



Banco Santander, S.A., ("**Santander**" or the "**Offeror**") in accordance with the provisions of the securities market legislation, communicates the following:

OTHER RELEVANT INFORMATION

Further to our notice of inside information on 7 May 2024 (registered under number 2235) announcing the invitation by Santander to holders of its outstanding €1,500,000,000 4.75 per cent. Non-Step-Up Non-Cumulative Contingent Convertible Perpetual Preferred Tier 1 Securities (ISIN: XS1793250041) (the "**Preferred Securities**") to tender their Preferred Securities for purchase by the Offeror for cash in an aggregate nominal amount of up to the Maximum Acceptance Amount (the "**Offer**") and the intention to issue a new series of contingent convertible perpetual preferred securities (the "**New Preferred Securities**"), Santander announces today that it has set (i) the final terms and conditions of the New Preferred Securities, which aggregate nominal amount will amount to €1,500,000,000, and (ii) the Maximum Acceptance Amount in respect of the Offer in €1,500,000,000 in aggregate nominal amount of Preferred Securities.

The remuneration of the New Preferred Securities, the payment of which is subject to certain conditions and discretionary, has been set at 7.00 per cent. on an annual basis for the first 6 years (20 May 2030), and it will be reviewed every five years thereafter by applying a margin of 443.2 basis points on the applicable 5-year Mid-Swap Rate. Once issued, the New Preferred Securities will be eligible as additional tier 1 capital of Santander. The New Preferred Securities are perpetual, but they may be called under certain circumstances and would be converted into newly issued ordinary shares of Santander if the common equity tier 1 (CET1) ratio of Santander or its consolidated group were to fall below 5.125%. As of 31 March 2024, the consolidated CET1 ratio of Santander was 12.3%.

Likewise, Santander announces that it will request the admission to listing of the New Preferred Securities on the Global Exchange Market of Euronext Dublin; and that, as of today, the report of the directors of Santander concerning the basis and rules for the conversion of the New Preferred Securities and the exclusion of pre-emptive subscription rights will be available on Santander's website (www.santander.com). The aforementioned report will also be provided to the shareholders at the first general shareholders' meeting to be held.

With regard to the Offer, the Offeror reserves the right, in its sole and absolute discretion and for any reason, to decrease the Maximum Acceptance Amount. The Offeror will announce the final Acceptance Amount together with the results of the Offer.

The Offer commenced on 7 May 2024 and will expire at 5.00 p.m. (CET) on 15 May 2024. Settlement is expected to take place on 20 May 2024, on the same date as the settlement of the issue of New Preferred Securities.

The Offer is being made on the terms and subject to the conditions (including the New Financing Condition) contained in the Tender Offer Memorandum and should be read in conjunction with the Tender Offer Memorandum. Capitalised terms used but not otherwise defined in this announcement shall have the meaning given to them in the Tender Offer Memorandum.

Banco Santander, S.A and Santander US Capital Markets LLC are acting as Dealer Managers for the Offer and Kroll Issuer Services Limited is acting as Tender Agent. For detailed terms of the Offer please refer to the Tender Offer Memorandum which (subject to offer and distribution restrictions) can be obtained from the Dealer Managers and the Tender Agent referred to below.



DEALER MANAGERS

Banco Santander, S.A.

Ciudad Grupo Santander
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Attn: Liability Management Team

Email: AmericasLM@santander.us

THE TENDER AGENT

Kroll Issuer Services Limited

The Shard

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United Kingdom

Tel: +44 20 7704 0880

Attn: Alessandro Zorza

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Boadilla del Monte (Madrid), 7 May 2024



NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN ANY JURISDICTION WHERE OR TO WHOM IT IS UNLAWFUL TO RELEASE, PUBLISH OR DISTRIBUTE THIS ANNOUNCEMENT.

DISCLAIMER

This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offer. If any Qualifying Holder is in any doubt as to the contents of this announcement, the Tender Offer Memorandum or the action it should take, it is recommended to seek its own financial, legal, regulatory and tax advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser.

None of the Offeror, the Dealer Managers or the Tender Agent or any of their respective directors, employees, officers, agents or affiliates expresses any opinion about the merits of the Offer or makes any recommendation as to whether or not any Qualifying Holder should Offer to Sell its Preferred Securities and no one has been authorised by the Offeror, the Dealer Managers or the Tender Agent to make any such recommendation.

OFFER RESTRICTIONS

United Kingdom

The communication of the Tender Offer Memorandum and any other documents or materials relating to the Offer is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to, and may only be acted upon by, those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**") or persons who are within Article 43 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

France

The Tender Offer Memorandum and any documents or offering materials relating to the Offer may not be distributed in the Republic of France except to qualified investors (*investisseurs qualifiés*) as defined in Article 2(e) of the Prospectus Regulation, as amended, and Article L.411-2 of the French Code monétaire et financier as amended from time to time. The Tender Offer Memorandum has not been and will not be submitted for clearance to nor approved by the *Autorité des marchés financiers*.

Republic of Italy

None of the Offer, the Tender Offer Memorandum or any other documents or materials relating to the Offer has been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian laws and regulations. The Offer is being carried out in the Republic of Italy ("**Italy**") as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Holders or beneficial owners of the Preferred Securities that are located in Italy may tender their Preferred Securities in the Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Preferred Securities and/or the Offer.

Spain

Neither the Offer nor the Tender Offer Memorandum constitute an offer of securities or the solicitation of an offer of securities in Spain which require the approval and the publication of a prospectus under Regulation (EU) 2017/1129, Spanish Law 6/2023, of 17 March, on the Securities Markets and the Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*), as amended from time to time, and its ancillary and related regulations. Accordingly, the Tender Offer Memorandum has not been and will not be submitted for approval nor approved by the CNMV.



General

The Tender Offer Memorandum does not constitute an offer to buy or the solicitation of an offer to sell Preferred Securities, and tenders of Preferred Securities for purchase pursuant to the Offer will not be accepted from Holders, in any circumstances in which such offer or solicitation is unlawful.

Each holder of Preferred Securities participating in the Offer will also be deemed to give certain representations and warranties in respect of the jurisdictions referred to above and generally as set out in "*Procedures for submitting Offers to Sell - Representations, warranties and undertakings by the Holders and Direct Participants*" of the Tender Offer Memorandum. Any Offer to Sell Preferred Securities pursuant to the Offer from a Holder or its Direct Participant that is unable to make these representations and warranties will not be accepted. Each of the Offeror, the Dealer Managers and the Tender Agent reserves the right, in its absolute discretion, to investigate, in relation to any Offer to Sell Preferred Securities, whether any such representation and warranty given by a Holder is correct and, if such investigation is undertaken and as a result the Offeror, the Dealer Managers or the Tender Agent determines (for any reason) that such representation and warranty is not correct, such Offer to Sell shall not be accepted.

NEW PREFERRED SECURITIES

The offering of the New Preferred Securities may be restricted by law in certain jurisdictions and therefore persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions could result in a violation of the laws of any such jurisdiction.

PROHIBITION ON MARKETING AND SALES TO RETAIL INVESTORS: The New Preferred Securities are complex financial instruments with high risk and are not a suitable or appropriate investment for all investors. Each of the joint lead managers participating in the issue of the New Preferred Securities (the "**Joint Lead Managers**") has represented and agreed that the offers of the New Preferred Securities in the European Economic Area ("**EEA**") and in the United Kingdom ("**UK**") shall only be made to eligible counterparties and professional clients, each as defined in Directive 2014/65/EU on markets in financial instruments (as amended, "**MiFID II**") or the FCA Handbook Conduct of Business Sourcebook ("**COBS**"). Additionally, in some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the New Preferred Securities. Potential investors in the New Preferred Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the New Preferred Securities (or any beneficial interests therein).

Investors in Hong Kong should not purchase the New Preferred Securities in the primary or secondary markets unless they are professional investors (as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and its subsidiary legislation, "**Professional Investors**") only and understand the risks involved. The New Preferred Securities are generally not suitable for retail investors.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The New Preferred Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document (KID) required by Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products (the "**PRIIPs Regulation**") for offering or selling the New Preferred Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the New Preferred Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The New Preferred Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the UK domestic law by virtue of the UK domestic law by virtue of European Union (Withdrawal) Act of 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the UK domestic law by virtue of the EUWA ("**UK MiFIR**"); or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of UK domestic law by virtue of the EUWA.

Consequently no key information document required by the PRIIPs regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the New Preferred Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the New Preferred Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.



MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the New Preferred Securities has led to the conclusion that: (i) the target market for the New Preferred Securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the New Preferred Securities to eligible counterparties and professional clients are appropriate. The target market assessment indicates that the New Preferred Securities are incompatible with the needs, characteristic and objectives of retail clients (as defined in MiFID II). Any person subsequently offering, selling or recommending the New Preferred Securities (a "**distributor**") should take into consideration the manufacturers' target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the New Preferred Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The New Preferred Securities are being offered outside the United States to non-U.S. persons, pursuant to the provisions of Regulation S ("**Regulation S**") of the United States Securities Act of 1933, as amended (the "**Securities Act**"). The New Preferred Securities will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements of the Securities Act. Any investment decision to purchase any New Preferred Securities should be made solely on the basis of the information contained in the preliminary offering circular relating to the New Preferred Securities that has been made available to investors together with pricing details.

This announcement is not being distributed to, and must not be passed on to, the general public in the UK and is not intended to be an invitation or inducement to engage in investment activity for the purpose of Section 21 of the FSMA. This announcement is directed only at: (i) persons who are outside the UK; (ii) persons who are investment professionals within the meaning of Article 19(5) of the Financial Promotion Order; (iii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order or (iv) any other persons to whom this announcement for the purposes of Section 21 of the FSMA can otherwise lawfully be distributed (all such persons together being referred to as "**relevant persons**"), and must not be acted on or relied upon by persons other than relevant persons. Any investment or investment activity to which this announcement relates is available only to and will be engaged in only with relevant persons.

The New Preferred Securities may not be offered or sold or distributed, nor may any subsequent resale of New Preferred Securities be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain or without complying with all legal and regulatory requirements under Spanish securities laws. No publicity or marketing of any kind shall be made in Spain in relation to the New Preferred Securities.

Neither the New Preferred Securities nor the Offering Circular in connection thereof have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the "**CNMV**") and therefore the Offering Circular is not intended for any offer of the New Preferred Securities in Spain that would require the registration of a prospectus with the CNMV.

This announcement is not an offer of securities or investments for sale nor a solicitation of an offer to buy securities or investments in any jurisdiction where such offer or solicitation would be unlawful. No action has been taken that would permit an offering of the New Preferred Securities or possession or distribution of this announcement in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required to inform themselves about and to observe any such restrictions.

Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), Santander has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the New Preferred Securities are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and the MAS Notice FAA-N16: Notice on Recommendations on Investment Products)

A COPY OF THE PRELIMINARY OFFERING CIRCULAR AND FINAL OFFERING CIRCULAR MAY BE OBTAINED BY ELIGIBLE INVESTORS FROM YOUR SALES REPRESENTATIVE.

The Joint Lead Managers are acting exclusively for the issuer of the New Preferred Securities and for no-one else in connection with the book-build and allocation process for the issuance of the New Preferred Securities. The Joint Lead Managers will not regard any other person (whether or not a recipient of this communication) as a client in relation to the New Preferred Securities and will not be responsible to anyone other than the issuer for providing the protections afforded to clients of the Joint Lead Managers, nor for providing services and/or advice in connection with the offering of the New Preferred Securities. Please contact your sales representative if you have any further questions. Information on the Joint Lead Managers fee (as the case may be) in connection with the New Preferred Securities is available from your usual sales representative upon request.



Notice to U.S. Investors

The proposed transaction relates to the securities of Banco Santander, S.A., a company incorporated in Spain. Information distributed in connection with the proposed transaction is subject to Spanish disclosure requirements that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws in respect of the proposed transaction, since the company is located in Spain and some or all of its officers and directors are residents of Spain. You may not be able to sue the company or its officers or directors in a Spanish court for violations of the U.S. securities laws. Finally, it may be difficult to compel the company and its affiliates to subject themselves to a U.S. court's judgment.

You should be aware that the company may purchase subject securities otherwise than under the proposed transaction, such as in open market or privately negotiated purchases, at any time during the pendency of the proposed transaction.

The New Preferred Securities are being offered outside the United States to non-U.S. persons, pursuant to the provisions of Regulation S. The New Preferred Securities will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements of the Securities Act. Any investment decision to purchase any New Preferred Securities should be made solely on the basis of the information contained in the preliminary offering circular relating to the New Preferred Securities that has been made available to investors together with pricing details.