

BEFESA

Befesa S.A.
société anonyme
68-70, Boulevard de la Pétrusse, L-2320 Luxembourg
Grand Duchy of Luxembourg
R.C.S. Luxembourg B 177697
(the “**Company**”)

<p>REPORT OF THE BOARD OF DIRECTORS OF THE COMPANY DATED 15 MAY 2026 DRAWN UP IN ACCORDANCE WITH AND FOR THE PURPOSES OF ARTICLE 420-26 (5) OF THE LUXEMBOURG LAW OF 10 AUGUST 1915 ON COMMERCIAL COMPANIES, AS AMENDED</p>
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This report is drawn up in accordance with and for the purposes of article 420-26 (5) of the law of 10 August 1915 on commercial companies, as amended (the “**Law**”), for the extraordinary general meeting of shareholders to be held on 16 June 2026, immediately subsequent to the Annual General Meeting of the Company held on the same date at 9:00 CEST (or on such later date, if reconvened) (the “**EGM**”).

The board of directors of the Company (the “**Board**”) hereby presents an explanatory report on the proposal which has been put to the EGM for consideration, to authorise the Board to suppress or limit statutory preferential subscription rights of shareholders of the Company in relation to increases of the share capital of the Company within the framework of the authorised share capital of the Company as proposed in the agenda item (1) of the EGM.

I. Background

An extraordinary general meeting of the shareholders of the Company held on 5 October 2021 resolved inter alia to (i) renew the previous authorised capital of the Company in an amount of eleven million one hundred four thousand seven hundred fifty-seven Euro and twenty-nine cents (EUR 11,104,757.29.-), divided into three million nine hundred ninety-nine thousand nine hundred ninety-nine (3,999,999-) Shares and (ii) grant to the Board all powers to (a) carry out capital increases within the limit of the authorised capital of the Company and (b) withdraw or limit the statutory preferential subscription right of the shareholders. The current authorisation which was granted to the Board carry out capital increases and withdraw or limit the statutory preferential subscription right of the shareholders is valid until 5 October 2026.

As at the date of the present report, the Board has not utilised the authorised share capital provided for in article 6 of the articles of association of the Company. However, considering that (i) the validity of the authorisation granted by the extraordinary general meeting of the shareholders of the Company to the Board in connection with the authorised capital is due to expire on 5 October 2026, which is well ahead of the Company’s 2027 annual general meeting of the shareholders, (ii) it is in the Company’s best interest to be able to have permanent, uninterrupted, efficient and flexible access to additional capital, the Board deems it advisable to seek shareholder approval for the renewal of all relevant authorisations at the EGM to be scheduled concurrently with the Company’s 2026 annual general meeting.

Accordingly, the Board now proposes that the EGM:

- (i) renews the existing aggregate amount of the authorised share capital of the Company that shall henceforth be set at eleven million one hundred four thousand seven hundred fifty-seven Euro and twenty-nine cents (EUR 11,104,757.29.-), divided into three million nine hundred ninety-nine thousand nine hundred ninety-nine

(3,999,999.-) ordinary shares without nominal value, which amounts correspond to approximately 10 per cent of the current issued share capital, it being noted that the current issued share capital of the Company amounts to one hundred and eleven million forty-seven thousand five hundred and ninety-five euro and fourteen cents (EUR 111,047,595.14.-), divided into thirty-nine million, nine hundred and ninety-nine thousand, nine hundred and ninety-eight (39,999,998.-) ordinary shares without nominal value;

- (ii) renews the existing authorisation to the Board to increase the Company's share capital in accordance with the current terms and within the limits of the authorised share capital of the Company for a period of five (5) years after the date of the general meeting deciding on the amendment of the terms of the authorised share capital (i.e. the date of the EGM).

II. Resolutions concerning the authorised share capital of the Company submitted to the EGM

It is proposed that the EGM adopts the following resolution related to the authorised share capital of the Company:

Decision:

- (i) to approve the renewal of the existing authorisation to the board of directors of the Company to increase the Company's share capital in accordance with the terms and within the limits of the authorised share capital for a period of five (5) years after the date of the general meeting of shareholders of the Company deciding on the renewal of the authorised share capital; and
- (ii) to grant to the board of directors of the Company all powers to carry out capital increases within the limit of the authorised share capital of the Company and withdraw or limit statutory preferential subscription rights of the shareholders of the Company on the issue of new shares.

For ease of reference, Article 6 of the articles of association of the Company currently reads as follows:

“Article 6. Authorised Capital

The authorised capital of the Company (excluding, for the avoidance of doubt, the Company's issued share capital) is set at eleven million one hundred four thousand seven hundred fifty-seven Euro and twenty-nine cents (**EUR 11,104,757.29.-**), divided into three million nine hundred ninety-nine thousand nine hundred ninety-nine (**3,999,999-**) Shares.

The Board of Directors is authorised, up to the maximum amount of the authorised capital, to (i) increase the issued share capital in one or several tranches with or without share premium, against payment in cash or in kind, by conversion of claims on the Company or in any other manner (ii) issue subscription and/or conversion rights in relation to new Shares or instruments within the limits of the authorised capital under the terms and conditions of warrants (which may be separate or linked to Shares, bonds, notes or similar instruments issued by the Company), convertible bonds, notes or similar instruments; (iii) determine the place and date of the issue or successive issues, the issue price, the terms and conditions of the subscription of and paying up on the new Shares and instruments and (iv) remove or limit the statutory preferential subscription right of the shareholders.

The Board of Directors may authorise any person to accept on behalf of the Company

subscriptions and receive payment for Shares or instruments issued under the authorised capital. The above authorisation is valid for a period ending five (5) years after the date of the General Meeting creating or renewing the authorised capital. The above authorisation may be renewed, increased or reduced by a resolution of the General Meeting voting with the quorum and majority rules set for the amendment of the Articles of Association.

Following each increase of the issued share capital in accordance with this article 6, article 5 of the Articles of Association will be amended so as to reflect the capital increase. Any such amendment will be recorded in a notarial deed upon the instructions of the Board of Directors or of any person duly authorised by the Board of Directors for this purpose.”

III. Justification for the potential withdrawal or limitation of statutory preferential subscription rights within the framework of an authorisation granted to the Board for a period of five years and the authorisation to the Board to set the issue price in that context

The Board would like to draw the attention of the EGM to the importance of the Company being able to act quickly and have flexibility in increasing the share capital of the Company, according to the needs of the Company, and therefore, proposes to the EGM to authorise the Board, in whatever circumstances and for whatever transaction, as and when deemed by the Board in the best interest of the Company, to increase the Company’s share capital and issue new shares in accordance with the terms of the authorised capital as currently set out in article 6 of the Company’s articles of association and to, as the Board may deem necessary, limit or withdraw the statutory preferential subscription rights of the shareholders in the event of potential future capital increases and to set the issue price (which, for the avoidance of doubt shall not be lower than the accounting par value of the Company’s shares) in case of the issue of new shares. In particular but without the intention of being exhaustive, the authorised share capital with the facility for the Board to withdraw/limit statutory preferential subscription rights and to set the issue price of new shares, offers the Company the following advantages:

- the flexibility required to be active in the capital markets, raise funds and, thus, to carry out on short notice transactions involving the issuance of additional shares;
- the possibility to raise the necessary funds to meet the Company’s financing and re-financing needs without delay, to strengthen its liquidity, its debt to equity ratios, and to optimize equity as a source of funding so as to reduce the overall cost of external funding;
- the possibility to take advantage of opportunities in potential merger with or an acquisition of another entity or business or any other transaction for the purpose of achieving external growth, including without limitation by way of take-over bid, share exchange offer and/or squeeze-out techniques, by enabling the Company to acquire shares and other assets on the best possible terms at short notice;
- the possibility to issue convertible instruments convertible into shares issued by the Company and to convert bonds and other convertible securities, if any, into shares issued by the Company;
- the possibility to enter into potential transactions which require funding within an expedited timeframe, e.g. in situations where the time involved to convene an extraordinary general meeting of the shareholders and to issue the new shares is not compatible with the transaction timeline;

The proposed renewal of the authorised share capital and the related authorisations to the Board merely aim at extending under identical terms and for another five years an authorisation to the Board of Directors of the Company that was originally approved by the Extraordinary General Meeting on 5 October 2021 and which is due to expire on 5 October 2026.

The Board of Directors of the Company has not utilised the authorised share capital and the related authorisations that were approved by the Extraordinary General Meeting on 5 October

2021. Renewing the authorisation for a further five-year term restores the standard level of flexibility currently provided by article 6 of the articles of association of the Company. [The renewal does not reflect any current intention to issue shares.]

Both the scope and the duration of the proposed authorisation, including the ability to limit or withdraw preferential subscription rights, are fully aligned with Luxembourg company law and are consistent with normal market standards.

This report is addressed to the EGM which is scheduled for 16 June 2026 and any subsequent EGM which is convened due to lack of quorum at the first-convened meeting.

Luxembourg 15 May 2026

The Board of Directors

Chair of the Board of Directors