may have an adverse effect on its activities, results and/or financial situation. An increase in geopolitical tensions in Ukraine and Gaza may lead to supply chain disruptions, particularly in sourcing raw material, and increase shipping costs due to insurance hikes and logistical delays. Also, market volatility could affect commodity prices and exchange rates, impacting financial stability.

#### **Risk related to the current political and economic situation in areas in which the Issuer operates**

The Issuer and its business performance are exposed to economic and political conditions in the countries where it operates or sells its products and services, exposing it to different local political, regulatory, business, and financial risks according to economic conditions and macroeconomic cycles and volatility. The economies of these countries are in different stages of development and may have less stable political or legal environments. A downturn in economic activity could cause, amongst other effects, a material adverse impact on the activities, results and/or financial situation of the Group.

Global economic conditions are uncertain, with uneven prospects across the main countries and regions. The Issuer performs this activity in countries such as Spain, France, Germany, Belgium, United Kingdom, Czech Republic, Poland, Mexico, South Africa, Senegal, and China. The economic outlook of these regions is as follows:

- Spain: Bank of Spain (“**BdE**”) on its last report published on March 2024, foresees Spain’s GDP growth at 1.90% annual rate in 2024 in its baseline scenario, which entails a 0.30 p.p. upward revision from December forecasts. However, BdE’s quarterly report reveals some elements of weakness, while the most recent short-term indicators suggest that the GDP growth rate may slowed slightly in the first quarter of this year (0.4%). The information published by the Authority indicates that the main reason to the upward revision is likely associated with the dynamism of public consumption and inventory accumulation. In contrast, gross fixed capital formation and private consumption, which typically constitute the main supports for stable growth in any economy, have shown worse-than-expected performance. Additionally, productivity continues to exhibit notable weakness, which could act as a limiting factor for medium- and long-term economic growth. (Source: Bank of Spain – March 2024. “Informe de estabilidad financiera – Primavera 2024”).
- Eurozone: According to the International Monetary Fund (“**IMF**”), the European economy is expected to experience modest growth in 2024, driven by stronger private consumption due to easing inflation and tight labour markets. However, tight monetary policy and weak demand from key trade partners like the US and China will limit expansion initially. Economic activity should pick up in the latter half of the year, as global interest rates fall. Tourism-dependent countries will outperform manufacturing-heavy ones, with Germany remaining the slowest-growing major



economy. The IMF predicts eurozone growth will improve from 0.4% in 2023 to 0.8% in 2024 and 1.5% in 2025. While declining inflation may prompt central banks to consider rate cuts, Middle East tensions could increase oil prices and shipping costs, potentially dampening the economic outlook.

- Latin America and the Caribbean: The region has made steady progress in addressing pandemic-induced imbalances, but challenges remain in fixing fiscal issues, recovering lost earnings, and reducing poverty. The region's key task is to boost growth, with GDP forecasted by the IMF to grow by 1.6% in 2024 and 2.7% and 2.6% in 2025 and 2026, respectively—rates that are the lowest globally and inadequate for prosperity. Enhancing growth requires increased competition, investment in firm and worker capabilities, and improvements in national innovation systems.
- Africa: According to the IMF, the outlook for Africa is improving. Growth will rise from 3.4 percent in 2023 to 3.8 percent in 2024. Economic recovery is expected to continue beyond this year, with growth projections reaching 4.0 percent in 2025. Additionally, inflation has almost halved, public debt ratios have broadly stabilized, and several countries have issued Eurobonds this year. However, funding squeeze persists as the region's governments continue to grapple with financing shortages, high borrowing costs, and impending debt repayments. The region continues to be more vulnerable to global external shocks, as well as the threat of rising political instability, and frequent climate events.
- China: China's economy faces a challenging 2024. The IMF left unchanged its forecast for 2024 GDP growth to fall to 4.6% from 5.2% in 2023, with a further drop to 4.1% for 2025. The institution predicts that China's economic decline is likely to continue over the next four years as it deals with a range of challenges from a rapidly aging population, a debt overhang among local governments, higher unemployment and a property crisis. China also faces deflation risks due to weak domestic demand and surplus supply, making it unlikely to achieve its 3% inflation target.
- United Kingdom: GDP growth is expected to remain weak in 2024 due to reliance on private consumption, impacted by falling asset prices, and Brexit's ongoing effects on exports. Growth should strengthen in 2025 and return to trend by 2026-28 as demand picks up. UK's gross domestic product will expand by just 0.5% in 2024 increasing to 1.5% and 1.7% in 2025 and 2026 respectively. Inflation will remain at about 2.5% for the rest of this year decreasing to 2.0% in the following years.

Other factors which may affect are as follows: (i) tightening of financing conditions amid rising interest rates; (ii) negative financial markets reaction to the monetary policy normalisation path in the United States, the United Kingdom and the Eurozone; (iii) international tensions arising from international politics, for example, US foreign policy and conflicts between the US and China; (iv) worsening of global supply chain bottlenecks; (v) upcoming US and UK elections that could increase political instability, which could lead to economic uncertainty and fluctuations in global markets.; (vi) the public debt levels at all-time highs that limit fiscal policy space; (vii) the terrorist and military actions carried out in Europe and in other parts of the world; and, (viii) the emergence of political parties with radical ideology, could also negatively affect the economic situation in the Eurozone and in Spain, in particular.

Despite the Issuer tries to predict and estimate the political and macroeconomic risks, these can be strongly dispersed by exogenous factors, making it hard for the Issuer to make a reliable prediction about the probability of materialization. Such materialization could have a material adverse impact on the activities, results and/or financial situation of the Group.

### **Inflation risk**

The aftermath of the COVID-19 crisis and the conflict in Ukraine have ultimately resulted in the highest inflation rates seen in the past 30 years. Following years of historically low inflation rates, prices began to rise sharply during 2022, prompting central banks to adopt interest rate-raising policies.

Inflationary pressures have prompted central banks to adopt interest rate hike policies. The European Central Bank ("ECB") has consecutively increased interest rates since July 2022, when it announced its first rate hike in eleven years. As of the date of this Information Memorandum, the current ECB deposit rate stands at 3,75%.

In recent months, global economic activity has shown signs of stabilization, and the process of global disinflation has continued, even progressing faster than expected in some regions. Despite significant geopolitical uncertainties, this favourable macroeconomic trend, particularly evident in the United States, has been supported by robust labour markets across various economies and the substantial correction in energy prices. Given the current macroeconomic conditions, major central banks are starting to withdraw some monetary restriction or are on the brink of conducting the first interest rate reductions. Specifically, the European Central Bank lowered its reference rate by 25 basis points in June and foresees additional 50 basis points in interest rate cuts for the Eurozone, while the Federal Reserve is looking at a reduction of 25/50 basis points for the United States economy. These potential cuts are expected to take place within the remainder of the year.

In Spain, consumer price inflation peaked in July 2022 at an annual rate of 10.80%, the highest in 38 years, driven by rising fuel, energy, and food prices. According to the *Instituto Nacional de Estadística* ("INE"), the consumer price index ("CPI") was 3.3% in April 2024, reflecting a 0.1% increase from the previous month. Conversely, the core inflation rate declined to 2.9% in April 2024, 0.40 percentage points lower than the previous month's figure, marking the lowest rate since January 2022.

Notwithstanding, if the measures applied by the central banks do not achieve their primary goal or if there is any escalation in the current military conflicts and the CPI increases again to near 2022 levels, it may have an adverse effect on the activities, results and/or financial situation of the Issuer.

#### **Risks related to the impact of the COVID-19 pandemic on the business**

The SARS-CoV-2 virus, first detected in late 2019, led to the World Health Organization ("WHO") declaring COVID-19 a global pandemic in March 2020. Governments around the world, including Spain, responded with measures like business closures, social distancing, and travel restrictions, which significantly reduced economic activity and caused volatility in financial markets, leading to a global economic slowdown.

The rapid development and distribution of COVID-19 vaccines facilitated the reopening of many economies. However, this reopening created supply-demand imbalances and disrupted global supply chains, resulting in higher prices for goods and services since early 2021. Additionally, extensive fiscal and monetary stimulus measures implemented by the United States, Eurozone, and other economies have contributed to rising inflation.

Despite the widespread vaccine rollout and a reduction in the virus's impact, there remains significant uncertainty regarding potential new outbreaks and the effectiveness of future control measures. This persistent uncertainty makes it challenging to fully assess or quantify the potential impacts of COVID-19 on the Issuer. Thus, in the event of a future resurgence of the COVID-19 pandemic, this may have a material adverse effect on the activities, results and/or financial situation of the Issuer.

#### **Risks related to increases in energy, gas, electricity, and oil prices in particular on the business**

The Issuer depends on the supply, availability, and price of electricity for the operation of its production centres, representing a source of operational costs that is inherent to its business. Price fluctuations, resulting from the natural variability of global energy commodity markets, affect the cost of the production process and can have a greater or lesser impact on the profitability of the business. To hedge and mitigate energy prices' fluctuations, the Issuer contracts energy price hedging instruments.

Natural gas and electricity prices can be affected by factors of a general nature that impact supply and demand at a global, regional, or local level, such as weather conditions, natural disasters, geopolitical

instability and changes in regulation or control by the national authorities in the countries of production and/or distribution of energy commodities.

As of the date of this Information Memorandum, military hostilities around the World continue. Given the relevance of the military conflicts for global fuel, natural gas, and other energy sources, their impact on the already stressed global supply chains, and the length and the intensity of the conflict, may also affect the Issuer's energy and fuel expenses.

With respect to electricity, there are two different markets in Spain: a free market and a regulated market. In the free market, the electricity price is agreed on the signed contract, not suffering from relevant fluctuations in the short term. In the regulated market, price depends on supply and demand, oscillating daily. According to *Operador del Mercado Ibérico de Energía* ("OMIP"), the evolution of the average daily market price in 2023 amounted 87.10€/MWh, but throughout 2024, electricity prices have continued to decline due to several factors, including reduced demand, lower natural gas prices, and a recovery from supply chain disruptions. As of May 2024, the average price for electricity was 30.11 €/MWh, representing a -59.04% decrease from the average price in May 2023, mainly due to an excess in renewable energy supply.

With respect to natural gas, markets remained relatively calm over 2023 and 2024 Northern Hemisphere winter. Asian and European spot gas prices fell to pre-crisis levels in Q1 2024, while in the United States, Henry Hub prices plummeted to multi-decade lows. Improving supply fundamentals, along with high storage levels and unseasonably mild weather, kept natural gas markets stable. Since the end of 2022, gas prices have been subject to a price decrease after significant price volatility in 2022. Regarding the *Mercado Ibérico del Gas* ("MIBGAS") evolution this year, which is the main reference according to the Issuer's gas-referenced contracts, as of May 2024, the price of the 1-month future increased by 9.21% since May 2023, reaching its lowest level in February 2024 (22.23 €/MWh).

In 2024, oil prices have increased due to a combination of geopolitical tensions, supply constraints from OPEC+ production limits, rising global demand as economies recover, and market speculation. Additionally, the transition towards renewable energy has led to reduced investments in new oil production, tightening supplies. Inflation and fluctuations in the US dollar, along with changes in government policies and regulations, have also contributed to the upward pressure on oil prices. Oil prices are predicted to hold above \$80 a barrel during 2024 and 2025.

Regarding the evolution of the two main oil benchmarks, both Brent and WTI crude oil prices have increased by more than a 14% in 2024, from the lows of \$77.04/barrel and \$71.65/barrel reached in December 2023.

In the event of an increase in the price of these commodities on which the Issuer depends for its business performance, this could significantly affect its costs, leading to a material adverse effect on its activities, results and/or financial situation.

However, as volatility in any of these markets may be a problem to make reliable forecasts of future costs, the Issuer continues adopting internal measures to reduce costs and improve efficiency with the aim of reducing this risk.

#### *1.1.2. Risks related to the market and industries where the Issuer operates*

#### **The performance of the Issuer's business is significantly dependent on its ability to maintain high quality standards in the manufacturing of its products**

The minerals and chemical products markets are characterized by highly specific technical requirements, such as the levels of elasticity, strength, ductility, toughness, and fatigue resistance.

A significant portion of Group's products are subject to severe environments in their end-use and several performance requirements such as high temperatures, exposure to hazardous substances, high speed and

continuous pressure. The performance, quality and safety of these products are critical to the success of the Issuer's business. These characteristics depend significantly on the effectiveness of quality control systems, which in turn depend on a number of factors, including the design of the systems and the ability to ensure that personnel adhere to quality control guidelines and policies.

Although the Issuer has a modern and efficient machinery in Europe, an expert management team, a very good strategic position in purchases, production and market knowledge and complies with all quality and safety standards, any significant failure or deterioration of its quality control systems could result in the failure of its products. Failure or the perceived failure of the Issuer's products to meet the required precise technical specifications could lead to significant expenses for its customers, and result in product recalls, product liability claims or other significant costs, which could cause a significant adverse impact on the activities, results and/or financial situation of the Group.

#### **Mineral development is speculative and uncertain and involves a high degree of risk**

The development of mineral deposits involves a high degree of risk. Few explored properties are ultimately developed into producing mines. Thus, resource exploration and development are speculative businesses, characterized by several significant risks, including, amongst other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, although present, are insufficient in quantity and quality to return a profit from production.

The marketability of minerals acquired or discovered by the Issuer may be affected by numerous factors that are beyond its control and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of end users, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which may result in the Issuer not receiving an adequate return on capital invested.

Whether a mineral deposit will be commercially viable depends on several factors including, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, daily fluctuating commodity prices, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The combination of these factors may result in the Issuer expending significant resources (financial and otherwise) on a property without receiving a return.

There can be no assurance that the Issuer's development activities will be successful. If such commercial viability is never attained, the Issuer may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern", causing a significant adverse impact on the activities, results and/or financial situation of the Group.

#### **Risks/Threats in relation to competitors**

All the activities performed by each of the Issuer's business areas require significant human, material, technical and financial resources, and compete with other specialized companies and large international groups, due to the highly competitive environment in which the Issuer operates.

The experience, the materials, technical and financial resources, as well as the local knowledge of each market are key factors for the proper development of the business. It is possible that Issuer's competitors will have greater resources, materials, technical and financial skills, more experience, or better knowledge of the markets. This situation could cause a significant adverse impact on the activities, results and/or financial situation of the Group.

#### **Risks arising from the Issuer's presence in emerging economies**

The Issuer's expansion into emerging markets such as South Africa, Senegal, or Mexico, amongst others, entails an exposure to certain risks which are not present in mature economies. The Issuer is exposed to the potential effects of regulatory changes, additional fees or export tariffs, trade barriers and protectionist

policies, or unfair competition, etc., which could cause a significant adverse impact on the activities, results and/or financial situation of the Group.

### *1.1.3. Risks related to the activities performed by the Issuer*

#### **Risks associated with the Group's activities**

The positioning of the Group in the production of industrial minerals, self-levering floors and chemical products requires the implementation of a strict quality control of the products that the Issuer provides to its customers. Notwithstanding the foregoing, the Issuer can't totally rule out that some of its products or services may have a defect that could cause damage to property, persons or the facilities that could install said products, suppose an interruption of the productive process of the client or cause damages of environmental nature.

An accident or a failure in the development and execution of the Issuer's activities, taking into account, in particular, the nature of the materials and products that the it manufactures, markets, handles and employs, in spite of the employment of duly qualified and trained personnel for the performance of the tasks, can cause damages to people, resulting in injuries or even death; damage to facilities, equipment and things, in general; and/or damage to the environment, which may expose the Issuer to substantial liability claims.

Although the Issuer has contracted different types of insurance policies to cover the main risks associated with its activities, amongst others, general liability policies, environmental liability policies and material damage policies on its assets, these policies have exclusions and limits. Under those circumstances, it is possible that different kind of risks may arise. Therefore, certain types of losses, damages and liabilities could not be covered by Issuer's insurance policies or, even if covered, the coverage limit is not sufficient to cover all losses, damages, and liabilities.

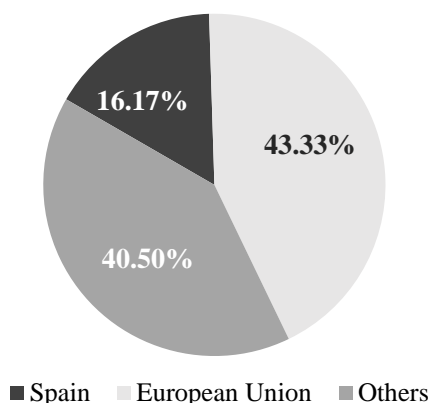
The Issuer cannot guarantee that it will not have to face the payment of sanctions or indemnities in the future, which could cause a significant adverse impact on the activities, results and/or financial situation of the Group.

Without prejudice to the exhaustive quality controls and the highest degree of compliance with the standards and regulations, eventual defects could lead to the Issuer's obligation to provide compensation or even to deteriorate its turnover or commercial reputation, which could cause a significant adverse impact on the activities, results and/or financial situation of the Group.

#### **Risks derived from its sales to external customers**

The sales made by the Issuer to external customers during the year ended 31<sup>st</sup> December 2023, distributed by geography are as follows:

### Gross sales by geography (2023)



According to this, and considering the countries in which the Group operates, sales to external customers may involve risks associated with the business, the investments and the financial situation, including, amongst others:

- Influence on the economy by national governments.
- Fluctuations in growth.
- Inflation.
- Currency risk.
- Possible restrictions on the repatriation of profits.
- Exchange rates.
- Change in economic or fiscal policies.
- Social conflicts.
- Political and/or economic instability.

#### **Risks related to failure to enter into further agreements, or reliance on major customers, for sales or offtake**

Assuming the Issuer is able to secure further sales or off-take agreements in the future, it may depend upon a small number of large customers, the loss of any of which, or the inability to collect payment from, could adversely affect the Issuer's results of operations and financial condition. Furthermore, the Issuer's ability to receive payments depends on the continued creditworthiness of its customers. If the Issuer is unable to collect payments from any of these customers, the Issuer's activities, results and/or financial situation could be materially adversely affected. Should the Issuer be unable to find customers to purchase its produced volume, its financial results may also be adversely affected.

#### **Risks associated with the control of exports**

The Issuer has established a strict corporate safety policy based on strict compliance with the regulations in the countries in which it operates, transparent collaboration with the authorities, control of exports to sensitive countries and the non-export of products to prohibited countries and in the performance of systematic internal audits and inspections and activities, amongst others. However, in certain circumstances, these measures may not be sufficient to avoid a possible risk, which could cause a material adverse impact on the activities, results and/or financial situation of the Group.

#### **Risks associated with project development**

Project development risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown and environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures, discharges of toxic gases or geological uncertainty.

The occurrence of any of these risks could result in legal proceedings against the Issuer and substantial losses due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, and penalties or suspension of operations.

Damage occurring to third parties as result of such risks may give rise to claims against the Issuer, which could cause a material adverse impact on the activities, results and/or financial situation of the Group.

#### **Risks of litigation and claims related to non-conforming products**

The Issuer could be exposed to potential liability claims because of the supply of products that are not in accordance with the technical specifications of the products that it offers to its customers, which could mean that the Group companies are part of litigious procedures.

These types of claims could lead to the withdrawal of products from the market, the claim for economic compensation by customers, and a detriment impact to the reputation of the Issuer and its ability to obtain new customers.

Furthermore, it cannot be guaranteed that the Issuer will not have to face the payment of sanctions or indemnities in the future because of claims, which could have a material adverse impact on its activities, results, and/or financial situation, as well as its reputation and its ability to obtain new customers.

#### **Risk of dependence on key personnel**

The Issuer depends on the skill and experience of its management and key personnel. The loss of some of the key management, technical and other personnel, or the inability to attract such personnel, could adversely affect the business.

The ability to maintain a competitive position and to implement the business strategy is led by the senior management team, which has extensive industry experience, and the Board of Directors, which comprises individuals with extensive experience and expertise. This senior management government and experience is important to establish and maintain relationships with regulators in the markets in which the Issuer operates.

The Issuer cannot assure that it will be able to retain the existing senior executive and management personnel or attract additional qualified senior executive and management personnel, which could cause a significant adverse impact on the activities, results and/or financial situation of the Group.

#### **Risks related to the relationship with its employees**

The Issuer's business depends on maintaining good relationships with its employees. A breakdown in these relations or stricter labour laws, as well as increasing costs of skilled labour, could have an adverse impact the Group.

Labour laws provide a high level of protection to employees. Furthermore, some of the Issuer's employees are members of labour unions and, accordingly, the Issuer itself is party to agreements with trade unions at its production plants. However, there can be no assurance that the agreements with trade unions will prevent strikes or work stoppages at any of its facilities, or that those agreements will be renewed on substantially similar terms and conditions in the future.

Failure by the Issuer to comply with such labour laws could be held to be illegal and result in financial penalties. Additionally, any future work stoppages, disputes with employee unions or other labour-related developments or disputes, including renegotiation of agreements with unions, could result in a decrease in the Issuer's production levels and adverse publicity and an increase in costs. The consequences of these

events could cause a significant adverse impact on the activities, results and/or financial situation of the Group.

### **Risks related to the prevention of risks, health and safety**

The Issuer is subject to environmental regulations relating to pollution, protection of the environment, and the use and disposal of hazardous substances and waste materials. Additionally, it is also subject to laws and regulations governing health and safety matters protecting the public and its employees. The technical requirements imposed by environmental, health and safety regulations are gradually becoming more costly, complex and stringent. The Issuer has undertaken the necessary investments to comply with these regulations but the imposition of new or more stringent requirements may increase its costs and responsibilities, which could have a material adverse effect on the Group's activities, results and/or financial situation.

Moreover, in the event of malfunctions, certain discharges into the environment, environmental contamination or damages, or if there is any breach of regulatory obligations, could result in significant liabilities being imposed for damages, clean-up costs or penalties. Any of these circumstances could have a material adverse effect on the Group's activities, results, financial situation or its reputation.

There is a constant need to protect the safety and security of the Issuer's clients, employees, and assets against natural and man-made threats. These include, but are not limited to, exceptional events such as natural disasters, extreme weather, civil or political unrest, violence and terrorism, serious and organized crime, fraud, employee dishonesty, cyber-crime, pandemics, fire and day-to-day accidents, as well as incidents and petty crime which impact the employee experience, could cause loss of life, sickness, injury, damage or destroy third party property or the environment and result in compensation claims, fees from regulatory bodies, litigation and impact reputation. Serious incidents or a combination of events could escalate into a crisis, which, if poorly managed, could cause a significant adverse impact on the activities, results and/or financial situation of the Group.

#### *1.1.4. Other risks*

### **Environmental risks**

The Issuer's activities are subject to extensive environmental regulations and regulations of numerous public authorities.

The multijurisdictional regulatory framework in which the Group operates, mandates compliance with a wide range of environmental regulations. These regulations cover various aspects, including the prevention of serious accidents, the use of chemical substances (such as the European REACH Regulation), air and water pollution control, and soil protection. The Issuer cannot foresee how changes in environmental regulations in the countries where it operates might impact its operations. Such changes could necessitate significant investments in new equipment or technologies, the payment of additional taxes or fees, and the remediation of environmental risks that might materialize adversely. These factors could materially affect the Group's operations, financial results, and overall financial condition. In addition, compliance with these regulatory requirements and the requirements derived from the strict environmental regulations of some of the countries, may entail high costs for the Issuer's operations. If the Issuer does not act adequately, this could cause a material adverse impact on the activities, results and/or financial situation of the Group.

The Issuer must navigate evolving environmental policies and international agreements aimed at addressing climate change and promoting sustainable development. This could involve adhering to stricter emissions standards, transitioning to greener technologies, and enhancing sustainability practices, which may entail further financial and operational challenges. Non-compliance or delays in adapting to these changes may have a limited adverse effect on the activities, results and/or financial situation of the Issuer.

### **Social Risks**



The Issuer's operations are also subject to significant social risks, particularly concerning labour practices, community relations, and human rights. Mining activities often occur in regions with diverse and sometimes vulnerable populations, making it imperative for the Issuer to engage with local communities transparently and ethically.

Failure to ensure safe and fair working conditions could lead to labour disputes, strikes, and increased scrutiny from regulators and advocacy groups. Additionally, inadequate attention to the social impacts of mining, such as displacement, cultural heritage disruption, and adverse health effects, could result in community opposition, legal challenges, and loss of social license to operate. Maintaining strong, positive relationships with local communities through effective communication, fair compensation, and investment in community development is essential.

Thus, in the event of any negligence or poor management in addressing these social aspects, may have a material adverse effect on the activities, results and/or financial situation of the Issuer.

#### **Risk related to the multiple jurisdictions with different levels of regulatory requirements in which the Group operates**

The Group performs its activity in various geographical areas spread throughout the world with very different socio-economic environments and regulatory frameworks. In this context, there are risks of a different nature inherent to the businesses and sectors in which the Issuer operates.

The business is regulated in most of the countries in which the Group operates and is subject to obtain and maintaining demanding administrative licenses, which requires strict compliance with regulations contained in the various local laws. This multijurisdictional regulatory framework requires efforts to comply with all regulatory requirements, which poses a risk to the Issuer since non-compliance with any of the multiple requirements demanded could result, amongst others, in the revocation of licenses or the imposition of sanctions that hinder or, eventually, prevent the development of all or part of the Group's activities.

The Issuer cannot predict the effects of any change in the regulations from the countries in which it operates, which could cause a significant adverse impact on the activities, results and/or financial situation of the Group.

#### **Risks related to technological changes**

The technologies applied in the different sectors in which the Issuer operates are constantly evolving. Likewise, in these sectors, increasingly complex techniques are used and constantly being perfected.

To maintain and increase its competitiveness and its business, the Issuer must always be adapted to technological advances and know the existing technologies.

If the Issuer does not react adequately to current and future technological advances in the different sectors in which it operates, this could cause a significant adverse impact on the activities, results and/or financial situation of the Group.

#### **Risks of hacker intrusions and cybercrime attacks**

The Issuer's information technology system and network are subject to damage and interruption and may be vulnerable to hacker intrusion and cybercrime attacks.

Reliability and security of information technology systems, software and network is essential for the business. Information technology systems are subject to damage and interruption caused by human error, problems relating to the telecommunications network, software failure, natural disasters, sabotage, viruses and similar events. Any interruption in the system could have a negative effect on the quality of services offered, on consumer demand and, therefore, on volume of sales, which could cause a material adverse impact on the activities, results and/or financial situation of the Group.

Furthermore, the Issuer may be vulnerable to cybercrime attacks, which could adversely affect the business. Although the Issuer employs prevention measures, such attacks are, by their nature, technologically sophisticated and may be difficult or impossible to detect and defend. If the prevention measures fail or are circumvented, its reputation may be harmed, which could cause a material adverse impact on the activities, results and/or financial situation of the Group.

#### **Risk related to the mineral resources and reserves estimates versus the actual data**

The mineral resources and reserves estimates are expressions of judgment based on knowledge, experience, and industry practice. The initial estimations may be significantly altered when new information or techniques become available. In addition, by their very nature, resource and reserve estimations are imprecise and may vary based on some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations in development and production plans which may in turn, adversely affect the Issuer's operations.

For most of the new mine developments, the actual quality and characteristics of mineral deposits cannot be known until actual mining takes place and will almost always differ from the assumptions used to develop resources. Further, reserves are valued based on future costs and future prices and consequently, the actual reserves and resources may differ from those estimated, which may result in either a positive or negative effect on operations.

#### **Risk associated with the uncertainty of the results carried out for its projects studies**

Any study that the Issuer could perform will be completed within certain parameters designed to determine the technical and economic feasibility of the project within certain limits. There can be no guarantee that any project will be successfully brought into production.

The development of any project may exceed the envisaged timeframe or cost for reasons outside of the Issuer's control. These reasons may include delays in obtaining relevant approvals or in the construction of infrastructures or plants. In addition, the contractual terms for the procurement and delivery of components could also have an impact on the cost of construction. There are many milestones which need to be met in a timely fashion for production to commence in accordance with any plan and there is a risk that circumstances (including unforeseen circumstances) may cause a delay, resulting in the receipt of revenue at a later date than expected or not at all, which could cause a material adverse impact on the activities, results and/or financial situation of the Group.

#### **Risks derived from profitability**

It cannot be guaranteed that the Issuer will not have to face several difficulties of profitability in the future if there is a significant volatility in the end product selling and energy prices, which could cause a material adverse impact on the activities, results and/or financial situation of the Group.

#### **The Company's partners, contractors and agents may become insolvent**

The Board of Directors is unable to predict the risk of financial failure or default by a participant in any venture to which the Issuer is or may become a party, insolvency or other managerial failure by any of the contractors or service providers used by the Issuer in any of its activities. If this situation happens, it could cause a material adverse impact on the activities, results and/or financial situation of the Group.

### **1.2. Financial risks**

#### **Market risk**

This risk can be divided into:

- Exchange rate risk

It arises because of operations with foreign currencies that the Issuer performs in international markets and due to the consolidation of subsidiaries out of the Eurozone. Fluctuations in the exchange rates of these currencies against the Euro may have a material adverse effect on the activities, results and/or financial situation of the Group.

With the objective of mitigating this risk, the Issuer applies the following controls:

- Dynamic analysis of real and expected cash flows denominated in a currency different than Euro.
- Net exposure calculation and cash flow matching (natural hedging).
- Hedging through forwards for the remaining exposure.

Also, due to the existence of subsidiaries in countries outside of the Eurozone, there is a risk that the Issuer's total result will be affected when it consolidates its subsidiaries results.

- Interest rate risk

Fluctuations in interest rates modify the fair value of those assets and liabilities that accrue a fixed interest rate, as well as the future flows of the assets and liabilities referenced to a variable interest rate, which could cause a material adverse effect on the activities, results and/or financial situation of the Group.

In accordance with the Issuer's estimates, regarding the evolution of interest rates and the objectives of the debt structure, the Group performs hedging transactions by contracting financial instruments (derivatives) with the objective of mitigating this kind of risks. The hedging percentage of the debt that is established in each project depends on the type of project in question and the country where the investment is made.

The severe interest rates increase experienced since the beginning of 2022 has led to a significant financial cost growth, however, the Issuer has not seen its funding capacity influenced as its debt is referenced to a fixed rate.

- Commodity price risk

The consumption of energy, mainly natural gas and electricity represents a source of operational costs that is inherent in the extractive and industrial cycle. The fluctuation in the variables that originate their prices, represented in the natural variability of the global energy commodity markets, affects the cost of the production process and may affect the profitability of the business to a greater or lesser extent.

The policies applied by the Issuer in this area are:

- Keeping the maximum level of information regarding prices tendencies with the objective of determine the most suitable commercial strategy.
- Monitoring the evolution of the variables linked to the energy inputs and analysis of the hedging mechanisms available in the market.

## **Liquidity risk**

Liquidity risk is defined as the risk that a company will not be able to service its commitments as a result of adverse conditions in the debt markets that prevent or hinder its capital raising efforts.

This risk is in constant monitoring by the Issuer. In order to ensure liquidity and to be able to meet all the payment commitments that derive from its activity, the Issuer has treasury, as well as credit lines and financing.

Nonetheless, risk management strategies may not be successful in limiting the Issuer's exposure to credit risk, which may cause a significant adverse impact on the activities, results and/or financial situation of the Group.

## **Credit risk**

It arises when the counterparty of a contract breaches its obligations, causing an economic loss.

The Issuer may be exposed to this risk due to the maintenance of balances in cash and equivalents, deposits in banks and financial institutions, financial instruments or derivatives, although its main credit risk is attributable to accounts receivable from commercial transactions to the extent that a counterparty or client does not respond to its contractual obligations.

The Issuer has a specific policy for the sale of products under the insurance of a credit policy or factoring the balance. In parallel, it also analyses the credit risk of its customers and, depending on it, assigns each customer a certain credit limit. When defining the assigned credit limit, the financial situation of each client is considered, verifiable mainly through financial reports of credit agencies, their payment history, the payment term of the operation contemplated, sales made/planned, market knowledge, prospective elements (such as macroeconomic factors or exchange rates evolution) and country risk.

In this sense, the Issuer has adopted a policy of negotiating with solvent third parties, obtaining sufficient guarantees to mitigate the risk of financial losses in case of default.

### **Risks derived from indebtedness**

As of the date of this Base Information Memorandum, the Issuer is not and has not been in a situation of non-compliance with its obligations under the financing agreements. However, there could be reasons such as reductions in the results, new investment needs or acquisitions of other businesses or assets, as well as greater financing or cash needs, which could increase the Issuer's indebtedness or limit the capacity to meet the indebtedness existing.

The future ability of the Issuer to meet the financial ratios and the rest of the obligations under the financing agreements, to pay the principal and interest on the debt derived from them or to refinance it if necessary, is conditioned by obtaining business results and other economic factors.

Failure to comply with the obligations assumed by the Issuer with the different financial entities could result in the early maturity of the payment obligations under the corresponding financing agreements and the early payment of the principal and its interests and, where appropriate, the execution of the guarantees that may have been granted in its favour, which could cause a material adverse impact on the activities, results and/or financial situation of the Group.

In 3Q 2021, the Issuer re-incorporated a Commercial Paper Programme ("Minersa Commercial Paper Programme 2021") listed in MARF and first issued in 2018, with an initial maximum outstanding balance of 50 million euros, and maturity dates upon the following 24 months, in order to diversify its financing sources. As of December 2023, there is not outstanding balance of the program.

### **1.3. Risks related to the Commercial Paper Notes**

#### **The Commercial Paper is not rated**

Neither the Commercial Paper nor the long-term debt of the Issuer are 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 the absence of it is not a recommendation to buy, sell or hold securities.

#### **There is no liquid 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 is no liquid trading market for the Commercial Paper Notes and there can be no assurance that a trading market for the Commercial Paper Notes will develop.

The Issuer cannot predict the extent to which investor interest in the company will lead to the development of an active trading market or how liquid that trading market might become. The market price of the Commercial Paper Notes may be influenced by many factors, some of which are beyond our control, including but not limited to:

- (i) general economic conditions;
- (ii) changes in demand, the supply or pricing of the Issuer's products and services;
- (iii) the activities of competitors;
- (iv) the Issuer's quarterly or annual earnings or those of our competitors;
- (v) investors' perceptions of the Issuer and our industry;
- (vi) the public's reaction to the Issuer's press releases or our other public announcements;
- (vii) future sales of notes; and
- (viii) other factors described under these "Risk Factors".

As a result of these factors, investors may not be able to resell the Commercial Paper Notes 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 reduce the market price of the Commercial Paper Notes, regardless of our operating performance. If an active trading market does not develop, investors may have difficulty selling any Note that they buy.

#### **The market price of the Commercial Paper may be volatile**

The market price of the Commercial Paper could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Commercial Paper as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Commercial Paper without regard to the Group's activities, results and/or financial situation.

#### **Credit risk**

The Commercial Paper Notes are guaranteed by the Issuer's total net worth but will not be secured or guaranteed by any type of in rem security or third-party guarantee. The credit risk arises from the potential inability of the Issuer to comply with its obligations arising from the Commercial Paper Notes and involves the possible loss that a full or a partial breach of these obligations could cause.

#### **Liquidity risk**

This is the risk whereby the investor is unable to find a counterparty for the Commercial Paper when wishing to execute their sale before maturity. Although, to mitigate this risk, admission (*incorporación*) of the Commercial Paper under this Base Information Memorandum to trading in MARF is to be applied for, the Issuer cannot guarantee that active market trading will take place.

In this regard, we point out that the Issuer has not entered into any liquidity agreement, and, consequently, no institution is obliged to quote sale and purchase prices. Therefore, investors may not find any counterparty for the Commercial Paper. This may entail problems for investors who need to sell the Commercial Paper urgently.

#### **Clearing and settlement**

The Commercial Paper Notes will be registered with Iberclear in book-entry form (*anotaciones en cuenta*). Consequently, no physical notes will be issued. Clearing and settlement relating to the Notes, as well as redemption or adjustment of principal amounts, will be performed within Iberclear's account-based system. Holders are therefore dependent on the functionality of Iberclear's account-based system.

Title to the Commercial Paper Notes will be evidenced by book entries (*anotaciones en cuenta*), and each person shown in the Spanish Central Registry (*Registro Central*) managed by Iberclear and in the registries

maintained by the Iberclear members as being a holder of the Notes shall be (except as otherwise required by Spanish law) considered the holder of the principal amount of the Commercial Paper Notes recorded therein.

The Issuer will discharge its payment obligation by making payments through Iberclear. Holders of the Commercial Paper Notes must rely on the procedures of Iberclear and the Iberclear members to receive payments. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, holders of the Notes according to book entries and registries as described above. In addition, the Issuer has no responsibility for the proper performance by Iberclear or the Iberclear Members of its obligations under their respective rules and operating procedures.

#### **Notes may not be suitable investment for all investors**

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

#### **Exchange rate risks and exchange control for investors**

All the Commercial Paper Notes under the Programme will be denominated in euros. This may imply certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency other than the euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. An appreciation in the value of the investor's currency relative to the euro would decrease (i) the investor's currency equivalent yield on the Notes; (ii) the investor's currency equivalent value of the amount payable on the Notes; and (iii) the investor's currency equivalent market value of the Notes.

Government and monetary authorities in some countries may impose, as some have done in the past, exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less amounts than expected.

#### **Risks arising in connection with the Spanish Insolvency**

Royal Law Decree 1/2020 of 5 May, on Insolvency (*Real Decreto Legislativo 1/2020, de 5 de mayo, por el que se aprueba la Ley Concursal*), as amended and its related regulations (the “**Insolvency Law**”) regulates court insolvency proceedings.

#### Declaration of insolvency

In the event of insolvency of a debtor, insolvency proceedings can be initiated either by the debtor or by its creditors. If the debtor files an insolvency petition, a “voluntary” insolvency (*concurso voluntario*), such debtor shall provide evidence of the situation of insolvency (whether actual or imminent insolvency). The

directors of such debtor company shall request the insolvency or file with the insolvency court a communication under 585 et seq. of the Spanish Insolvency Law informing that it has commenced negotiations with its creditors to agree a refinancing agreement or an advanced proposal of settlement agreement (*convenio*), to obtain an additional period of three months to negotiate with its creditors plus one additional month to file for insolvency if needed -totalling four months in practice to reach a refinancing agreement or an advanced proposal of settlement agreement (*convenio*) within two months from the moment they knew, or ought to have known, of the actual insolvency situation.

A debtor may file for insolvency or file with the insolvency court a communication under 585 of the Spanish Insolvency Law as a protective measure in order to avoid (i) the attachment of its assets or (ii) certain enforcement actions that could be taken by its creditors.

An insolvency petition may be filed in relation to more than one company on a coordinated basis where, for instance, such companies belong to the same group of companies.

Creditors may only file for insolvency where the debtor is actually insolvent (i.e., not in the event of imminent insolvency). Upon receipt of an insolvency petition by a creditor, the insolvency court may issue provisional interim measures to protect the assets of a debtor and may request a guarantee from the petitioning creditor asking for the adoption of such measures to cover damages caused by the preliminary protective measures in case that the insolvency petition filed by such creditor is eventually dismissed.

The insolvency court will issue a court order either rejecting the petition or declaring the insolvency. In the event of declaration of insolvency, the insolvency court order will appoint a court administrator or receiver (*administración concursal*) (“**receiver**”) and will order the publication of such declaration of the insolvency in the State Official Gazette (*Boletín Oficial del Estado*). The declaration of insolvency shall be also filed with the Commercial Registry (*Registro Mercantil*) and the Public Registry of Insolvency (*Registro Público Concursal*).

#### Certain effects of the insolvency declaration

The general rule is that the declaration of insolvency shall not affect the continuity of the business activity of a debtor company other than in the terms expressly set out in the Spanish Insolvency Law. In practice, however, it is likely that any such insolvency declaration will indeed have an adverse impact on the operations and business of the debtor.

In case of voluntary insolvency (*concurso voluntario*), a debtor company will usually maintain administrative control of its affairs, however, the management decisions will be subject to the receiver’s authorization. In case of mandatory insolvency (*concurso necesario*), the receiver will usually assume the administration of the debtor company, unless the insolvency court decides otherwise.

Unless otherwise provided by certain specific rules applicable to a certain type of contracts (e.g. insurance or financial collateral agreements), creditors will not be able to terminate bilateral agreements based only on the declaration of the insolvency (*declaración de concurso*) of a debtor. Any provision to the contrary will be null and void. However, under Spanish Law, whether creditors are allowed to accelerate a credit agreement based only on the declaration of insolvency of a debtor is arguable.

The debt will cease to accrue interest from the declaration of insolvency, except for such debt secured with security rights in rem, and up to, the lower of the amount obtained from the enforcement of the security and the maximum secured interests under the relevant security.

On a general basis, insolvency proceedings are not compatible with other enforcement proceedings. When compatible, in order to protect the interests of a debtor and its creditors, the law extends the jurisdiction of the court dealing with insolvency proceedings, which is, then, legally authorized to handle any enforcement proceedings or interim measures affecting the debtor’s assets (whether based upon civil, labour or administrative law). As a general rule, the insolvency declaration of a debtor prevents the enforcement of security against such debtor and those enforcement proceedings of security that have been initiated prior to

the insolvency declaration shall be suspended (however, under certain circumstances these proceedings may be resumed).

#### Classification of the Issuer's debts

The court order declaring the insolvency of the debtor shall contain an express request for the creditors to communicate and declare to the receivers any debts owed to them, within a one- month period starting from the date after the publication of the insolvency in the State Official Gazette (*Boletín Oficial del Estado*), providing documentation to justify such credits. Based on the documentation provided by the creditors and the accounting records of the debtor, the insolvency receivers shall draw up a list of acknowledged creditors and classify them according to the categories established under Spanish Insolvency Law as follows: (i) debts against the insolvency estate, (ii) debt benefiting from special privileges, (iii) debt benefiting from general privileges, (iv) ordinary debt and (v) subordinated debt:

- Debts against the insolvency estate (*créditos contra la masa*): which are not subject to ranking and will be paid out of the insolvent company's assets (other than those attached to the especially privileged debts) as they fall due with preference to any other debt. Debts against the insolvency estate may include, amongst others, (i) certain employees' claims, (ii) costs and expenses of the insolvency proceedings, (iii) certain amounts arising under reciprocal contracts, (iv) certain claims deriving from the exercise of clawback action (except in cases of bad faith), (v) certain amounts arising from obligations created by law or from the non-contractual liability of an insolvent debtor after the declaration of insolvency and until its conclusion, (vi) 50 per cent. of the new funds (excluding interests) granted within the context of certain refinancing agreement meeting the requirements set out under the Spanish Insolvency Law and (vii) certain debts incurred by a debtor following the declaration of insolvency.
- Debts from special privileges, representing attachments on certain assets (basically in rem security). These privileges may entail separate proceedings over the related assets, subject to certain restrictions (including, where the related assets are deemed necessary for the on-going operations and business of the debtor, a waiting period that may last up to one year unless the security qualifies as financial collateral subject to Royal Decree-Law 5/2005, of 11 of March, on urgent measures to improve the productivity and the public trade (RDL 5/2005). However, the insolvency court may authorize the sale of the assets/business of the insolvent company before the settlement/liquidation phases subject to certain specific payment rules which do not necessary entail the full recovery of the secured debt.
- Debts benefiting from general privileges, including, amongst others, certain labour debts, certain taxes, debts arising from non-contractual liability, up to 50 per cent. of the debt owed to the creditor who applied for insolvency or new money granted pursuant to a refinancing agreement that comply with certain requirements set out under the Spanish Insolvency Law in the amount not admitted as a debt against the insolvency estate (*crédito contra la masa*).
- Ordinary debts (non-subordinated and non-privileged creditors) will be paid on a pro-rata basis or subject to the terms and conditions of any creditors' composition agreement (*convenio de acreedores*) that may be agreed and approved.
- Subordinated debts (thus classified by virtue of law) include, amongst others, (a) credits which have been contractually subordinated to all debtor's obligations; and (b) those credits held by parties in special relationships with a debtor: in the case of an individual, his/her relatives; in the case of a legal entity, any shareholders holding more than 5 per cent. (for companies which have issued securities listed on an official secondary market) or 10 per cent. (for companies which have not issued securities listed on an official secondary market) of the share capital and companies pertaining to the same group as such debtor and their common shareholders, provided that such shareholders meet the minimum shareholding requirements set forth before and the insolvent company's directors, de facto directors, liquidators and general attorneys and those holding any of such capacities during the two years prior to the insolvency declaration: and (C) in broad terms, claims that have been reported late to the insolvency administrator. Subordinated creditors cannot vote on a creditors' composition agreement (but are bound by the contents thereof) and will be



paid only if and after all claims against the estate and privileged and ordinary debts have been fully satisfied.

In accordance with the abovementioned classification and order of priority, in case of insolvency of the Issuer, credits held by investors as a result of the Commercial Paper Notes shall rank behind credits against the state (*créditos contra la masa*) and privileged credits (up to the value of their guarantee), but ahead of subordinated credits (except if they could be classified as subordinated in accordance with Article 281 et seq. of the Insolvency Law).

Nonetheless, in case that the credit rights held by the holders of the Commercial Paper Notes were considered as subordinated (due to concurrence of any of the causes envisaged in the Insolvency Law), the relevant holders of the Commercial Paper Notes would rank at the level of the subordinated credits, and therefore behind both privileged and ordinary rights.

The Spanish Insolvency Law sets forth that certain judicially-sanctioned refinancing agreements reached by a debtor prior to the opening of insolvency proceedings and creditors' composition agreements (*convenio*) reached by a debtor in an insolvency scenario are capable of binding dissenting (including absentee) unsecured and secured creditors of financial indebtedness (“**dissenting creditors**”) vis-à-vis such debtor. Whether dissenting creditors are bound by a judicially sanctioned refinancing agreement or a creditors' composition agreement as well as the relevant measures that can be imposed on dissenting creditors depends on the level of support received from the various types of creditors.

#### Claw back regime

Any acts performed and agreements entered into by a debtor company within the two years immediately preceding the declaration of insolvency may be set aside by the court upon the petition of the receivers or the creditors if such acts are considered to be detrimental to the company's asset base (even in the absence of fraud). Unless any of the statutory presumptions of detriment applies, the burden of proof is on the receivers or the creditors, as the case may be, alleging that such acts were detrimental. However:

- (i) certain acts and agreements are presumed to be detrimental to the company's assets base, without any possibility for the parties to file evidence against this presumption (this is applicable in the case of acts that have been concluded for no consideration and early payments of debts which are not secured with a right in rem and the maturity of which fall after the opening of insolvency proceedings);
- (ii) in respect of certain acts and agreements (such as, for instance, the creation of security in respect of pre-existing obligations, onerous contracts entered into with certain related persons, or early payments of debts secured with a right in rem and the maturity of which fall after the opening of insolvency proceedings) the burden of proof is reversed, being the company the one that would need to prove, to the court's satisfaction, that the relevant acts or agreements were not detrimental to the company's asset base; and
- (iii) transactions made within the company's ordinary course of business in ordinary terms and conditions cannot be rescinded on the basis of being prejudicial to the company's asset base.

The main consequence of rescission is that the reciprocal obligations must be restored and the receivable of the creditor (if any) will be classified as a debt against the insolvency estate (please see paragraph (i) of “Classification of the company's debts” above) unless the court finds that the creditor acted in bad faith, in which case its claim will be classified as a subordinated claim.

The above remedy is without prejudice to the possibility to rescind those acts and contracts entered into by the company (i) in fraud of creditors during the previous four years or (ii) as null and void (*acción de nulidad*).

The agreements in relation to the Commercial Paper Notes could be challenged if, amongst other things, those transactions were deemed to have been prejudicial, as explained above, and provided further that they are capable of being challenged (under any grounds whatsoever) under Spanish law.

#### **Enforcement risk**

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

#### **Risk arising from subordination against additional indebtedness of the Issuer**

In case the Issuer enters into additional indebtedness and such indebtedness was secured by means of in rem security such as pledges or mortgages over certain assets, the credit rights of the holders of the Commercial Paper Notes would be ranked, in an insolvency scenario of the Issuer, below the creditors in favour of whom such security was granted. Additionally, in case that any subsidiary of the Issuer incurred any debt, whether secured or not, such debt would be structurally senior to the one incurred under the Commercial Paper Notes.

#### **The proposed Financial Transactions Tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Commercial Paper (including secondary market transactions) in certain circumstances. The issuance and subscription of Commercial Paper should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States.

Generally, it would apply to certain dealings in the Commercial Paper where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

On 17 June 2016, the Economic and Financial Affairs Council (the "**ECOFIN Council**") discussed the issue regarding (i) the application of "issuance" and "residence" principles and the territorial scope, (ii) the exemption regime and (iii) the scope of transactions in derivatives contracts. However, the ECOFIN Council decided that work field shall continue amongst the ten participants (excluding Estonia) and, therefore, further work is still required.

Thus, the Commission's proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional European Union Member States may decide to participate.

Prospective holders of the Commercial Paper are advised to seek their own professional advice in relation to the FTT.

#### **Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Commercial Paper are legal investments for it, (2) the Commercial Paper

can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Commercial Paper. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Commercial Paper under any applicable risk-based capital or similar rules.

## 2. Full name of the Issuer, including its address and identification data

Minerales y Productos Derivados, S.A. (hereinafter, “**Minersa**” or the “**Issuer**”) is a Spanish public limited company (*sociedad anónima*), subject to the Royal Decree-Law 1/2010 of 2 July approving the Restated Text of the Capital Companies Law (*Ley de Sociedades de Capital*) (“**Capital Companies Law**”), that was incorporated in Barcelona on 30<sup>th</sup> June 1942 for an indefinite period, under the name of “Minerales y Productos Derivados, S.A.”. It is currently registered in the Commercial Registry of Vizcaya under volume 1.412, sheet 8, and page BI-579.

The current registered address of the Issuer is Avenida Algorta 16, Getxo, 48992 (Spain) and its telephone number is +34 94 425 53 00.

The Spanish Tax Identification number (N.I.F) is A48008502.

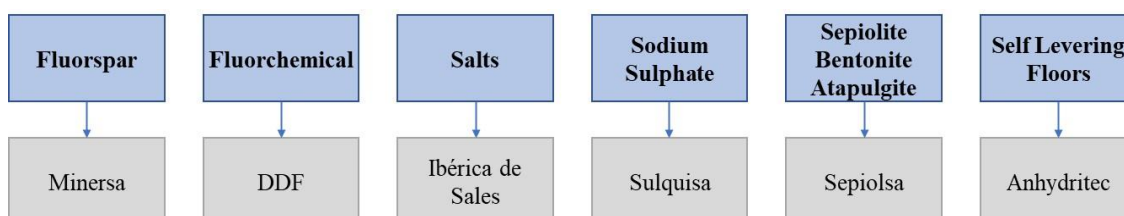
The Legal Entity Identifier (LEI code) is 95980020140005436930.

The Issuer’s website is { <https://www.minersa.com/> }

### 2.1. Brief description of the Issuer’s activity and main milestones

Minersa, founded in 1942 in Barcelona, belongs to an international group of companies that produce industrial minerals, chemical products, construction products, natural absorbents and bleaching clays, producing more than 1.8 million tons per year of minerals and chemical products. In addition to its own mining operations, it has become the parent company of a group of subsidiaries in both the industrial minerals and the chemical products sector.

The Group’s activity is structured in 6 principal business lines:



In each field, Minersa aims to be at leading positions both in volumes and in service and product quality. To achieve this, Minersa has the experience accumulated during more than 80 years of activity, modern technology, R + D labs, in-house developed process control software. All of them focused in providing greater value to the customer.

Minersa is listed in the Bilbao Stock Market (Bolsa de Bilbao) since 1986.

Minersa is a dynamic group of companies under expansion as explained below. Therefore, joint ventures or investment proposals in new projects or consolidated businesses are always welcome.

The growth and development of the business has been a steady and constant process over the last decades.

#### ❖ 1942 - 1994

- 1942: Foundation of Minersa, which initiates its operations to extract, concentrate and commercialize industrial minerals.
- 1980: Foundation of S.A.U. SULQUISA. Minersa expands its activities to the Anhydrous Sodium Sulphate of the highest quality. Sulquisa will be successively expanded in later years.

1985: Foundation of SEPIOL, S.A.U., which is initially focused to the extraction and commercialisation of sepiolite. Sepiolsa will later extend its activity to the extraction and commercialisation of bentonite and other clays.

❖ **1995 - 2000**

- 1996: Minersa acquires the majority of the shareholding of Derivados del Flúor, S.A. (DDF). This company had originally been created as a chemical division within Minersa and became independent later. DDF is today one of the most important inorganic fluorochemical producer in Europe.
- 1996-1998: Minersa builds up cogeneration plants attached to their main production premises.
- 1999: Foundation of Mimex, a company dedicated to import minerals and chemical products, to complement those produced by Minersa and so provide a better service to the customers of the group. Mimex has been developed as an open trading company.
- 1999: Minersa increases its interest in the fluorspar business with the acquisition of a minority proportion of Vergenoeg in South Africa. Minersa starts to supply know-how to that operation (technology, marketing...). In 2009, Minersa reaffirms its commitment with South Africa with the acquisition of the majority shareholding of Vergenoeg (VMC Fluorspar), and with the continuation of the efforts to turn it into one of the most important fluorspar producers in the world. By this time, Minersa had already provided the most extensive and diversified customer base, which are spread in all continents.

❖ **2000 - 2005**

- 2000: Minersa acquires a minority shareholding in Metorex.
- 2002: The Group acquires Senegal Mines (Atapulgita).
- 2003: Sulphate production capacity increase of 50% and purchase of bagging plant in Labenne.
- 2005: Minersa acquires a minority shareholding in Mexichem.

❖ **2006 - 2011**

- 2006: Sulquisa cogeneration capacity increase of 50% and purchase of 15% DDF.
- 2007: Anhivel is created for the development of the anhydrite business.
- 2008: Investment in Ostende bagging plant.
- 2009: Acquisition of 55% of Vergenoeg.
- 2011: Acquisition of mining rights in Asturias and further investments were carried out to increase and develop our facilities in Senegal.

❖ **2012 - 2018**

- 2012: Acquisition of assets from a clay producer, further mining rights in Asturias, and investment in Mexichem.
- 2012: Minersa acquires a minority shareholding in Crimidesa, the biggest Spanish sodium sulphate producer.
- 2013: Minersa acquires a group of companies (later named as Anhydritecs) that is a leading player of the European self-levering floor market.
- 2014: Minersa purchases the majority shareholding of Ibérica de Sales, a Spanish road de-icing and animal feeding leader producer.

- 2015: An agreement is reached with Sulquisa's minority shareholders (49%) to purchase their shares
- 2016: The Group acquires 100% of Quadrimex Sels, the second most important salt supplier in France.
- 2017: The Group purchases the minority shareholding in Ibérica de Sales and acquires a company well positioned in the animal feeding and leather treatment markets.
- 2018: Minersa over 75 years old, gaining a tremendous wealth in experience and knowledge and achieved leading positions in fluorspar, salt, sodium sulphate, clays... Its plants and offices extend to Spain, France, Italy, Belgium, UK, Germany, Senegal, China and South Africa.
- 2018: 100% of Sales Orbea, S.L.U. merges with Minersa.
- 2018: on 3<sup>rd</sup> July 2018, the Group incorporates its Commercial Paper Programme, the "Minersa Commercial Paper Programme 2018", (the "**Programme**"), on the Alternative Fixed Income Market (*MARF*), with a maximum outstanding balance 50 million euros.

#### ❖ 2019 - Now

- 2019: Capital increase in Minersa's subsidiary Puremin, corresponding to Minersa 22,761,347 shares of series A and class II. Additionally, the shares held by the company as treasury stock are subscribed by another shareholder, and consequently, the stake of Minersa decreases from 69.82% to 68.00%.
- 2019: on 3<sup>rd</sup> July 2019, the Group renews its Commercial Paper Programme, the "Minersa Commercial Paper Programme 2019", on the Alternative Fixed Income Market (*MARF*), with a maximum outstanding balance 50 million euros.
- 2019: on 24<sup>th</sup> July 2019, the Board of Directors agrees to move the corporate headquarters to Avenida Algorta 16, 48992 Getxo (Vizcaya), where the administration and effective management of the business will be centralized.
- 2020: on 3<sup>rd</sup> July 2020, the Group renews its Commercial Paper Programme, the "Minersa Commercial Paper Programme 2020", on the Alternative Fixed Income Market (*MARF*), with a maximum outstanding balance of 50 million euros.
- 2021: on 1<sup>st</sup> July 2021, the Group renews its Commercial Paper Programme, the "Minersa Commercial Paper Programme 2021", on the Alternative Fixed Income Market (*MARF*), with a maximum outstanding balance of 50 million euros.
- 2021: Capital increase in Minersa's subsidiary Puremin corresponding to 13,575,198 MXN, fully subscribed by Minersa. Consequently, the stake of Minersa increases from 68.00% to 75.96%.
- 2021: Capital increase in Minersa's subsidiary Salinds de L'Aude S.A.S corresponding to 1.40 million euros. Consequently, the stake of Quadrimex Sels increases from 75.00% to 97.66%, decreasing the external shareholders' participation.
- 2021: Sepiol, S.A. acquires 5.00% of Senegal Mines, S.A. and consequently, the stake of Sepiol in its subsidiary increases from 80.00% to 85.00%.
- 2022: Minersa celebrates its 80<sup>th</sup> anniversary since its constitution in 1942.
- 2022: on 1<sup>st</sup> July 2022, the Group renews its Commercial Paper Programme, the "Minersa Commercial Paper Programme 2022", on the Alternative Fixed Income Market (*MARF*), with a maximum outstanding balance of 50 million euros.

- 2022: Vergenoeg Mining Company Pty Ltd. made effective the acquisition of 55,000 shares for its treasury stock, as consequence, Minersa's direct participation increase from 74.00% to 94.87%.
- 2023: on 28th June 2023, the Group renews its Commercial Paper Programme, the "Minersa Commercial Paper Programme 2023", on the Alternative Fixed Income Market (MARF), with a maximum outstanding balance of 50 million euros.
- 2024: on 28th May 2024, the Group acquires 100% of Cantera Castañera, S.A.
- 2024: on 26th June 2024, the Group will renew its Commercial Paper Programme, the "Minersa Commercial Paper Programme 2024", on the Alternative Fixed Income Market (MARF), with a maximum outstanding balance of 50 million euros.

The Issuer's activity is structured in the following business lines:

#### ❖ **Fluorspar**

This mineral has represented the backbone of Minersa throughout its history, which began more than 80 years ago in Spain. During these years, Minersa has continuously exploited several fluorspar mines and has earned its reputation as one of the most solid and reliable producers of that mineral.

With the most complete and long experience in fluorspar production and processing in the world, Minersa currently has the largest portfolio of fluorspar customers, distributed throughout the world and in all niche markets. The combination of the productions of Spain (Asturias) and South Africa have made it the second largest world producer of acid-grade fluorspar.

- **Asturias Fluorspar Activities:** With a production capacity of approximately 140,000 tonnes per year, the mines in Asturias make Minersa the leading European producer of fluorspar. The Asturias team accumulates much of the knowledge of Minersa in fluorspar. Its processing plant, with its own process control technology, abundant use of computer media, quality control laboratory and its cogeneration plant guarantee a constant production of the highest quality fluorspar.
- **Vergenoeg Mining (VMC Fluorspar):** Fluorspar production in Africa Vergenoeg combines an excellent local team, a unique mineral deposit and Minersa's most extensive experience in the fluorspar world. The result is Vergenoeg Mining Company (VMC Fluorspar): the main South African producer of this mineral and one of the most important in the world, with an increasing production capacity acid-grade fluorspar in addition to metallurgical spar in various formats.

Fluorite operations consist of a huge open pit mine and an adjoining beneficiation plant, equipped with the most modern material processing and control, a modern laboratory, drying and packaging plant, briquette production plant, offices etc.

#### ❖ **Fluorchemical**

- **DDF:** Derivados del Flúor (DDF) is the European leader in the field of manufacturing and distribution of inorganic fluorochemicals, due to its capacity, know-how and expertise.

In 1947, it started as a division of Minersa, and it became an independent company in 1967. DDF is now part of Minersa Group, one of the main fluorspar producers worldwide.

DDF products are mainly sold to customers that produce refrigerants, air conditioning, special polymers for the chemical industry, waterproof and breathable fabrics,

aluminium, glass etching, solar cells, semiconductors, glass tableware, nuclear industry, lead free gasoline, stainless steel, self-levelling floors, etc.

The strategic location of the plant in Ontón (Cantabria, North of Spain), close to the port of Bilbao and within easy reach of the railway and highway network, means that DDF is perfectly communicated with Europe and has the best logistic conditions to export all over the world.

#### ❖ Sodium sulphate

- **Sulquisa:** Leading Spanish mining private company, established in 1980, and dedicated to the extraction and commercialization of natural anhydrous sodium sulphate. These products used in a wide range of industrial applications, as powder detergents, flat and bottled glass, paper pulp and Kraft paper, textile dyeing, human food and animal feed, chemical and pharmaceutical production.

Sulquisa (presented in Spain and Morocco) has an integrated production model with its own sodium sulphate deposits, close to the transformation plant, where a high purity and free of heavy metals natural anhydrous sodium sulphate is produced.

The premises, located in Colmenar de Oreja (Madrid), have an annual production capacity of 300,000 tons per year.

#### ❖ Clays

- **Sepiolsa:** Division of special clays of the Minersa Group. Sepiolsa is one of the leading manufacturers of special clays in Europe; where clays are used in commercial fields and range from additives for animal feeds (feeds and pre-mixes), pet litter (cats, chinchillas, etc.) to bleaching agents for refining oils and fats, as well as industrial absorbent applications. Sepiolsa has mines and processing plants in Spain, Belgium, France and Senegal.
- **Puremin:** It is one of the leading manufacturers of especial clays, specifically in clays used in commercial fields for the creation of a wide range of products, from additives for animal feeds to bleaching agents for refining oils, as well as industrial absorbent applications. Its headquarters are located in Mexico.

#### ❖ Self-levelling floors

- **Anhydritec:** Business Unit of the Minersa Group, producer of industrial minerals and chemical products, and one of the largest producers of synthetic anhydrite in Europe. Anhydritec is a European leader in anhydrite technologies for all type of applications and markets, from construction (flowing screeds) through industrial applications (cement, fertilizer industries, etc).

With three production facilities, four laboratories and two R&D centers, Anhydritec has a wide industrial organisation in Europe to cover all markets. The R&D centers is at the forefront of new technologies and actively work on anhydrite-based innovations to provide the customers with the most efficient solutions.

#### ❖ Salts

- Ibérica de Sales main business is the extraction and sale of common salt, rock salt and brine, which are intended for the animal nutrition, winter road maintenance and decalcification markets. It became part of the Minersa Group in March 2014.

As the leader in the domestic market for salt used in animal and salt for deicing, it has proven experience in these sectors, which guarantees a high quality in the service

provided to its customers. It also has a qualified workforce and effective technical resources, with sufficient capacity to meet customer's demands and satisfy the legal and statutory requirements governing its activities.

In 2016, Iberica de Sales acquired Quadrimex-Sels (based in France), the second de-icing salt supplier in France, with more than thirty years of experience.

At the end of 2017, Sodexma joined Quadrimex Group, increasing the portfolio, due to their presence in animal feeding and leather treatments.

#### ❖ **Trading**

- **Mimex:** Consolidated trading company, importing and exporting several industrial, mineral and chemical products, with a division specialized on packaging products.

Mimex is a market leader in distribution of industrial minerals and chemical products, searching and locating raw materials in the international market. They work directly with the sources, carrying strict quality controls and covering the whole logistics process all the way to the warehouse.

In 1999, Mimex started operating within the Spanish mineral-chemical Minersa group, aiming at extending the group's product range. The compromise of this company is to obtain the client's satisfaction by assuring quality and best conditions. To reach the objectives, Mimex has at its disposal excellent human resources, experienced and highly qualified.

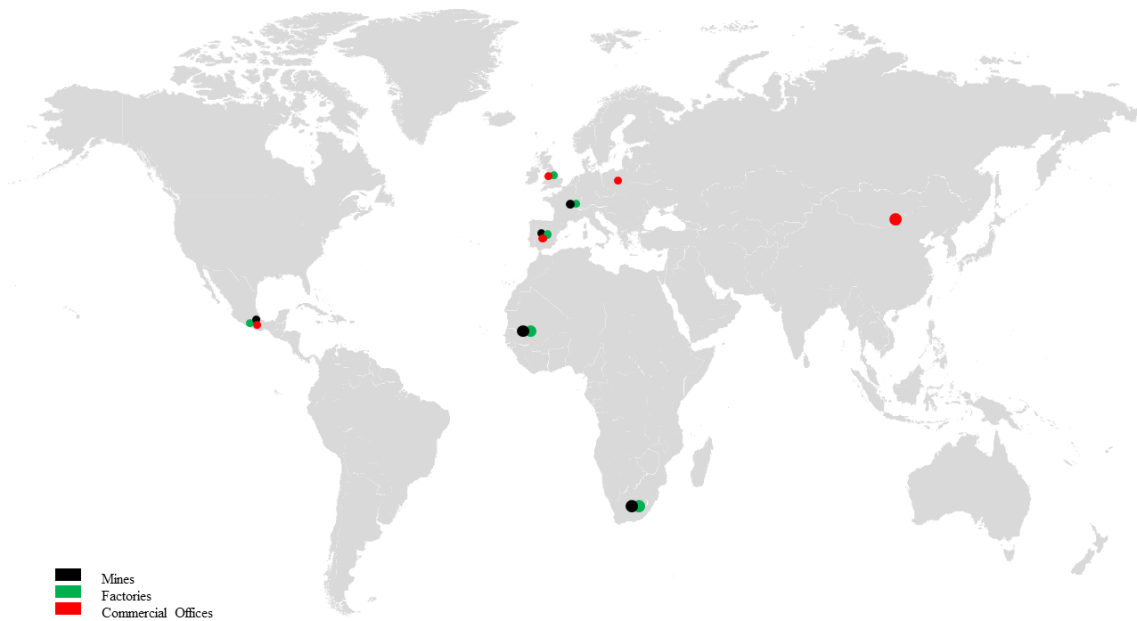
The head office is located in Castro Urdiales and Minersa has a representing office in Beijing (China). Therefore, Mimex is specialist in Chinese market. The office in Beijing allows them to have a direct contact with one of the fastest growing economy markets, provide the clients with promoting services, business trip organization, direct commercial missions, visits to manufacturers, specialized exhibitions, information about legislation and market information about specific sectors, as well as any service to help commercial or investment relations between China and Spain.

#### **2.2. Minersa's international presence**

The Group operates on an international scale, carrying out its activity in countries such as Spain, France, Germany, Belgium, United Kingdom, Mexico, South Africa, Senegal and China.

The following map shows the presence of Minersa across the different countries through its mines, factories and commercial offices:





### 2.3. Minersa’s strategy

Throughout its more than 80 years of activity, Minersa has developed its strategy on four fundamental pillars: sustainability, profitability, leadership and innovation.

Sustainability	Profitability	Leadership	Innovation
As a result of a major investment effort in the exploration, discovery and evaluation of new groups of mineral fields, the group operates on a global scale through diversification, service excellence and respect for the environment.	Minersa is characterised by its profitability and efficient economic performance, optimising both its own and third parties resources.	The Group aims to lead in each of the sectors in which it operates, in terms of volume and quality of its products and services.	Minersa collaborates with customers and suppliers to develop new products and services adapted to the needs of the market, always seeking to differentiate itself from its competitors.

Minersa’s trajectory is characterized by continuous progress in growth and evolution, with results that support the strength of its business model. Minersa has consolidated its position as a benchmark player in all the sectors in which it operates, as a result of its investment efforts in the exploration, discovery and evaluation of new deposits, while maintaining its focus on offering an adequate level of service, developing long-term commercial relationships with customers and maintaining solvency on its balance sheet.

#### ESG strategy

Minersa's ESG strategy is focused on the integration of sustainability into its operations. The Group adheres to the Task Force on Climate-related Financial Disclosures (TCFD) guidelines, analyzing risks and integrating climate considerations into their strategic planning.

On the environmental front, Minersa is dedicated to reducing its ecological footprint by enhancing energy efficiency and conserving resources, mitigating the environmental impacts of its operations. The company uses scenario analyses to understand and strategically adapt to the long-term effects of climate change, ensuring the protection of assets and business continuity. In this sense, Sulquisa has made a significant investment in a solar installation self-consumption photovoltaic. Socially, Minersa is committed to its workforce and surrounding communities, promoting fair employment, extensive training, and community development programs that uphold human rights. On the governance side, Minersa maintains strict ethical

standards and transparency, implementing robust anti-bribery policies and conducting regular audits and compliance reviews to ensure all business practices are legal and reflect high standards of integrity.

Overall, Minersa's ESG strategy integrates comprehensive risk management, proactive environmental stewardship, social responsibility, and strict governance to sustain its competitive edge and uphold its commitment to sustainability.

#### **2.4. Consolidated financial statements for the financial years ended on 31<sup>st</sup> December 2022 and 31<sup>st</sup> December 2023**

The Issuer's consolidated financial statements for the financial years ended on 31<sup>st</sup> December 2022 and 31<sup>st</sup> December 2023, audited and without reservations, are attached as Annex 1 to this Information Memorandum.

The following tables depict the Issuer's relevant financial data until 31<sup>st</sup> December 2023:

##### **Consolidated Balance Sheet - Main figures**

<i>Thousand euros and percentages</i>	<b>2023</b>	<b>2022</b>	<b>Annual change</b>
<b>Non Current Assets</b>	<b>373.590</b>	<b>360.103</b>	<b>3,75%</b>
Intangible Assets	53.032	51.683	2,61%
Goodwill	37.975	39.858	(4,72%)
Other intangible assets	15.057	11.825	27,33%
Property, plant and equipment	290.963	273.478	6,39%
Long-term financial investments	16.839	25.737	(34,57%)
Investments accounted by for using the equity method	2.732	1.850	47,68%
Investment property	3.764	3.627	3,78%
Deferred tax assets	6.260	3.728	67,92%
<b>Current Assets</b>	<b>436.824</b>	<b>456.866</b>	<b>(4,39%)</b>
Inventories	107.250	92.549	15,88%
Trade debtors and other accounts receivables	84.589	109.246	(22,57%)
Current tax assets	8.977	4.732	89,71%
Current financial investments	145.550	134.754	8,01%
Other current assets	1.493	2.117	(29,48%)
Cash and cash equivalents	88.965	113.468	(21,59%)
<b>TOTAL ASSETS</b>	<b>810.414</b>	<b>816.969</b>	<b>(0,80%)</b>

<i>Thousand euros and percentages</i>	<b>2023</b>	<b>2022</b>	<b>Annual change</b>
<b>Net equity</b>	<b>532.643</b>	<b>469.913</b>	<b>13,35%</b>
Equity	548.031	478.965	14,42%
Share capital	4.639	4.639	0,00%
Share Premium	1	1	0,00%
Reserves	558.415	489.349	14,11%
Own values	(15.024)	(15.024)	0,00%
Dividends	(84.675)	(42.863)	97,55%
Profit/(Loss) of the year attributed to the parent company	84.675	42.863	97,55%
Other Comprehensive Income	(17.932)	(9.977)	79,73%
Equity attributable to the controlling entity	530.099	468.988	13,03%
Minority Interests	2.544	925	175,03%
<b>Non-current liabilities</b>	<b>178.793</b>	<b>207.766</b>	<b>(13,95%)</b>
Long-term provisions	5.345	8.885	(39,84%)
Other non-current financial liabilities	135.481	157.860	(14,18%)
Debt with credit entities and debentures or other marketable securities	125.913	148.977	(15,48%)
Other non-current financial liabilities	8.723	7.596	14,84%
Non-current derivatives	845	1.287	(34,34%)
Liabilities by deferred tax	37.967	41.021	(7,44%)
<b>Current liabilities</b>	<b>98.978</b>	<b>139.290</b>	<b>(28,94%)</b>
Short-term provisions	7.747	5.604	38,24%
Other current financial liabilities	40.571	60.332	(32,75%)
Debt with credit entities and debentures or other marketable securities	37.187	42.236	(11,95%)
Other non-current financial liabilities	2.180	17.045	(87,21%)
Current derivatives	1.204	1.051	14,56%
Trade and other payables	49.356	72.613	(32,03%)
Suppliers for sales and services	29.386	51.308	(42,73%)
Other creditors	19.970	21.305	(6,27%)
Deferred tax assets liabilities	1.284	399	221,80%
Other current liabilities	20	342	(94,15%)
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>810.414</b>	<b>816.969</b>	<b>(0,80%)</b>

<i>Thousand euros and percentages</i>	<b>2023</b>	<b>2022</b>	<b>Annual change</b>
<b>Operating income</b>	<b>446.722</b>	<b>450.885</b>	<b>(0,92%)</b>
Net Sales	425.858	436.987	(2,55%)
Other Operating Income	5.967	2.998	99,03%
Variation in inventories of finished and semi-finished products	11.257	8.897	26,53%
Other work performed by the entity and capitalised	3.640	2.003	81,73%
<b>Operating expenses</b>	<b>(341.580)</b>	<b>(388.444)</b>	<b>(12,06%)</b>
Supplies	(143.358)	(178.868)	(19,85%)
Personnel expenses	(48.180)	(45.589)	5,68%
Other operating expenses	(126.840)	(142.704)	(11,12%)
Depreciation of fixed assets	(23.120)	(21.904)	5,55%
Impairment of fixed assets	-	(1.148)	-%
Impairment losses and gains on disposal of non current assets	(82)	1.769	n.a.
<b>OPERATING RESULT</b>	<b>105.142</b>	<b>62.441</b>	<b>68,39%</b>
Financial income	4.225	2.320	82,11%
Financial expenses	(5.557)	(4.767)	16,57%
Change in fair value of financial instruments	3.391	998	239,78%
Exchange rate differences	615	1.891	(67,48%)
Results of disposals of financial instruments	(33)	-	-%
<b>FINANCIAL RESULT</b>	<b>2.641</b>	<b>442</b>	<b>497,51%</b>
Participation in the results of affiliated companies	882	180	390,00%
<b>INCOME BEFORE TAXES</b>	<b>108.665</b>	<b>63.063</b>	<b>72,31%</b>
Corporate Tax	(22.606)	(15.341)	47,36%
<b>RESULT AFTER TAX ON CONTINUING OPERATIONS</b>	<b>86.059</b>	<b>47.722</b>	<b>80,33%</b>
<b>RESULT FOR THE YEAR FROM CONTINUOUS OPERATIONS</b>	<b>86.059</b>	<b>47.722</b>	<b>80,33%</b>
Results attributable to non-controlling interest	1.384	4.859	(71,52%)
Results attributable to shareholders of the parent company	84.675	42.863	97,55%

Minersa's main indicators by sector of activity as of 31<sup>st</sup> December 2023 are the following:

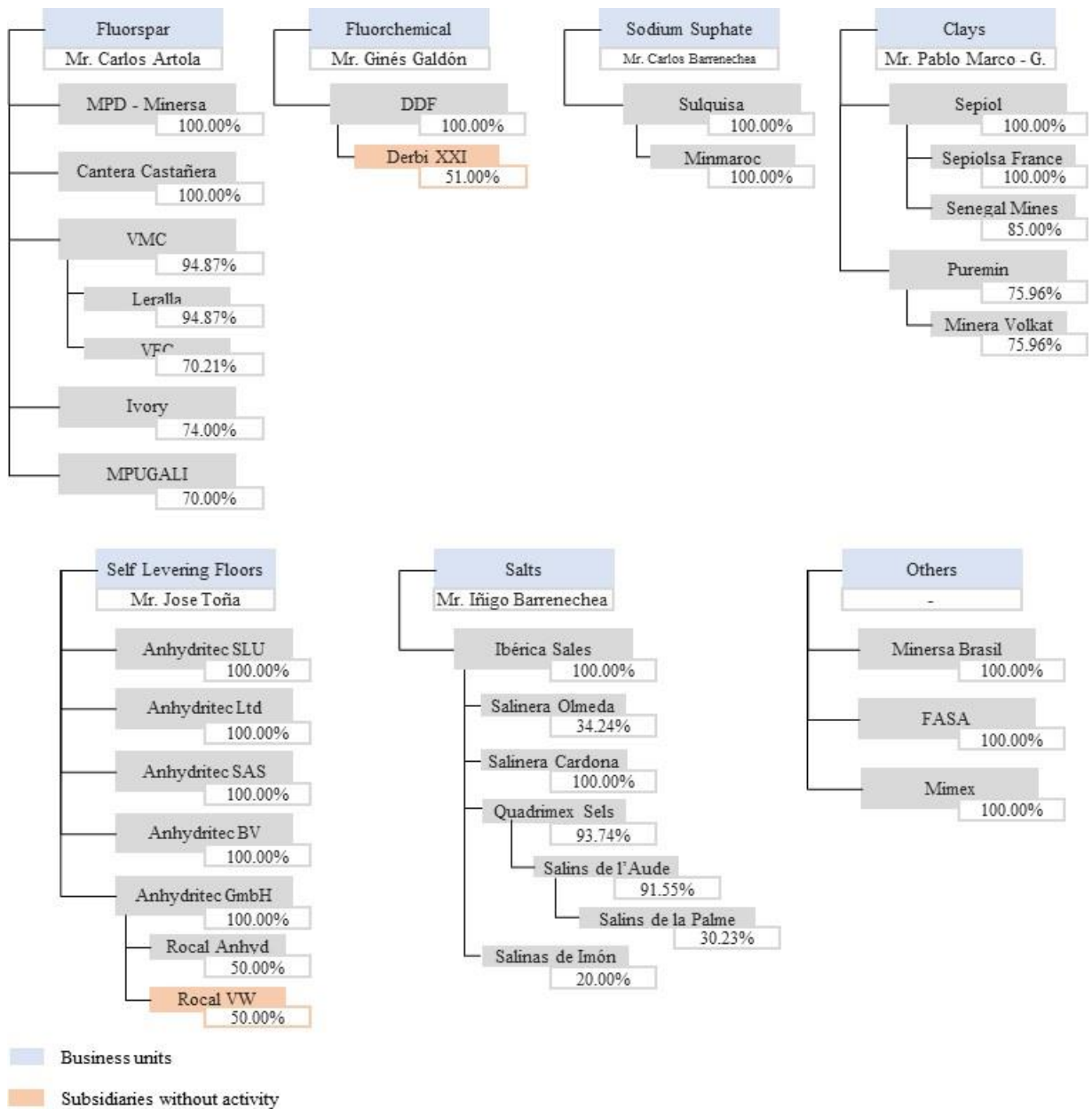
<i>Thousand euros</i>	Fluorite	Clays	Sodium sulphate	Chemicals	Trading	Mortars	Salts	Rest & adjustment	Total
Net sales	112.676	53.240	46.922	108.391	9.966	61.082	33.441	140	425.858
Profit / Loss before taxes	71.153	5.335	3.932	12.394	3.984	5.603	1.646	4.618	108.665

As of the date of this Information Memorandum, military hostilities continue, although it has not had any significant direct impact on the Group, it should be noted that due to the conflict and the political instability generated, the Group is exposed to the indirect consequences such as the increase in energy, gas and electricity prices and the resulting inflationary effect throughout raw materials, consumable and services purchase. However, under this sense, the Group does not expect any rise of tensions in 2024 as result of the projected evolution and, for this reason, the Issuer' strategy has not been heavily affected.

## **2.5. Organisational structure and administrative board**

The Issuer is the parent company of the Group Minersa, and has a holding structure, divided into seven business units, each one focused on different activities and sectors.

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The Issuer's Board of Directors is composed by:

Name of Director	Position
Mr. Alberto Barrenechea Guimón	Chairman and CEO
Mr. Alberto Barrenechea Arteche	Director
Mr. Alejandro Aznar Sainz	Director
Ms. Ruth Guzmán López de Lamadrid	Director
Mr. Francisco Javier Guzmán Uribe	Director
Ms. Mónica Aguirre Aguirrezabal	Director
Mr. Ignacio Marco – Gardoqui Ibáñez	Director
Ms. Ana Isabel Beobide Laucirica	Director

The Issuer's Corporate Divisions are the following:

Corporate Division	Responsible
Legal	Mr. Jon Arcaraz
Technology, Engineering & Development	Mr. Aitor Vivanco
Corporate Development & Strategy	Mr. Alberto Parejo
Finance	Mr. Humberto Carlos Álvarez
Exploration & Mineral Resources	Mr. Luis Villa

## 2.6. Litigations and legal proceedings

Neither of the Issuer nor any of the members of the Group is or has been involved in any governmental, legal or arbitration proceedings, or any situation of insolvency (including any such proceedings which are pending or threatened of which the Issuer are aware) in the twelve (12) months preceding the date of the Programme which may have or have in such period had a significant effect on the financial position or profitability of any of the Issuer or the Group.

## 3. Full name of the securities issue

"Minersa Commercial Paper Programme 2024".

## 4. Person responsible

Alberto Barrenechea Guimón acts in the name and on behalf of Minersa. He is responsible for the entire content of this Information Memorandum as the representative of the Issuer.

Alberto Barrenechea Guimón hereby declares that the information contained in this Information Memorandum is, to the best of his knowledge and after executing its reasonable diligence to ensure that it is stated, compliant with the facts and that it not suffers from any omission that could affect its content.

## 5. Duties of the Registered Advisor of MARF

Deloitte Strategy, Risk & Transactions, S.L.U., that has recently modified its denomination from Deloitte Financial Advisory, S.L.U., ("**Deloitte**" or the "**Registered Advisor**") single-member company registered in the Commercial Registry of Madrid, in Volume 18.393, Sheet 1, Page M-319093, with registered office in Plaza Pablo Ruiz Torre Picasso 1, 28020 Madrid and tax identification number B83504043, is designated as the registered advisor of the Issuer. Deloitte is a company admitted as Registered Advisor of MARF by virtue of the resolution of the Board of Directors of the AIAF Mercado de Renta Fija published by means of the operational instruction 4/2023 of April 25th, on the admission of registered advisors to the Alternative Fixed Income Market in accordance with the provisions of section two of Market Circular 3/2013 of July 18th.

Deloitte is designated as the Registered Advisor of the Issuer and, therefore has acquired the compromise of cooperate with the Issuer on:

- (i) the admission (*incorporación*) of the securities issued;
- (ii) compliance with any obligations and responsibilities that apply to the Issuer for its admission and participation in the Alternative Fixed-Income Market ("**MARF**");
- (iii) the preparation and presentation of financial and business information required thereby; and
- (iv) review of the information to ensure that it complies with applicable standards.

Thus, Deloitte will collaborate with the Issuer to enable him to comply with its obligations and responsibilities to be assumed by incorporating the Commercial Paper Notes issued under the Programme on MARF, acting as specialised interlocutor between both MARF and the company and as a mean to facilitate its insertion and development in the new trading regime of their securities trading.

Deloitte shall provide MARF with the periodic reports required by it, and MARF, in turn, may seek any information deemed necessary in connection with the Registered Advisor's role (and obligations as Registered Advisor). MARF may take any measures in order to check the information that has been provided.

The Issuer must have, at all times, a designated Registered Advisor listed in the “**Registered Advisors Market Registry**” (*Registro de Asesores Registrados de Mercado*).

As registered advisor, Deloitte, with respect to the application for admission of the securities to trading on MARF:

- (i) has verified that the Issuer complies with the MARF's regulation requirements in order for the securities to be admitted thereto; and
- (ii) has assisted the Issuer in preparing the Base Information Document, has reviewed all information provided by the Issuer to MARF in connection with the application for admission to trading of the securities on MARF and has verified that the information provided by the Issuer complies with the requirements of the applicable laws and contains no omission likely to mislead potential investors.

Once the Commercial Paper Notes are admitted to trading on MARF, Deloitte, as Registered Advisor, will:

- (i) review the information prepared by the Issuer for its remittance to MARF periodically or on an ad hoc basis, and verify that the content meets the requirements and time limits provided for in MARF rules and regulations;
- (ii) advise the Issuer on any factors that may affect the Issuer's compliance with its obligations as an issuer of securities that have been admitted to trading on MARF, as well as the best way to deal with such events in order to avoid breaching such obligations;
- (iii) inform MARF of any facts that may constitute a breach by the Issuer of its obligations in the event that it appreciates a potential material breach by the Issuer that had not been cured by its advice; and
- (iv) manage, attend and answer queries and requests for information from MARF in relation to the situation of the Issuer, the evolution of its activity, the level of performance of its obligations and any other data deemed relevant.

For the above purposes, Deloitte, as Registered Advisor, shall perform the following actions:

- (i) maintain necessary and regular contact with the Issuer and analyse exceptional situations which may occur in the evolution of the market price, trading volume and other relevant circumstances in the trading of the Issuer's securities;
- (ii) sign such statements as may be required under the MARF's regulation as a result of the admission to trading of the securities on MARF, as well as in relation to information required to companies with securities admitted thereto; and
- (iii) send to MARF, as soon as possible, any information received from the Issuer in response to enquiries and requests for information that MARF may have.

## **6. Maximum outstanding balance**

The maximum amount of this Commercial Paper programme will be a nominal of FIFTY MILLION EURO (€50,000,000) (the “**Commercial Paper Programme 2024**” or the “**Programme**”).

This amount is understood to be the maximum outstanding amount to which the aggregate nominal value of the Commercial Paper Notes in circulation – issued under the Programme and admitted to the MARF by virtue of this Information Memorandum – shall be limited at any given point in time.

#### **7. Description of the type and class of the securities. Face value**

The Commercial Paper Notes are securities issued at a discount from their nominal value, which represent a liability for the Issuer, accrue interest and will be reimbursed at maturity at their face value upon maturity. Each issuance of Commercial Paper with the same terms and conditions, such as maturity date, amongst others, will be registered with the same ISIN code.

Each Commercial Paper will have a nominal value of ONE HUNDRED THOUSAND EURO (€100,000); therefore, the maximum number of Commercial Paper outstanding at any given moment shall not exceed FIVE HUNDRED (500).

#### **8. Governing Law of the securities**

The Commercial Paper Notes are issued in accordance with the Spanish legislation applicable to the Issuer or to the Commercial Paper as securities (valores negociables).

In particular, the Commercial Paper Notes are issued pursuant to (i) Law 6/2023, of March 17, on Securities Markets and Investment Services (Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión); (ii) the restated text of the Spanish Companies Law approved by the Royal Legislative Decree 1/2010, of 2 July (Texto Refundido de la Ley de Sociedades de Capital aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio) and (iii) their development regulations, in accordance with their current wording and with any other related regulations.

This Information Memorandum is the one required by the Circular 2/2018, of 4th December, on admission and removal of securities on the Alternative Fixed-Income Market (Circular 2/2018, de 4 de diciembre, sobre incorporación y exclusión de valores en el Mercado Alternativo de Renta Fija).

The Commercial Paper Notes are governed by Spanish law. 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) and will be registered with IBERCLEAR as managing entity of the Spanish Central Registry (Registro Central), together with its member entities. IBERCLEAR, with registered office in Madrid, Plaza de la Lealtad, 1, will be in charge of the accounting records together with its participating entities, pursuant to the provisions of article 8.3 of the Securities Market Act and Royal Decree 814/2023 of 8 November, on financial instruments, admission to trading and registration of transferable securities and market infrastructures (Real Decreto 814/2023, de 8 de noviembre, sobre instrumentos financieros, admisión a negociación, registro de valores negociables e infraestructuras de mercado).

#### **10. Currency of the issue**

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



## **11. Order of priority**

The present issue of Commercial Paper by Minersa will not be secured by any *in rem* guarantees (*garantías reales*) or third parties. The capital and the interest of the Commercial Paper Notes will only benefit from the guarantee of the Issuer's total net worth.

According to the classification and order of priority of debt claims laid down in the Insolvency Law, claims relating to the Commercial Paper (which are not subordinated pursuant to Article 281.1 of the Insolvency Law) will be ordinary claims (*créditos ordinarios*) Those ordinary claims will rank below creditors with privilege (*créditos privilegiados*) and above subordinated credits (*créditos subordinados*), (unless they can be classed as such under Article 281 of the Insolvency Law,) and would not have any preference among them.

## **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 Notes issued under the Programme will not grant the investors 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, yield and redemption prices with which the Commercial Paper Notes are issued, as 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**"), in the account specified by the Issuer on the corresponding date of issuance.

In all cases, the Placement Entities will issue a nominative and non-negotiable certificate of acquisition. The referred document will provisionally credit the subscription of the Commercial Paper Notes 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 validity 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 of validity. However, the Issuer reserves the right not to issue new Commercial Paper Notes as it deems appropriate, in accordance with its treasury needs or if it finds more favourable financing conditions.

The issue date and disbursement date of the Commercial Paper Notes will be indicated in the complementary certificates (*certificaciones complementarias*) corresponding to each issue. The date of issue, disbursement and admission of the Commercial Paper Notes may not be subsequent to the expiry date of this Information Memorandum.

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

The annual nominal interest will be set in each adjudication. The Commercial Paper Notes will be issued under the Programme at the interest rate (discount rate) agreed to between Banco Santander, S.A. and Banca March S.A (for these purposes, the "**Placement Entities**") and the Issuer. The yield shall be implicit in the Commercial Paper's face value, to be reimbursed at maturity date.

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

As these are discounted securities with an implicit yield, the effective amount to be reimbursed by the investor varies in accordance with the issue interest rate and term agreed.

Therefore, the effective amount for each Commercial Paper may be calculated through the following formulas:

- When the issue term is 365 days or less:

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

- When the issue term exceeds 365 days:

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

Where:

N = nominal value of the Commercial Paper.

E = effective amount of the Commercial Paper.

d = number of days of the term, until maturity.

i = nominal interest rate, expressed as a decimal.

A table is included to help the investor, specifying the effective value tables for different rates of interest and repayment terms, including also a column showing the variation of the effective value of the Commercial Paper when increasing by 10 days its term.

*[See tables in the following pages. Remainder of the page intentionally left blank.]*

Securities with a term up to 365 days

Nominal rate	7 days			30 days			60 days			90 days			180 days			270 days			365 days		
	Subscription price (euros)	IRR/AER	+10 days (euros)	Subscription price (euros)	IRR/AER	+10 days (euros)	Subscription price (euros)	IRR/AER	+10 days (euros)	Subscription price (euros)	IRR/AER	+10 days (euros)	Subscription price (euros)	IRR/AER	+10 days (euros)	Subscription price (euros)	IRR/AER	+10 days (euros)	Subscription price (euros)	IRR/AER	+10 days (euros)
0.25%	99,995.21	0.25%	-6.85	99,979.46	0.25%	-6.85	99,958.92	0.25%	-6.84	99,938.39	0.25%	-6.84	99,876.86	0.25%	-6.83	99,815.41	0.25%	-6.82	99,750.62	0.25%	-6.81
0.50%	99,990.41	0.50%	-13.69	99,958.92	0.50%	-13.69	99,917.88	0.50%	-13.67	99,876.86	0.50%	-13.66	99,754.03	0.50%	-13.63	99,631.50	0.50%	-13.60	99,502.49	0.50%	-13.56
0.75%	99,985.62	0.75%	-20.54	99,938.39	0.75%	-20.52	99,876.86	0.75%	-20.49	99,815.41	0.75%	-20.47	99,631.50	0.75%	-20.39	99,448.27	0.75%	-20.32	99,255.58	0.75%	-20.24
1.00%	99,980.83	1.00%	-27.38	99,917.88	1.00%	-27.34	99,835.89	1.00%	-27.30	99,754.03	1.00%	-27.26	99,509.27	1.00%	-27.12	99,265.71	1.00%	-26.99	99,009.90	1.00%	-26.85
1.25%	99,976.03	1.26%	-34.22	99,897.37	1.26%	-34.16	99,794.94	1.26%	-34.09	99,692.73	1.26%	-34.02	99,387.34	1.25%	-33.82	99,083.81	1.25%	-33.61	98,765.43	1.25%	-33.39
1.50%	99,971.24	1.51%	-41.06	99,876.86	1.51%	-40.98	99,754.03	1.51%	-40.88	99,631.50	1.51%	-40.78	99,265.71	1.51%	-40.48	98,902.59	1.50%	-40.18	98,522.17	1.50%	-39.87
1.75%	99,966.45	1.77%	-47.89	99,856.37	1.76%	-47.78	99,713.15	1.76%	-47.65	99,570.35	1.76%	-47.51	99,144.37	1.76%	-47.11	98,722.02	1.75%	-46.71	98,280.10	1.75%	-46.29
2.00%	99,961.66	2.02%	-54.72	99,835.89	2.02%	-54.58	99,672.31	2.02%	-54.41	99,509.27	2.02%	-54.23	99,023.33	2.01%	-53.70	98,542.12	2.01%	-53.18	98,039.22	2.00%	-52.64
2.25%	99,956.87	2.28%	-61.55	99,815.41	2.27%	-61.38	99,631.50	2.27%	-61.15	99,448.27	2.27%	-60.93	98,902.59	2.26%	-60.26	98,362.86	2.26%	-59.61	97,799.51	2.25%	-58.93
2.50%	99,952.08	2.53%	-68.38	99,794.94	2.53%	-68.17	99,590.72	2.53%	-67.89	99,387.34	2.52%	-67.61	98,782.14	2.52%	-66.79	98,184.26	2.51%	-65.98	97,560.98	2.50%	-65.15
2.75%	99,947.29	2.79%	-75.21	99,774.48	2.78%	-74.95	99,549.98	2.78%	-74.61	99,326.48	2.78%	-74.28	98,661.98	2.77%	-73.29	98,006.31	2.76%	-72.31	97,323.60	2.75%	-71.31
3.00%	99,942.50	3.04%	-82.03	99,754.03	3.04%	-81.72	99,509.27	3.04%	-81.32	99,265.71	3.03%	-80.92	98,542.12	3.02%	-79.75	97,829.00	3.01%	-78.60	97,087.38	3.00%	-77.41
3.25%	99,937.71	3.30%	-88.85	99,733.59	3.30%	-88.49	99,468.59	3.29%	-88.02	99,205.00	3.29%	-87.55	98,422.54	3.28%	-86.18	97,652.33	3.26%	-84.84	96,852.30	3.25%	-83.45
3.50%	99,932.92	3.56%	-95.67	99,713.15	3.56%	-95.25	99,427.95	3.55%	-94.71	99,144.37	3.55%	-94.17	98,303.26	3.53%	-92.58	97,476.30	3.52%	-91.03	96,618.36	3.50%	-89.43
3.75%	99,928.13	3.82%	-102.49	99,692.73	3.82%	-102.00	99,387.34	3.81%	-101.38	99,083.81	3.80%	-100.76	98,184.26	3.79%	-98.94	97,300.90	3.77%	-97.17	96,385.54	3.75%	-95.35
4.00%	99,923.35	4.08%	-109.30	99,672.31	4.07%	-108.75	99,346.76	4.07%	-108.04	99,023.33	4.06%	-107.34	98,065.56	4.04%	-105.28	97,126.13	4.02%	-103.27	96,153.85	4.00%	-101.21
4.25%	99,918.56	4.34%	-116.11	99,651.90	4.33%	-115.50	99,306.22	4.33%	-114.70	98,962.92	4.32%	-113.90	97,947.14	4.30%	-111.58	96,951.99	4.27%	-109.33	95,923.26	4.25%	-107.02
4.50%	99,913.77	4.60%	-122.92	99,631.50	4.59%	-122.23	99,265.71	4.59%	-121.34	98,902.59	4.58%	-120.45	97,829.00	4.55%	-117.85	96,778.47	4.53%	-115.33	95,693.78	4.50%	-112.77

Securities with a term longer than 365 days

Nominal rate	372 days			395 days			425 days			455 days			545 days			635 days			731 days		
	Subscription price (euros)	IRR/AER	+10 days (euros)	Subscription price (euros)	IRR/AER	+10 days (euros)	Subscription price (euros)	IRR/AER	+10 days (euros)	Subscription price (euros)	IRR/AER	+10 days (euros)	Subscription price (euros)	IRR/AER	+10 days (euros)	Subscription price (euros)	IRR/AER	+10 days (euros)	Subscription price (euros)	IRR/AER	+10 days (euros)
0.25%	99,745.85	0.25%	-6.82	99,730.15	0.25%	-6.82	99,709.69	0.25%	-6.82	99,689.23	0.25%	-6.82	99,627.87	0.25%	-6.82	99,566.55	0.25%	-6.81	99,501.19	0.25%	-6.81
0.50%	99,492.97	0.50%	-13.59	99,461.71	0.50%	-13.59	99,420.94	0.50%	-13.58	99,380.19	0.50%	-13.58	99,258.05	0.50%	-13.56	99,136.06	0.50%	-13.55	99,006.10	0.50%	-13.53
0.75%	99,241.36	0.75%	-20.31	99,194.65	0.75%	-20.30	99,133.74	0.75%	-20.29	99,072.88	0.75%	-20.28	98,890.52	0.75%	-20.24	98,708.49	0.75%	-20.20	98,514.69	0.75%	-20.17
1.00%	98,991.01	1.00%	-26.98	98,928.96	1.00%	-26.97	98,848.09	1.00%	-26.94	98,767.28	1.00%	-26.92	98,525.25	1.00%	-26.86	98,283.81	1.00%	-26.79	98,026.93	1.00%	-26.72
1.25%	98,741.91	1.25%	-33.60	98,664.64	1.25%	-33.57	98,563.95	1.25%	-33.54	98,463.37	1.25%	-33.51	98,162.23	1.25%	-33.40	97,862.01	1.25%	-33.30	97,542.79	1.25%	-33.19
1.50%	98,494.04	1.50%	-40.17	98,401.68	1.50%	-40.13	98,281.33	1.50%	-40.08	98,161.14	1.50%	-40.03	97,801.43	1.50%	-39.89	97,443.05	1.50%	-39.74	97,062.22	1.50%	-39.58
1.75%	98,247.40	1.75%	-46.69	98,140.06	1.75%	-46.64	98,000.22	1.75%	-46.57	97,860.58	1.75%	-46.50	97,442.85	1.75%	-46.30	97,026.90	1.75%	-46.11	96,585.19	1.75%	-45.90
2.00%	98,001.99	2.00%	-53.16	97,879.78	2.00%	-53.09	97,720.59	2.00%	-53.00	97,561.67	2.00%	-52.92	97,086.46	2.00%	-52.66	96,613.55	2.00%	-52.40	96,111.66	2.00%	-52.13
2.25%	97,757.79	2.25%	-59.58	97,620.82	2.25%	-59.49	97,442.45	2.25%	-59.38	97,264.41	2.25%	-59.27	96,732.23	2.25%	-58.95	96,202.97	2.25%	-58.63	95,641.61	2.25%	-58.29
2.50%	97,514.79	2.50%	-65.95	97,363.17	2.50%	-65.84	97,165.77	2.50%	-65.71	96,968.77	2.50%	-65.58	96,380.16	2.50%	-65.18	95,795.13	2.50%	-64.78	95,175.00	2.50%	-64.37
2.75%	97,272.98	2.75%	-72.27	97,106.84	2.75%	-72.15	96,890.55	2.75%	-71.99	96,674.75	2.75%	-71.83	96,030.23	2.75%	-71.35	95,390.00	2.75%	-70.87	94,711.79	2.75%	-70.37
3.00%	97,032.36	3.00%	-78.55	96,851.79	3.00%	-78.40	96,616.78	3.00%	-78.21	96,382.33	3.00%	-78.02	95,682.41	3.00%	-77.46	94,987.56	3.00%	-76.89	94,251.96	3.00%	-76.30
3.25%	96,792.91	3.25%	-84.78	96,598.03	3.25%	-84.61	96,344.44	3.25%	-84.38	96,091.50	3.25%	-84.16	95,336.69	3.25%	-83.50	94,587.79	3.25%	-82.85	93,795.46	3.25%	-82.15
3.50%	96,554.63	3.50%	-90.96	96,345.55	3.50%	-90.76	96,073.52	3.50%	-90.51	95,802.25	3.50%	-90.25	94,993.04	3.50%	-89.49	94,190.67	3.50%	-88.73	93,342.27	3.50%	-87.93
3.75%	96,317.52	3.75%	-97.10	96,094.34	3.75%	-96.87	95,804.02	3.75%	-96.58	95,514.57	3.75%	-96.29	94,651.47	3.75%	-95.42	93,796.16	3.75%	-94.56	92,892.36	3.75%	-93.64
4.00%	96,081.55	4.00%	-103.19	95,844.38	4.00%	-102.93	95,535.91	4.00%	-102.60	95,228.44	4.00%	-102.27	94,311.94	4.00%	-101.29	93,404.25	4.00%	-100.31	92,445.69	4.00%	-99.28
4.25%	95,846.72	4.25%	-109.23	95,595.67	4.25%	-108.95	95,269.20	4.25%	-108.58	94,943.85	4.25%	-108.20	93,974.43	4.25%	-107.10	93,014.92	4.25%	-106.01	92,002.23	4.25%	-104.85
4.50%	95,613.03	4.50%	-115.23	95,348.20	4.50%	-114.92	95,003.87	4.50%	-114.50	94,660.79	4.50%	-114.09	93,638.94	4.50%	-112.86	92,628.13	4.50%	-111.64	91,561.95	4.50%	-110.35

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:

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

Whereby:

IRR = effective annual interest rate expressed as a decimal.

N = nominal value of the Commercial Paper.

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

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

### **15. Placement Entities, Paying Agent and Depository Entities**

The entities that will collaborate in the Program (the "**Placement Entities**") are:

**Banco Santander, S.A.**

Spanish Tax Identification Number (N.I.F): A-39000013

Registered office: Calle Juan Ignacio Luca de Tena, 11, 28027 Madrid, Spain.

**Banca March, S.A.**

Spanish Tax Identification Number (N.I.F): A-07004021

Registered office: Avenida Alexandre Rosselló, 8, 07006 Palma, Balearic Islands, Spain

The Issuer and the Placement Entities have entered into a placement agreement for the Programme, including the possibility to sell to third parties.

The Issuer may include new entities as placement entities, and these will be communicated through the corresponding other relevant information announcement on MARF website.

Banco Santander shall also act as paying agent (the "**Paying Agent**").

The Issuer has not designated any securities' depository entity. Each legal holder shall appoint, amongst those entities' participants in Iberclear, the entity which shall act as depository.

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

The Commercial Paper issued under the Programme will be redeemed at their face value on the maturity date established terms and conditions of each issue, applying the corresponding withholding tax, if applicable.

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

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

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 MARF, 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 T2 calendar, reimbursement will be deferred to the first subsequent business day unless such day falls in the following month, in which case reimbursement of the Commercial Paper will take place on the first business day immediately prior. Neither of the aforementioned cases will have any effect on the amount to be paid.

#### **17. Valid term to claim the reimbursement of the principal**

Pursuant to the provisions set out in article 1,964 of the Spanish Civil Code, actions to request the reimbursement of the Commercial Paper's face value may be exercised during five (5) years from the date on which it becomes due.

#### **18. Minimum and maximum issue period**

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 any early redemption option for the Issuer (call) or for the securities' holder (put). Regardless of the aforementioned, the Commercial Paper may be redeemed prior to maturity if, for any reason, they are in legitimate possession of the Issuer.

#### **20. Restrictions to the free transferability of the Commercial Paper**

In accordance with the legislation in force, there are no particular or general restrictions on the free transferability of the Commercial Paper to be issued.

#### **21. Taxation on the Commercial Paper securities**

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

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 laws currently in effect in Spain as at the date of the 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 the 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 (“**IRPF 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 (“**IRPF Regulation**”);
- Law 27/2014, of 27 November, of the Corporate Tax Law (“**LIS**”) as well as articles 60 et seq. of the Corporate Tax Regulations approved through Royal Decree 634/2015, of 10 July (“**IS Regulation**”); and
- Royal Legislative Decree 5/2004, of 5 March, which approves the consolidated text of the Non-residents Income Tax Law (“**IRNR Law**”) and in Royal Decree 1776/2004, of 30 July, which approves the regulations of Non-residents Income Tax (“**IRNR 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**”).
- Law 6/2023. Of 17 March, on Securities Markets and Investment Services (Securities Market Act)
- Law 38/2022 of 27 December on the establishment of temporary energy taxes and taxes on credit institutions and financial credit establishments and creating the temporary solidarity tax on large fortunes, and amending certain tax rules (“**Law 38/2022**”).
- Additional Provision One of Law 10/2014, of 26 June, of management, supervision and solvency of credit institutions (Law 10/2014) (in terms of the regulation applicable in Bizkaia, the tax regulation equivalent to that contained in Additional Provision One of Law 10/2014 is the one contained in Additional Provision One of Foral Act 1/2012, of 29 February. Given the nature of the Issuer and for the purposes of the Programme, it is understood that the normative reference Additional Provision One of Law 10/2014 comprises both two);
- Royal Decree 1065/2007, of 27 July, approving the General Regulations for tax management and inspection actions and procedures (“**RD 1065/2007**”) (in terms of the regulation applicable in Bizkaia, the information regime with regard to certain operations with State Public Debt, preference shares and other debt instruments is regulated in article 55 of the Foral Decree of the Foral Deputation of Bizkaia 205/2008, of 22 December. Thus, given the nature of the Issuer and for the purposes of the Programme, it is understood that the normative reference to article 44 of Royal Decree 1065/2007 includes both).

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.

### **Investors that are individuals with tax residence on Spanish territory**

#### *Personal Income Tax*

Income obtained by assets holders that are taxpayers of the Personal Income Tax (IRPF) 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 IRPF 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 up to €200,000, 26% from EUR 200,000.01 to 300,000 and 28% from 300,000.01 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 Personal Income Tax at the current rate of 19%. The withholding carried out will be deductible from the Personal Income Tax 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 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 (*Impuesto sobre el Patrimonio*) on all their assets (such as the Commercial Paper) owned every December 31 net of debt, irrespective of where the assets are located.

Spanish Wealth Tax Law (Ley 19/1991, de 6 de junio, del *Impuesto sobre el Patrimonio*) 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 Spanish Wealth Tax filing obligations will be obliged to include reference (in the corresponding tax form) to the Commercial Paper yearly owned at December 31. This 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 Spanish Wealth Tax.

Finally, the General State Budget Act for year 2021 repealed the second paragraph of the sole article of the Royal Decree-Law 13/2011, of 16 September, by which the Wealth Tax was re-established, with a temporary character, therefore derogating the general rebate of 100% of the total tax liability, with effect from 1st January 2021.

#### Extraordinary Solidarity Tax



In order to harmonize wealth taxation among Spanish regions, the Government also passed a new, temporary tax for high-net-worth individuals. In particular, Spanish tax resident taxpayers whose net worth exceeds €3.7 million would be taxed on a worldwide basis. However, the Extraordinary Solidarity Tax law foresees, in the case of taxpayers resident in Spain, an exemption of 700,000 euros.

Tax rates would start at 1.7%, above Euro 3 million; 2.1% between Euro 5 and 10 million and 3.5% above Euros 10 million.

This new tax is foreseen as a two-year temporary measure, so it would only be levied based on a high-net-worth individual's wealth as of 31 December 2022 and 31 December 2023 (the deadline for the filing and payment will be June 30th, the following year). In this regard, Fifth Additional Provision of the Royal-Decree Law 8/2023, of December 27, has established that the requirement of the TSTLF is extended indefinitely until the review of the patrimonial taxation takes place in the context of the amendment of the regional financing system.

#### Inheritance and Gift Tax

Moreover, pursuant to Law 29/1987, of 18 December, governing Inheritance and Gift Tax, individuals resident in Spain that acquire the securities or rights over these securities through inheritance or gift will be subject to the tax 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:**

##### Corporation 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 broadly 25%, in accordance with the rules for such tax.

The profits obtained by Corporate Tax 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 Corporation Tax- will be carried out at the current rate of 19%. The interim withholding carried out will be deductible from the Corporate Tax 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.

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

Notwithstanding the foregoing, to the extent that the securities are subject to the regime set out in Additional Provision One of Law 10/2014, the procedure set out in article 44 of Royal Decree 1065/2007, of 27 July, will be applicable for the securities issued with a redemption 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

Legal entities are not subject to Wealth Tax.

### Extraordinary Solidarity Tax

Legal entities are not subject to Extraordinary Solidarity Tax.

### Inheritance and Gift Tax

Legal entities do not pay Inheritance and Gift Tax and will be subject to the Corporate Income Tax Law.

### **Investors that are not resident on 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 IRNR Law, without prejudice to which is established by the Treaties entered into 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 Non-residents Income Tax 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 Non-residents Income-tax 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 withholding 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 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 IRPF 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 Wealth Tax, 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.

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 IP 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 this Spanish Wealth Tax 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 Inheritance and Gift Tax 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 7.65% 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.

In addition, as a consequence of the judgments of the Spanish Supreme Court dated February 19, 2018, March 21, 2018 and March 22, 2018, the application of state regulations when the deceased, heir or donee is resident outside of a member state of the European Union or European Economic Area violates Community law relating to the free movement of capital, such that even in such cases it would be appropriate to defend the application of regional regulations in the same way as if the deceased, heir or donee was resident in a member state of the European Union. The General Directorate for Taxation has also ruled in accordance with those judgements (V3151-18 and V3193-18).

Accordingly, prospective holders should consult their tax advisors.

### 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 in MARF’s website (<https://www.bolsasymercados.es/bme-exchange/es/Home>).

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

### Issuance and placement of Commercial Paper through customized placement by the Placement Entities.

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

For these purposes, the Placement Entities may request the Issuer in any business day, between 10:00 CET and 2:00 p.m. CET, volume quotations and interest rates for potential issuances of Commercial Paper.

The Placement Entities act as a broker in the placement of the Commercial Paper, without prejudice to which the Placement Entities may subscribe Commercial Paper in its own name.

The determination of the price in each case will be performed through an agreement between the Issuer and the Placement Entities involved and the terms of said agreement will be confirmed by fax, which will be sent by the Issuer to the relevant Placement Entity. The rate applied to third parties by the Placement Entities may not be the same as the acquisition price of the same.

The agreement between the Issuer and the Placement Entities will be closed on the same day as the request, whereby the date of payment and issue will be the one agreed by the parties, although this cannot exceed three (3) business days following the issue agreement date.

The Issuer has the possibility to appoint new Placement Entities under the Programme. In the case that a new Placement Entity is appointed by the Issuer, a relevant information notice will be promptly published.

### Issue and subscription of the Commercial Paper directly by investors

Additionally, only final investors who are professional clients, eligible counterparties and/or qualified investors pursuant to the provisions set out in articles 194 and 196 of the Securities Market Act and article 2.e) of Prospectus Regulation 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 communicated to MARF.

**24. Costs for legal, financial and auditing services, and other services provided to the Issuer regarding the issue/admission (*incorporación*), as well as the placement costs and, where appropriate, underwriting fees, deriving from the issue, and placement upon admission (*incorporación*)**

The costs for all legal, financial and audit services and other services provided to the Issuer for the issue/admission to trading of the Commercial Paper sum up a total of thirty-five thousand (€35,000), excluding taxes (assuming the issue of FIFTY MILLION EUROS (€50,000,000) under the Programme), and including the fees of MARF and Iberclear.

**25. 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 through the publication of a regulatory announcement (*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*, abbreviated as *SMN*), under the terms set out in the article 68 of the Securities Market Act constituting an unofficial alternative market for the trading of fixed-income securities.

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

None of the MARF, the National Securities Market Commission (*Comisión Nacional del Mercado de Valores, CNMV*), the Arranger, or the Legal Advisor, has approved or carried out any verification or testing regarding the contents of the Information Memorandum or the financial statements of the Issuer. The intervention of MARF does not represent a statement or recognition of the full, comprehensible and consistent nature of the information set out in the documentation provided by the Issuer.

It is recommended that the investor fully and carefully read 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 the requirements of its governing body, and expressly agrees to comply with them.

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

Publication of the admission (*incorporación*) to trading.

The admission (*incorporación*) to trading will be published on MARF's website (<https://www.bolsasymercados.es/bme-exchange/es/Mercados-yCotizaciones/Renta-Fija/Admision-a-Cotizar/MARF-Incorporacion-de-Pagares>).

**26. Liquidity agreement**

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

26 June 2024.

As the person responsible for this Information Memorandum:

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Mr. Alberto Barrenechea Guimón

**Minerales y Productos Derivados, S.A.**

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**ANNEX 1**

**CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022**

**2023:**

[https://www.minersa.com/minersa\\_inver/uploaded\\_files/secciones\\_dinamicas/apartados/docs/BWyVH9N\\_lng1\\_minersa\\_consolidado\\_cnmv\\_2023.pdf](https://www.minersa.com/minersa_inver/uploaded_files/secciones_dinamicas/apartados/docs/BWyVH9N_lng1_minersa_consolidado_cnmv_2023.pdf)

**2022:**

[https://www.minersa.com/minersa\\_inver/uploaded\\_files/secciones\\_dinamicas/apartados/docs/InNIeCG\\_lng1\\_informe\\_financiero\\_anual\\_comsolidado\\_2022.pdf](https://www.minersa.com/minersa_inver/uploaded_files/secciones_dinamicas/apartados/docs/InNIeCG_lng1_informe_financiero_anual_comsolidado_2022.pdf)

**INDIVIDUAL FINANCIAL STATEMENTS OF THE ISSUER FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022**

**2023:**

[https://www.minersa.com/minersa\\_inver/uploaded\\_files/secciones\\_dinamicas/apartados/docs/Hxo1RMZ\\_lng1\\_minersa\\_individual\\_cnmv\\_2023.pdf](https://www.minersa.com/minersa_inver/uploaded_files/secciones_dinamicas/apartados/docs/Hxo1RMZ_lng1_minersa_individual_cnmv_2023.pdf)

**2022:**

[https://www.minersa.com/minersa\\_inver/uploaded\\_files/secciones\\_dinamicas/apartados/docs/1c6Jnfv\\_lng1\\_informe\\_financiero\\_anual\\_individual\\_minersa\\_2022.pdf](https://www.minersa.com/minersa_inver/uploaded_files/secciones_dinamicas/apartados/docs/1c6Jnfv_lng1_informe_financiero_anual_individual_minersa_2022.pdf)