REPORT DRAWN UP BY THE AUDIT COMMITTEE ON THE AUDITOR'S INDEPENDENCE AND ANCILLARY SERVICES

Pursuant to the provisions of section 529,14, paragraph 4.f) of Spain's Joint Stock Companies Act (*Ley de Sociedades de Capital*) and section 23 of the Board of Directors' Regulations, the Audit Committee is required to deliver on an annual basis, before the annual accounts audit report is issued, a report expressing an opinion on whether or not the independence of auditors or accounting firms is compromised. This report must contain, in any event, a reasoned assessment of the provision of each and every ancillary service, taken individually and as a whole, other than legal audit services and relating to the duty of independence or to the regulations governing the account audit activity.

I.- Basis of the report

1. The Committee requested the auditor (Ernst & Young Auditores S.L.) to provide information:

    (i) on any issues that might jeopardise its independence,

    (ii) on the works it had carried out for the Company in addition to the specific account audit work, as well as the total amount of the fees paid to the auditor for all the services provided, including those ancillary services; and

    (iii) on the procedures, systems or mechanisms implemented by the auditor to ensure compliance with the legal provisions on this issue, in any event in reference both to the auditing firm as a whole and to the individual members of its work team, in order to assess the auditor's independence.

2. At the Committee meeting held on 21 February 2022, Ernst&Young Auditores S.L submitted its conclusions on the audit work performed in connection with the Company's individual and consolidated annual accounts for the financial year. As these are the third annual accounts to be audited by this firm, the prohibition set forth in section 4.2 of Regulation 537/2014 and section 41.1 of Spain's Account Audit Act, which is based on auditing three financial years, is not applicable yet. However, the thresholds set forth in this provision are not exceeded.

    At the same meeting, the statement made by Mr. David Ruiz-Roso, a partner at Ernst&Young S.L., confirming the firm's independence from the Company, was also presented.

3. In addition to the above, the Audit Committee verified:

(i) The limits to the auditor's concentration of businesses, as set forth by Act 22/2015, of 20 July, on Audit of Accounts. The fees received by the external auditor in 2021 amounted to EUR 248,625, including EUR 223,125 for audit services and EUR 25,500 for other ancillary services related to the audit work, previously approved by the Audit Committee. No additional service has been provided. These latter services account for a non-significant percentage of the total annual fees received by the auditor (lower than 25%). **Schedule I**, as attached hereto, provides additional information concerning the fees paid to the auditor.

Auditing services were provided to the Parent Company, in an amount of EUR 24,000.

(ii) The non-application of the mandatory rotation rule for the audit partner who signed off the annual accounts (5 years).

II. Report

On the basis of the above, the Audit Committee reasonably informs that:

1. To the best of its knowledge, the auditor has acted independently in accordance with the regulations that govern the audit profession.

2. As regards ancillary services other than auditing provided by the auditor in financial year 2021:

   (a) They are not considered to have caused any conflict of interest as per the provisions of Act 22/2015, of 20 June, on Audit of Accounts;

   (b) The amount of the fees invoiced by the auditor do not account for a significant percentage of the total annual fees paid to the auditor for the purposes of the provisions of the aforesaid Audit of Accounts Act; and the prices paid for these services are not considered to exceed the market prices thereof.

3. For the time being, the mandatory rotation rule for the audit partner who signed off the annual accounts (5 years) is not applicable.

4. There is no indication that the regulations on auditing of accounts concerning the auditor's independence or the provision of ancillary services other than auditing have not been complied with.

This report was approved by the Audit Committee at its meeting held on 21 February 2022.

Schedule I

	2021		2020	
Categories	*Ernst&Young, S.L.*	*Other entities on E&Y network*	*Ernst&Young, S.L.*	*Other entities on E&Y network*
Audit services (1)	*133*	*90*	*86*	*59*
Other verification services (2)	*25*	-	*3*	-
Total audit services and related services	***158***	***90***	***89***	***59***
Others (3)	-	-	*40*	*2*
Total other professional services	**-**	**-**	***40***	***2***
Total professional services	***158***	***90***	***129***	***61***

(1) *Audit Services: This category includes the services provided in connection with the statutory audit of the Group's annual accounts and the limited review of interim consolidated financial statements.*

(2) *Other audit-related verification services: These services mainly concern the verification work aimed at assessing compliance with financial covenants and the report on the procedures agreed upon to review the internal control system over financial reporting.*