

## **ITEM ONE ON THE AGENDA**

**Capital increase through cash contributions with exclusion of pre-emptive subscription rights and without provision for incomplete subscription, for a nominal amount of EUR 3,187,058.73, through the issuance and placement into circulation of 10,588,235 new ordinary shares with a nominal value of €0.301 each, of the same class and series as those currently in circulation and with an issue premium of €3.949 per share. Application for admission to trading of the new shares to be issued. Amendment of Article 5 of the Bylaws. Delegation of powers.**

### **AGREEMENT**

#### **1. Capital increase through cash contributions**

It is resolved to increase the share capital of Talgo, S.A. (“**Talgo**” or the “**Company**”) by a nominal amount of three million one hundred eighty-seven thousand fifty-eight euros and seventy-three cents (EUR 3,187,058.73), through the issuance and placement into circulation of ten million five hundred eighty-eight thousand two hundred thirty-five (10,588,235) new ordinary shares with a nominal value of EUR 0.301 each, of the same class and series as those currently outstanding, which shall be represented by book entries (the “**Capital Increase**”). For clarification purposes, the nominal amount indicated results from applying the nominal value (EUR 0.301) to the number of shares to be issued (10,588,235), which yields EUR 3,187,058.735, rounded down to EUR 3,187,058.73, disregarding the difference.

The new shares shall be issued with an issue premium of EUR 3.949 per share, resulting in a total issue premium of EUR 41,812,940.015. Consequently, the issue price is fixed at EUR 4.25 per share (EUR 0.301 nominal value and EUR 3.949 issue premium), which means that the total effective amount of the Capital Increase is forty-four million nine hundred ninety-nine thousand nine hundred ninety-eight euros and seventy-five cents (EUR 44,999,998.75).

#### **2. Exclusion of pre-emptive subscription rights and identity of the subscriber**

In the interest of the Company and in order to enable the new shares to be subscribed under the terms set out in this resolution by the addressee of the Capital Increase identified below, it is resolved to totally exclude the pre-emptive subscription rights of Talgo’s shareholders, all in accordance with the report of the directors and the report of the independent expert referred to in Articles 504 and 308 of Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Spanish Companies Act (“**SCA**”).

The Capital Increase shall be subscribed in full by Sociedad Estatal de Participaciones Industriales, a public law entity with registered office at Calle Velázquez 134, 28006 Madrid, and tax identification number Q-2820015-B (the “**Subscriber**”).

### **3. Number and nominal value of the shares to be issued**

It is resolved to issue 10,588,235 ordinary shares of Talgo, each with a nominal value of EUR 0.301. Accordingly, the nominal amount of the Capital Increase shall be EUR 3,187,058.73.

### **4. Issue price of the new shares and total effective amount of the Capital Increase**

The new Talgo shares shall be issued at a unit nominal value of EUR 0.301, plus an issue premium of EUR 3.949 per share. Therefore, the issue price of each share shall be EUR 4.25, and the total effective amount of the Capital Increase referred to in this resolution shall be EUR 44,999,998.75.

The number of shares to be issued shall be equal to the amount subscribed and paid as a result of the Capital Increase divided by the issue price, that is, 10,588,235 new shares.

### **5. Maximum period for execution**

The maximum period for the Board of Directors to execute the resolution already adopted to increase the share capital, and to set the terms thereof in all matters not provided for in this resolution, shall be fifteen (15) business days from the date of adoption of the Capital Increase resolution by the Extraordinary General Shareholders' Meeting.

### **6. Subscription and payment of the new shares**

The new Talgo shares shall be subscribed by the Subscriber, and the nominal value and issue premium of the shares shall be fully paid in through the cash contributions described in this resolution, at the time of the granting of the notarial deed relating to the Capital Increase.

For the purposes of Article 299 of the Spanish Companies Act, it is stated that the shares of the Company previously issued are fully paid up.

### **7. Incomplete subscription**

No provision is made for partial subscription of the Capital Increase. The Capital Increase must be fully subscribed and paid by the Subscriber.

### **8. Rights attached to the new shares**

The new Talgo shares shall confer upon the Subscriber the same political and economic rights as the shares of the Company currently outstanding, as from the date on which the Capital Increase is subscribed and paid, and the shares are registered in its name in the corresponding book-entry records.

### **9. Representation of the new shares**

The new Talgo shares shall be represented by book entries, the accounting record of which shall be maintained by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (“**Iberclear**”) and its participating entities.

## **10. Amendment of Article 5 of the Bylaws**

It is resolved to amend Article 5 of the Bylaws of Talgo, concerning the share capital, which shall henceforth read as follows:

### ***“Article 5.- Share Capital and form of representation***

*The share capital is set at FORTY MILLION FOUR HUNDRED SIXTY-EIGHT THOUSAND NINE HUNDRED EIGHTY-THREE EUROS AND FIFTEEN CENTS (EUR 40,468,983.15), and is represented by 134,448,449 ordinary shares, each with a nominal value of THREE HUNDRED ONE THOUSANDTHS OF ONE EURO (EUR 0.301), fully subscribed and paid up, and belonging to a single class and series.*

*The Company’s shares are represented by book entries and shall be governed by the Securities Market Law and other supplementary provisions.*

*The keeping of the Company’s book-entry register corresponds to Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) and its participating entities.*

*The entitlement to exercise the shareholder’s rights is obtained through registration in the accounting record, which presumes legitimate ownership and entitles the registered holder to require the Company to recognise him as shareholder. Likewise, if the Company makes any performance in favour of the person registered as holder in accordance with the accounting record, it shall be released from the corresponding obligation even if that person is not the actual owner of the share, provided that such performance was made in good faith.”*

## **11. Admission to trading of the new shares**

It is resolved to apply for the admission to trading of the new Talgo shares on the Madrid, Bilbao, Barcelona and Valencia Stock Exchanges, and on any other market, whether national or international, on which the Company’s shares are admitted to trading at the time of execution of this resolution, as well as their inclusion in the Spanish Continuous Market (SIBE).

It is expressly stated that, in the event that the delisting of the Company’s shares is subsequently sought, such delisting shall be adopted in accordance with the formalities and requirements established by applicable legislation.

## **12. Delegation of powers**

Without prejudice to the specific delegations of powers contained in the preceding sections (which shall be deemed to include express powers of substitution), it is resolved to empower the Board of Directors to carry out all acts necessary or convenient for the proper implementation of this resolution and, in particular, by way of example and not limitation, to:

- a. Expand and develop this resolution by setting the terms and conditions of the Capital Increase in all matters not provided for herein, including, without limitation, establishing the execution date of the Capital Increase at any time within the period of fifteen (15) business days from the date of adoption of this resolution;
- b. Adopt all resolutions and perform all acts necessary or convenient for the formalisation of this resolution, including any action or procedure required before the Commercial Registry for the registration of the amended wording;
- c. Carry out, on behalf of the Company, any actions, statements or procedures required before the CNMV, Iberclear, the governing companies of the Stock Exchanges, and any other body, entity or public or private registry, whether national or international, to obtain authorisation, verification, and subsequent execution of the Capital Increase, as well as the admission to trading of the new shares on the Madrid, Bilbao, Barcelona and Valencia Stock Exchanges, and on any other market, whether national or international, on which the Company's shares are listed at the time of execution of this resolution, and their inclusion in the Spanish Continuous Market (SIBE);
- d. Negotiate and sign, if necessary, under such terms as it may deem most appropriate, the contracts required or convenient for the execution of the Capital Increase;
- e. Opt for or waive, as applicable, any special tax regimes established by law for this type of transaction; and
- f. Execute, on behalf of the Company, any public or private documents necessary or convenient for the issuance of the new shares, including the notarial deed of capital increase and amendment of Article 5 of the Bylaws subject to this resolution, and for their admission to trading, and, in general, perform all acts necessary or convenient to ensure the effectiveness of the Capital Increase and the full execution of this resolution, as well as to correct, clarify, interpret, specify, or supplement the resolutions adopted by the Extraordinary General Shareholders' Meeting, and, in particular, any defects, omissions, or errors, whether substantive or formal, resulting from the verbal or written qualification, that may prevent the registration of such resolutions and their effects with the Commercial Registry, the official registers of the CNMV, or any others.

### **13. Suspensive condition to the effectiveness of the resolution**

The effectiveness of this resolution, if approved by the Meeting, shall be subject to the suspensive condition that: (i) the resolutions included under items Second and Third of the agenda of this same Meeting are approved; and (ii) the financing described under Item Fourth of the agenda is formalised.

Once the conditions described in paragraphs (i) and (ii) above are fulfilled, the Capital Increase resolution described herein shall automatically become fully effective.

## **ITEM TWO ON THE AGENDA**

**Issuance of 300 bonds convertible into ordinary shares of the Company for an aggregate nominal amount of EUR 30,000,000, with exclusion of pre-emptive subscription rights, and related capital increase. Delegation of powers.**

### **AGREEMENT**

#### **1. Issuance of convertible bonds**

It is resolved to approve, pursuant to Articles 414 and 417 of Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Spanish Companies Act (the “**Spanish Companies Act**”), the issuance of 300 bonds (the “**Bonds 1**”) convertible into ordinary shares of Talgo, S.A. (“**Talgo**”, the “**Issuer**” or the “**Company**”), for an aggregate nominal amount of thirty million euros (EUR 30,000,000), with exclusion of pre-emptive subscription rights (the “**Bonds 1 Issuance**”).

#### **2. Characteristics of the Bonds 1**

The main terms and conditions of the Bonds 1, including the bases and modalities for their conversion, are as follows:

- Interest rate

The Bonds 1 shall bear compound annual interest at 10.21%, calculated daily on the nominal amount and accumulated interest of each Bond 1, based on a calendar year from the disbursement date until redemption, conversion, or maturity. Ordinary interest shall be fully payable on the date of maturity, extension, conversion, or redemption. In the event of non-payment, the applicable interest rate shall increase to 15% per annum, compounded every 30 days in accordance with Article 317 of the Spanish Commercial Code, without prejudice to the provisions governing default.

- Nominal value and maximum number of convertible Bonds 1 to be issued

A total of 300 Bonds 1 shall be issued. Each Bond 1 shall have a nominal value of EUR 100,000, resulting in an aggregate nominal amount of EUR 30,000,000.

- Form and representation of the Bonds 1

The Bonds 1 shall be registered securities, represented by global certificates. The Company shall maintain a Bondholders’ Register, in which permitted transfers shall be recorded.

- Term and maturity

The Bonds 1 shall mature eight years from the date of disbursement and subscription (the “**Initial Maturity Date**”), extendable for an additional two years at the Issuer’s discretion (the “**Extended Maturity Date**”).

- Conversion (at the Issuer’s option) and exercise periods

The Company may exercise the conversion option by giving irrevocable notice to the bondholders during the period between 30 and 5 business days prior to the Initial Maturity Date or, as the case may be, the Extended Maturity Date.

- Conversion price

The initial conversion price applicable in the eighth year (the “**Initial Conversion Price**”) has been determined on this date as EUR 3.975308, in accordance with a fixed-to-fixed mechanism from the time of issuance of the Bonds 1. For such purpose, the following have been taken into consideration: (i) the total amount due on the Maturity Date under the Bonds 1 (principal plus interest at the compound rate of 10.21%); (ii) the fair value of the Bonds 1 on the Maturity Date, discounted to present value using a rate equivalent to Talgo’s average cost of financing at the date of the General Meeting notice, set at 5.22%; and (iii) the average market price of Talgo’s shares for the five (5) trading days immediately preceding such date, amounting to EUR 2.65 per share.

The Initial Conversion Price results from the following relationship:

$$\text{Initial Conversion Price} = \frac{\text{(Maximum Value of Bonds at Maturity x Share Price on Proposal Date)}}{\text{Fair Value of the Bonds}}$$

The number of shares to be issued on the Initial Maturity Date upon conversion of the Bonds 1 shall be the quotient resulting from dividing the total amount due on such date by the Initial Conversion Price.

The conversion price of the Bonds 1 at the end of the tenth year (the “**Extended Conversion Price**”)—that is, in the event that the Company opts to extend the maturity—shall be variable and equal to 70% of the volume-weighted average price (VWAP) of Talgo’s shares during the thirty (30) trading days immediately preceding the conversion date, and shall not be lower than the nominal value of the share.

- Number of shares to be issued upon conversion

The number of shares to be issued on the Initial Maturity Date shall be the quotient obtained by dividing the total amount due on that date (principal plus accrued interest) by the Initial Conversion Price.

If the Company opts to extend the maturity of the Bonds 1 to the tenth year, the number of shares to be issued on the Extended Maturity Date shall be the quotient obtained by dividing the total amount due on that date (principal plus accrued interest) by the Extended Conversion Price.

In any case, conversion of the Bonds 1 shall apply to the entire outstanding amount of the Bonds 1 as of the Initial or Extended Maturity Date, as applicable, and partial conversions shall not be allowed unless expressly accepted by the Subscriber (as defined below).

Any amount due under the Bonds 1 not converted into shares by virtue of these rules shall be settled, at the Company's discretion, either in cash or by delivering treasury shares held by the Company.

For purposes of determining the maximum number of shares to be issued upon conversion, and hence the corresponding capital increase, the Initial Conversion Price has been applied. Such price, calculated as the ratio between (i) the total amount due on the Maturity Date (principal plus compound interest at 10.21%) multiplied by the average market price of Talgo shares during the five (5) trading days immediately preceding the notice of the General Meeting, and (ii) the fair value of the Bonds 1 discounted to present value at the Company's average cost of financing (5.22%), is fixed at EUR 3.975308 per share. Consequently, it is resolved that the maximum number of shares to be issued upon conversion of the Bonds 1 shall be sixteen million four hundred twenty-five thousand four hundred ninety-six (16,425,496) shares (the "**Maximum Authorized Number of Shares**").

### **3. Exclusion of pre-emptive subscription rights and identity of the subscriber**

Pursuant to Article 417 of the Spanish Companies Act, and in the interest of the Company, it is resolved to totally exclude the pre-emptive subscription rights of Talgo's shareholders (and, where applicable, of holders of other convertible securities) in respect of the Bonds 1 Issuance, based on the report of the directors and the report of the independent expert referred to in said Article 417.

The Bonds 1 shall be subscribed in full by Sociedad Estatal de Participaciones Industriales, a public law entity with registered office at Calle Velázquez 134, 28006 Madrid, and tax identification number Q-2820015-B (the "**Subscriber**").

### **4. Capital increase**

In accordance with the terms and conditions of the Bonds 1, the Company shall have the right, by irrevocable notice to the Subscriber, within the period between thirty (30) and

five (5) business days prior to the Initial or Extended Maturity Date, to convert all of the Bonds 1 into ordinary shares of the Company with a nominal value of EUR 0.301 each.

For such purposes, and pursuant to Article 414.1 of the Spanish Companies Act, it is resolved to increase the share capital, on one or more occasions, by the amount necessary to service the conversion of the Bonds 1, as set forth below:

- Maximum amount of the capital increase

It is resolved to increase the Company's share capital, on one or more occasions, up to a total effective amount (nominal value plus issue premium) of EUR 65,296,405.41, through the issuance and placement into circulation of up to sixteen million four hundred twenty-five thousand four hundred ninety-six (16,425,496) ordinary shares, each with a nominal value of EUR 0.301, of the same class and series as those currently outstanding, represented by book entries.

In accordance with Article 508 of the Spanish Companies Act, the present capital increase may be registered with the Commercial Registry prior to its execution, so that, once the deeds of execution of the capital increase by conversion of the Bonds 1 are granted, the new shares may be delivered and transferred to the holders of the Bonds 1. The deeds of execution shall determine the final amount of the capital increase without specifying the identity of the subscribers and shall be filed for registration within five (5) days from the date of their execution.

- Issue price

The shares shall be issued at their nominal value of EUR 0.301, plus the issue premium resulting from the Initial Conversion Price or the Extended Conversion Price, as applicable, at which the Bonds 1 are converted.

- Absence of pre-emptive subscription rights

In accordance with Article 304.2 of the Spanish Companies Act, there shall be no pre-emptive subscription rights in the capital increases carried out to meet conversion requests of the Bonds 1.

- Rights of the new shares

The new shares shall confer upon their holders, from the date on which they are registered in their name in the corresponding book-entry records, the same rights as Talgo's shares currently outstanding.

- Recipients of the capital increase. Subscription and payment

The capital increases shall be directed to the holders of the Bonds 1 at the time the Company exercises its conversion right in accordance with their terms and conditions.

- Incomplete subscription

Pursuant to Article 311 of the Spanish Companies Act, it is expressly resolved to allow partial subscription of the capital increase, which may be executed in one or more tranches to meet conversions of the Bonds 1 as they occur.

- Amendment of the Bylaws

The Board of Directors, with express powers of substitution, is authorised to amend the article of the Bylaws relating to share capital following each execution of the capital increase carried out to service the conversion of the Bonds 1.

- Admission to trading of the new shares

It is resolved to apply for the admission to trading of the new shares on the Madrid, Bilbao, Barcelona, and Valencia Stock Exchanges (and on any other national or foreign markets where the Company's shares may be admitted for trading), through the Spanish Continuous Market (SIBE), and to request from the competent authorities the registration of such shares with Iberclear (Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.). It is expressly stated that, in the event that delisting of Talgo's shares is subsequently sought, such delisting shall be adopted in accordance with the formalities and requirements established by applicable legislation.

## **5. Delegation of powers**

Without prejudice to the specific delegations of powers contained in the preceding sections (which shall be deemed to include express powers of substitution), it is resolved to empower the Board of Directors to carry out all acts necessary or convenient for the proper implementation of this resolution and, in particular, by way of example and not limitation, to:

- a. Adopt any resolutions necessary or convenient for the implementation and completion of this resolution, including the performance of all formalities and the execution of all public or private documents, agency, underwriting, calculation, and other contracts necessary for the issuance of the Bonds 1 and of the new shares to be issued;
- b. Complete, develop, clarify, or amend this resolution and the terms and conditions of the Bonds 1 included herein, and to modify, if necessary, any provisions adopted by the General Meeting that may prove null or contrary to applicable law, and determine, for indicative purposes, the use of proceeds, the final maturity date and any extension, the transfer regime, the conversion process, the conditions for early redemption, the minimum conversion price, and causes for early maturity, as well as all other conditions deemed appropriate, and, once issued, the subscription and payment procedures;

- c. Determine, in accordance with the terms and conditions of the Bonds 1, the moment of their conversion, which may be limited to a pre-set period, and generally set any elements or conditions necessary or convenient, within the parameters established by the General Meeting;
- d. Execute the corresponding notarial deeds of issuance of the Bonds 1 and register them with the Commercial Registry together with the related capital increase resolutions pursuant to Article 508 of the Spanish Companies Act, as well as execute, by granting the corresponding notarial deeds, the capital increases, establishing the dates for execution, the issue premium of the new shares and thus their issue price, and, considering the possibility of incomplete subscription, determine the number of shares to be issued and the nominal amount of each capital increase according to the issue price, term, form, and procedure of subscription and payment;
- e. Settle the conversion of the Bonds 1, if deemed appropriate, by delivering treasury shares, and agree at any time on the early redemption or repurchase of the Bonds 1;
- f. Draft, sign, and submit, if applicable, to the CNMV (or to the governing bodies of any national or foreign markets where the Company's shares may be admitted to trading) or to any other competent supervisory authorities, all documents and information required under applicable regulations in relation to the issuances and listings of the new shares issued pursuant to this resolution; and
- g. Execute, on behalf of the Company, any public or private documents necessary or convenient for the proper completion of this resolution and, in general, perform any actions required, as well as correct, clarify, interpret, specify, or supplement this resolution adopted by the General Shareholders' Meeting and, in particular, any substantive or formal defects, omissions, or errors, whether verbal or written, that may prevent the registration of the resolutions or their effects with the Commercial Registry or any other relevant registers.

#### **6. Suspensive condition to the effectiveness of the resolution**

The effectiveness of this resolution, if approved by the Meeting, shall be subject to the suspensive condition that: (i) the resolutions included under Items First and Third of the agenda of this same Meeting are approved; and (ii) the financing described under Item Fourth of the agenda is formalised.

Once the conditions described in paragraphs (i) and (ii) above are fulfilled, the bond issuance resolution described herein shall automatically become fully effective.

#### **ITEM THREE ON THE AGENDA**

**Issuance of 750 bonds convertible into ordinary shares of the Company for an aggregate nominal amount of EUR 75,000,000, with exclusion of pre-emptive subscription rights, and related capital increase. Delegation of powers.**

AGREEMENT

**1. Issuance of convertible bonds**

It is resolved to approve, pursuant to Articles 414 and 417 of Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Spanish Companies Act (the “**Spanish Companies Act**”), the issuance of 750 bonds (the “**Bonds 2**”) convertible into ordinary shares of Talgo, S.A. (“**Talgo**”, the “**Issuer**” or the “**Company**”), for an aggregate nominal amount of seventy-five million euros (EUR 75,000,000), with exclusion of pre-emptive subscription rights (the “**Bonds 2 Issuance**”).

**2. Characteristics of the Bonds 2**

The main terms and conditions of the Bonds 2, including the bases and modalities for their conversion, are as follows:

- Interest rate

The Bonds 2 shall bear compound annual interest at 10.21%, calculated daily on the nominal amount and accrued interest of each Bond 2, based on a calendar year from the disbursement date until redemption, conversion, or maturity. Ordinary interest shall be fully payable on the date of maturity, extension, conversion, or redemption.

In the event of non-payment, the applicable interest rate shall be 15% per annum, compounded every 30 days in accordance with Article 317 of the Spanish Commercial Code, without prejudice to any provisions established for cases of default.

- Nominal value and maximum number of convertible Bonds 2 to be issued

A total of 750 Bonds 2 shall be issued. Each Bond 2 shall have a nominal value of EUR 100,000, resulting in an aggregate nominal amount of EUR 75,000,000.

- Form and representation of the Bonds 2

The Bonds 2 shall be registered securities, represented by global certificates. The Company shall maintain a Bondholders’ Register, in which permitted transfers shall be recorded.

- Term and maturity

The Bonds 2 shall mature eight years from the date of disbursement and subscription (the “**Initial Maturity Date**”), extendable for an additional two years at the Issuer’s discretion (the “**Extended Maturity Date**”).

- Conversion (at the Issuer’s option) and exercise periods

The Company may exercise the conversion option by giving irrevocable notice to the bondholders during the period between 30 and 5 business days prior to the Initial Maturity Date or, as the case may be, the Extended Maturity Date.

- Conversion price

The initial conversion price applicable in the eighth year (the “**Initial Conversion Price**”) has been determined on this date as EUR 3.975308, following a fixed-to-fixed mechanism from the time of issuance of the Bonds 2. For this purpose, the following have been considered: (i) the total amount payable on the Maturity Date under the Bonds 2 (principal plus interest at the compound rate of 10.21%); (ii) the fair value of the Bonds 2 on the Maturity Date, discounted to present value using a rate equivalent to Talgo’s average cost of financing at the date of the General Meeting notice, set at 5.22%; and (iii) the average market price of Talgo’s shares for the five (5) trading days immediately preceding such date, amounting to EUR 2.65 per share.

The Initial Conversion Price results from the following relationship:

$$\text{Initial Price} = \frac{\text{Conversion} \times (\text{Maximum Value of Bonds at Maturity} \times \text{Share Price on Proposal Date})}{\text{Fair Value of the Bonds}}$$

The number of shares to be issued on the Initial Maturity Date upon conversion of the Bonds 2 shall be the quotient resulting from dividing the total amount payable on such date by the Initial Conversion Price.

The conversion price at the end of the tenth year (the “**Extended Conversion Price**”)—that is, in the event the Company opts to extend the maturity—shall be variable and equal to 70% of the volume-weighted average price (VWAP) of Talgo’s shares during the thirty (30) trading days immediately preceding the conversion date, and shall not be lower than the nominal value of the share.

- Number of shares to be issued upon conversion

The number of shares to be issued on the Initial Maturity Date shall be the quotient obtained by dividing the total amount payable on that date (principal plus accrued interest) by the Initial Conversion Price.

If the Company opts to extend the maturity of the Bonds 2 to the tenth year, the number of shares to be issued on the Extended Maturity Date shall be the quotient obtained by dividing the total amount payable on that date (principal plus accrued interest) by the Extended Conversion Price.

In any case, conversion of the Bonds 2 shall apply to the entire outstanding amount of the Bonds 2 as of the Initial or Extended Maturity Date, as applicable, and partial conversions shall not be allowed unless expressly accepted by the Subscribers (as defined below).

Any amount due under the Bonds 2 not converted into shares by application of these rules shall be settled, at the Company's discretion, either in cash or by delivering treasury shares held by the Company.

For the purposes of determining the maximum number of shares to be issued upon conversion, and thus the related capital increase, the Initial Conversion Price has been applied. Such price, calculated as the ratio between (i) the total amount due on the Maturity Date (principal plus compound interest at 10.21%) multiplied by the average market price of Talgo shares during the five (5) trading days immediately preceding the General Meeting notice, and (ii) the fair value of the Bonds 2 discounted to present value at the Company's average cost of financing (5.22%), is fixed at EUR 3.975308 per share. Consequently, it is resolved that the maximum number of shares to be issued upon conversion of the Bonds 2 shall be forty-one million sixty-three thousand seven hundred forty (41,063,740) shares (the "**Maximum Authorized Number of Shares**").

### **3. Exclusion of pre-emptive subscription rights and identity of the subscribers**

Pursuant to Article 417 of the Spanish Companies Act, and in the interest of the Company, it is resolved to totally exclude the pre-emptive subscription rights of Talgo's shareholders (and, where applicable, of holders of other convertible securities) in respect of the Bonds 2 Issuance, based on the report of the directors and the report of the independent expert referred to in said Article 417.

The Bonds 2 shall be fully subscribed by the following entities (together, the "**Subscribers**"):

1. CLERBIL, S.L., a Spanish company duly incorporated and existing, with registered office at Calle Gran Vía de Don Diego López de Haro, 45, 9º, 48011 Bilbao (Vizcaya, Spain), registered with the Commercial Registry of Vizcaya under Sheet BI-67849, Volume 5604, Folio 187, and holding tax identification number (NIF) B-95839361.
2. EKARPEN PRIVATE EQUITY, S.A., registered with the Commercial Registry of Bizkaia, Volume 4990, Folio 195, Entry 1, Sheet BI-53330, with tax identification number (CIF) A-95541090 and registered office at Rodríguez Arias 23, 6-1-2, 48011 Bilbao.

3. BILBAO BIZKAIA KUTXA FUNDACIÓN BANCARIA, a Spanish banking foundation duly incorporated and existing, with registered office at Gran Vía de Don Diego López de Haro 19-21, 48001 Bilbao (Vizcaya, Spain), registered with the Basque Country Foundations Register under number F-375, and holding tax identification number (NIF) G-48412720.
4. FUNDACIÓN BANCARIA VITAL – VITAL BANKU FUNDAZIOA, a Spanish banking foundation duly incorporated and existing, with registered office at Calle Cuchillería 24 (Casa del Cordón), 01001 Vitoria (Álava, Spain), registered with the Basque Government Foundations Register under number F-371, and holding tax identification number (NIF) G-01104256.

#### **4. Capital increase**

In accordance with the terms and conditions of the Bonds 2, the Company shall have the right, by irrevocable notice to the Subscribers, within the period between thirty (30) and five (5) business days prior to the Initial or Extended Maturity Date, to convert all of the Bonds 2 into ordinary shares of the Company with a nominal value of EUR 0.301 each.

For such purposes, and pursuant to Article 414.1 of the Spanish Companies Act, it is resolved to increase the share capital, on one or more occasions, by the amount necessary to service the conversion of the Bonds 2, as set forth below:

- Maximum amount of the capital increase

It is resolved to increase the Company's share capital, on one or more occasions, up to a total effective amount (nominal value plus issue premium) of EUR 163,241,013.51, through the issuance and placement into circulation of up to forty-one million sixty-three thousand seven hundred forty (41,063,740) ordinary shares, each with a nominal value of EUR 0.301, of the same class and series as those currently outstanding, represented by book entries.

In accordance with Article 508 of the Spanish Companies Act, the present capital increase may be registered with the Commercial Registry prior to its execution, so that, once the deeds of execution of the capital increase by conversion of the Bonds 2 are granted, the new shares may be delivered and transferred to the holders of the Bonds 2. The deeds of execution shall determine the final amount of the capital increase without specifying the identity of the subscribers and shall be filed for registration within five (5) days from the date of their execution.

- Issue price

The shares shall be issued at their nominal value of EUR 0.301, plus the issue premium resulting from the Initial Conversion Price or the Extended Conversion Price, as applicable, at which the Bonds 2 are converted.

- Absence of pre-emptive subscription rights

In accordance with Article 304.2 of the Spanish Companies Act, there shall be no pre-emptive subscription rights in the capital increases carried out to meet conversion requests of the Bonds 2.

- Rights of the new shares

The new shares shall confer upon their holders, from the date on which they are registered in their name in the corresponding book-entry records, the same rights as Talgo's shares currently outstanding.

- Recipients of the capital increase. Subscription and payment

The capital increases shall be directed to the holders of the Bonds 2 at the time the Company exercises its conversion right in accordance with their terms and conditions.

- Incomplete subscription

Pursuant to Article 311 of the Spanish Companies Act, it is expressly resolved to allow partial subscription of the capital increase, which may be executed in one or more tranches to meet conversions of the Bonds 2 as they occur.

- Amendment of the By-laws

The Board of Directors, with express powers of substitution, is authorised to amend the article of the By-laws relating to share capital following each execution of the capital increase carried out to service the conversion of the Bonds 2.

- Admission to trading of the new shares

It is resolved to apply for the admission to trading of the new shares on the Madrid, Bilbao, Barcelona, and Valencia Stock Exchanges (and on any other national or foreign markets where the Company's shares may be admitted for trading), through the Spanish Continuous Market (SIBE), and to request from the competent authorities the registration of such shares with Iberclear (Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.).

It is expressly stated that, in the event that delisting of Talgo's shares is subsequently sought, such delisting shall be adopted in accordance with the formalities and requirements established by applicable legislation.

## **5. Delegation of powers**

Without prejudice to the specific delegations of powers contained in the preceding sections (which shall be deemed to include express powers of substitution), it is resolved to empower the Board of Directors to carry out all acts necessary or convenient for the proper implementation of this resolution and, in particular, by way of example and not limitation, to:

- a. Adopt any resolutions necessary or convenient for the implementation and completion of this resolution, including the performance of all formalities and the execution of all public or private documents, agency, underwriting, calculation, and other contracts necessary for the issuance of the Bonds 2 and of the new shares to be issued;
- b. Complete, develop, clarify, or amend this resolution and the terms and conditions of the Bonds 2 included herein, and to modify, if necessary, any provisions adopted by the General Meeting that may prove null or contrary to applicable law, and determine, for indicative purposes, the use of proceeds, the final maturity date and any extension, the transfer regime, the conversion process, the conditions for early redemption, the minimum conversion price, and causes for early maturity, as well as all other conditions deemed appropriate, and, once issued, the subscription and payment procedures;
- c. Determine, in accordance with the terms and conditions of the Bonds 2, the moment of their conversion, which may be limited to a pre-set period, and generally set any elements or conditions necessary or convenient, within the parameters established by the General Meeting;
- d. Execute the corresponding notarial deeds of issuance of the Bonds 2 and register them with the Commercial Registry together with the related capital increase resolutions pursuant to Article 508 of the Spanish Companies Act, as well as execute, by granting the corresponding notarial deeds, the capital increases, establishing the dates for execution, the issue premium of the new shares and thus their issue price, and, considering the possibility of incomplete subscription, determine the number of shares to be issued and the nominal amount of each capital increase according to the issue price, term, form, and procedure of subscription and payment;
- e. Settle the conversion of the Bonds 2, if deemed appropriate, by delivering treasury shares, and agree at any time on the early redemption or repurchase of the Bonds 2;
- f. Draft, sign, and submit, if applicable, to the CNMV (or to the governing bodies of any national or foreign markets where the Company's shares may be admitted to trading) or to any other competent supervisory authorities, all documents and information required under applicable regulations in relation to the issuances and listings of the new shares issued pursuant to this resolution; and
- g. Execute, on behalf of the Company, any public or private documents necessary or convenient for the proper completion of this resolution and, in general, perform any actions required, as well as correct, clarify, interpret, specify, or supplement this resolution adopted by the General Shareholders' Meeting and, in particular, any substantive or formal defects, omissions, or errors, whether verbal or written, that may prevent the registration of the resolutions or their effects with the Commercial Registry or any other relevant registers.

## **6. Suspensive condition to the effectiveness of the resolution**

The effectiveness of this resolution, if approved by the Meeting, shall be subject to the suspensive condition that: (i) the resolutions included under Items First and Second of the agenda of this same Meeting are approved; and (ii) the financing described under Item Fourth of the agenda is formalised.

Once the conditions described in paragraphs (i) and (ii) above are fulfilled, the bond issuance resolution described herein shall automatically become fully effective.

### **ITEM FOUR ON THE AGENDA**

**Approval of the Talgo Group’s financing transaction, consisting of the execution by Patentes Talgo, S.L.U. of a syndicated financing agreement for a total amount of up to 770 million euros —structured in a tranche of up to 650 million with partial CESCE guarantee, and a revolving tranche of up to 120 million— and a guarantee facility of up to 500 million euros with partial CESCE guarantee, within the framework of the so-called “Global Transaction” together with the capital increase and the issuances of convertible bonds to be subscribed by SEPI and by the Basque investors’ group.**

#### **AGREEMENT**

The Board of Directors of Talgo, S.A. (“**Talgo**”) deliberates on the Talgo Group refinancing transaction, framed within the Global Transaction which also comprises a capital increase of Talgo and two issuances of convertible bonds, the approval of which is deemed necessary and fully consistent with the set of measures forming part of said Global Transaction and with the objectives of financial and equity strengthening of the Talgo Group.

The Board of Directors recalls that the Global Transaction aims to reinforce the financial, equity and shareholding structure of Talgo and its consolidated group, ensuring the long-term stability of the Company and the proper execution of its main domestic and international projects.

This set of measures —conceived as a single and coordinated transaction— comprises:

- (i) a capital increase aimed at the entry of SEPI as a significant shareholder;
- (ii) two issuances of convertible bonds, one to be subscribed by SEPI and the other by a Basque investors’ group; and
- (iii) a comprehensive refinancing of the Talgo Group’s debt, through Patentes Talgo, S.L.U., a company wholly owned by Talgo, aimed at improving the financial profile and facilitating the execution of international projects with CESCE support.

The Board analyses the refinancing transaction, which will be implemented through a financing agreement to be entered into by Patentes Talgo, S.L.U. (as borrower) with a syndicate of financial institutions coordinated by BBVA and CaixaBank, structured in the following tranches:

### 1. CESCE Tranche

- **Amount:** up to 650 million euros.
- **Type:** long-term loan, maturing six years from the signing date.
- **Coverage:** partially insured by CESCE under an export credit insurance policy (CESCE Policy).
- **Purpose:** financing of the CESCE premium and costs associated with the Group's international commercial contracts (Deutsche Bahn, Egyptian National Railways, Flixtrain GmbH, Saudi Arabia Railways, among others).
- **Agent and CESCE Agent:** BBVA.
- **Coordinating banks:** BBVA and CaixaBank.

### 2. Non-CESCE Tranche (RCF)

- **Amount:** up to 120 million euros.
- **Type:** five-year revolving credit facility.
- **Purpose:** to cover working capital needs and partially refinance existing indebtedness.
- **Coordinating banks:** BBVA and CaixaBank.

### 3. New Guarantee Facility

- **Amount:** up to 500 million euros.
- **Purpose:** to enable the issuance of international guarantees in the ordinary course of its railway business for international projects, mainly Deutsche Bahn, Egyptian National Railways, Flixtrain GmbH, Saudi Arabia Railways, among others.
- **Coverage:** partially insured by CESCE.
- **Coordinating bank:** Banco Santander.

The CESCE and Non-CESCE (RCF) tranches will accrue variable interest referenced to EURIBOR, with margins of 180 basis points (CESCE Tranche) and 300 basis points (Non-CESCE Tranche), respectively, and will include the customary fees and financial terms applicable to syndicated transactions of this nature.

The transaction includes, among other elements, the following financial covenants:

- Maintenance of a maximum Net Financial Debt/EBITDA ratio of 7.15x in 2028, progressively decreasing to 3.0x as from 2030.
- Minimum consolidated equity of the Group between 120 and 300 million euros, depending on the financial year.
- Obligation to maintain the CESCE Policy in force and to comply with the solvency and transparency conditions set out in the agreement.

The maximum aggregate amount of the financing will be 770 million euros and the new guarantee facility up to 500 million euros, and its effectiveness is subject to the implementation of the remaining transactions forming part of the Global Transaction, in particular, the capital increase and the two issuances of convertible bonds approved by this Board.

After analysing the report issued by the Finance Department and the Legal Department, the Board of Directors of Talgo considers that the Global Transaction is fully aligned with the corporate interest of Talgo and its consolidated group, for the following reasons:

- It strengthens the Group's financial structure, replacing existing debt with long-term financing under stable and competitive conditions and, in addition, provides a guarantee facility to support the execution of the project backlog.
- It reduces short-term refinancing risk, improving the maturity profile and predictability of financial flows.
- It increases operational flexibility and the capacity to perform the main international contracts, which represent a substantial portion of the Group's order book.
- It optimises the average cost of debt, thanks to the partial CESCE cover and the support of the coordinating entities.
- It consolidates the Group's solvency and stability in line with the capital contributions and issuances of convertible bonds addressed at this same meeting.

Accordingly, the Board of Directors considers that the refinancing is an essential and complementary component of the set of measures adopted for the equity and financial strengthening of the Company.

In light of all the above, the Board of Directors of Talgo resolves:

1. To approve, subject to approval by the General Shareholders' Meeting of Talgo, S.A., the Talgo Group refinancing transaction on the material terms described above, to be formalised by Patentes Talgo, S.L.U., a company wholly owned by

Talgo, through the execution of the corresponding financing agreement with the financial institutions coordinated by BBVA and CaixaBank, structured in a CESCE Tranche (up to 650 million euros, six-year term, with partial CESCE cover), a Non-CESCE or RCF Tranche (up to 120 million euros, five-year term with the possibility of an additional one-year extension, for working capital needs and refinancing) and a new guarantee facility of up to 500 million euros with partial CESCE cover.

2. To authorise, subject to approval by the General Shareholders' Meeting of Talgo, the implementation of the refinancing transaction described above, so that, once such approval has been obtained, Talgo, in its capacity as parent company and sole shareholder of Patentes Talgo, S.L.U., adopts or promotes the adoption by said subsidiary of any resolutions that may be necessary or convenient for its execution and development, including the approval by Patentes Talgo, S.L.U. of the financing agreement and ancillary documents, their signing and formalisation on the terms to be agreed with the lending institutions, as well as the granting of any consents, guarantees or undertakings as may be reasonably required.
3. To declare that the effectiveness of this resolution, if approved by the General Shareholders' Meeting of Talgo, is subject to the condition precedent of its approval by said Meeting of the resolutions relating to the capital increase and the two issuances of convertible bonds to be subscribed by SEPI and by the Basque investors' group, thereby integrating all these measures within a single financial and corporate framework aimed at the equity strengthening and long-term stability of the Talgo Group. Once this condition precedent is fulfilled, the refinancing resolution described herein shall automatically become fully effective.

In light of all the above, the Board of Directors of Talgo proposes that the General Shareholders' Meeting adopt the following resolution:

To approve the Talgo Group refinancing transaction, on the material terms described in this report, to be formalised by Patentes Talgo, S.L.U., a company wholly owned by Talgo, S.A., through the execution of the corresponding financing agreement with the financial institutions coordinated by BBVA and CaixaBank, structured in two tranches:

- a CESCE Tranche, for an amount of up to 650 million euros, in the form of a long-term loan with a six-year maturity, partially insured under a CESCE export credit insurance policy, intended to finance the Group's main international contracts (Deutsche Bahn, Egyptian National Railways, Flixtrain GmbH, Saudi Arabia Railways, among others); and
- a Non-CESCE Tranche (RCF), for an amount of up to 120 million euros, in the form of a five-year revolving credit facility, intended to cover working capital needs and partially refinance existing indebtedness.
- A new guarantee facility of up to 500 million euros, partially insured by CESCE.

The CESCE and Non-CESCE (RCF) tranches shall accrue variable interest referenced to EURIBOR, with margins of 180 basis points (CESCE Tranche) and 300 basis points (Non-CESCE Tranche), respectively, and shall include the customary fees, financial terms and obligations applicable to syndicated transactions of this nature, including the obligation to maintain certain financial ratios and minimum equity levels of the Group.

The transaction shall be subject to the effectiveness of the CESCE Policy and to the effective implementation of the capital increase and the issuances of convertible bonds to be subscribed by SEPI and by a Basque investors' group.

The Board of Directors of Talgo, S.A. is hereby authorised, in its capacity as parent company and sole shareholder of Patentes Talgo, S.L.U., to adopt any resolutions that may be necessary or convenient for the implementation of the refinancing transaction, including the approval by said subsidiary of the financing agreement and ancillary documents, their signing and formalisation on the terms to be agreed with the lending institutions, as well as the granting of any consents, guarantees or undertakings as may be reasonably required.

The Board of Directors is likewise authorised, with express power of substitution in favour of its directors, officers or attorneys-in-fact, to execute any contracts, deeds and public or private documents as may be necessary or convenient for the full effectiveness and proper implementation of the transaction.

The effectiveness of this resolution, if approved by the General Shareholders' Meeting of Talgo, shall be subject to the condition precedent of its approval by said Meeting of the resolutions relating to the capital increase and the two issuances of convertible bonds to be subscribed by SEPI and by the Basque investors' group, which are included under items One, Two and Three on the agenda of this same Meeting, so that all measures are deemed to be integrated in a single financial and corporate framework aimed at the equity strengthening and long-term stability of the Talgo Group. Once this condition precedent is fulfilled, the refinancing resolution described herein shall automatically become fully effective

## **ITEM FIVE ON THE AGENDA**

**Reduction of the number of members of the Board of Directors, setting it at eight (8).**

### **AGREEMENT**

Based on:

- (i) the provisions of the Spanish Companies Act, the Bylaws and the Regulations of the Board of Directors of the Company,
- (ii) the report issued in July 2021 by the consultancy KPMG, in which—taking into account the recommendations of the CNMV set out in the Good

Governance Code of Listed Companies—the size of Talgo’s Board of Directors was analysed, among other aspects, in comparison with other companies of a similar nature and with companies forming part of the IBEX 35 with a market capitalization similar to that of Talgo, and

- (iii) the experience gained since 2022, Talgo’s corporate context and the evolution of its shareholding structure, on the understanding that a slightly lower number of directors will help to improve the effectiveness of the governing body, without affecting or diminishing the plurality of perspectives and the appropriate representation of the different stakeholders,

To reduce the size of Talgo’s Board of Directors and set it at eight (8) members, a number which falls within the minimum and maximum limits for members of the Board established both in the Bylaws and in the Regulations of the Board of Directors of the Company, so that it is not necessary to amend any of those rules.

The General Meeting acknowledges that, following the agreed reduction in the size of the Board of Directors, the Board will have six members in office and two vacancies, and authorizes the Board of Directors to fill one or both vacancies, as appropriate, by exercising the power of appointment by co-optation provided for in Article 243 of the Spanish Companies Act, subject to the applicable corporate and legal procedures.

## **ITEM SIX ON THE AGENDA**

**Delegation of powers for the formalisation and execution of all resolutions adopted by the General Shareholders’ Meeting, for their elevation to public instrument, and for their interpretation, correction, supplementation, development, and registration.**

### **AGREEMENT**

To jointly authorize the Board of Directors, the Chairman or the Chief Executive Officer and the Secretary of the Board of Directors so that any of them, acting alone, with all necessary powers, may execute the resolutions adopted by this General Shareholders' Meeting, and for this purpose may

- (a) Develop, clarify, specify, interpret, complete, and amend them.
- (b) Perform whatever legal acts or transactions are necessary or convenient to execute the agreements, execute whatever public or private documents are deemed necessary or convenient for their full effectiveness, and correct whatever omissions, defects, or errors, whether substantive or formal, that would prevent their entry in the Mercantile Registry.
- (c) Determine all other necessary circumstances, adopting and executing the necessary agreements, publishing the announcements and providing the relevant guarantees for the purposes provided for by law, as well as formalizing the necessary documents and completing all appropriate procedures, proceeding to comply with all requirements

necessary in accordance with the law for the fullest execution of what has been agreed by this General Shareholders' Meeting.