

Banco Santander, S.A. (the “**Bank**” or “**Banco Santander**”), in compliance with the Securities Market legislation, hereby communicates the following:

OTHER RELEVANT INFORMATION

Banco Santander reduces its share capital by 1.7% to cancel the shares acquired in the share buy-back programme carried out between March and May 2022 in the context of the shareholder remuneration applicable to the results of financial year 2021.

The board of directors of Banco Santander has resolved today to implement the Bank’s share capital reduction through a cancellation of own shares approved at the Bank’s ordinary general shareholders’ meeting held on 1 April 2022 on second call under item 7 C of the agenda (the “**Capital Reduction**”).

It is hereby stated that, on 28 June 2022, the European Central Bank granted the authorisation required to implement the Capital Reduction in accordance with applicable regulations.

Banco Santander’s share capital has been reduced by EUR 143,154,722.50 through the cancellation of 286,309,445 own shares, each with a nominal value of EUR 0.50. The share capital resulting from the Capital Reduction implementation has been set at EUR 8,397,200,792, represented by 16,794,401,584 shares with a nominal value of EUR 0.50 each, all of them of the same class and series.

The purpose of the Capital Reduction is the cancellation of the Bank’s own shares, contributing to the remuneration of the Bank’s shareholders by increasing the profit per share, a consequence which is inherent to the decrease in the number of shares. The Capital Reduction does not involve the return of contributions, since the Bank is the owner of the cancelled shares, having acquired them within the framework of the share buy-back programme, the beginning and termination of which Banco Santander properly notified to the market through the notice of inside information published on 14 March 2022 with registration number 1360 and the notice of other relevant information published on 6 May 2022 with registration number 16098, respectively.

A reserve for amortised capital has been funded with a charge to the share premium reserve for an amount equal to the nominal value of the cancelled shares (i.e. EUR 143,154,722.50), which may only be used under the same conditions as those required for the reduction of the share capital, in accordance with article 335 c) of the Spanish Companies Law. Consequently, in accordance with article 335 c) of the Spanish Companies Law, the Bank’s creditors are not afforded the right of opposition referred to in article 334 of the Spanish Companies Law.

For purposes of the provisions of Section 411 of the Spanish Companies Law and in accordance with Additional Provision One of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, it is hereby stated for the record that, as the Bank is a credit institution and the other requirements set forth in the aforementioned Additional Provision are met, the consent of the bondholder syndicates for the outstanding debenture and bond issues is not required for the implementation of the reduction.

The announcements of the Capital Reduction will be published in the Official Gazette of the Spanish Commercial Registry and on the Bank's corporate website (www.santander.com) in the coming days.

Thereafter, the public deed regarding the corporate resolutions on the Capital Reduction and amendment of the Bank's By-laws will be granted and subsequently registered with the Commercial Registry of Santander. In addition, the delisting of the 286,309,445 cancelled shares from the Spanish and foreign stock exchanges or stock markets on which the Bank's shares are listed, and the cancellation of the book-entry records of the cancelled shares before the competent bodies will both be requested.

Boadilla del Monte (Madrid), 28 June 2022

IMPORTANT INFORMATION

Non-IFRS and alternative performance measures

This document contains, in addition to the financial information prepared in accordance with International Financial Reporting Standards (“IFRS”) and derived from our financial statements, alternative performance measures (“APMs”) as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 (ESMA/2015/1415en) and other non-IFRS measures (“Non-IFRS Measures”). These financial measures that qualify as APMs and non-IFRS measures have been calculated with information from Santander Group; however those financial measures are not defined or detailed in the applicable financial reporting framework nor have been audited or reviewed by our auditors. We use these APMs and non-IFRS measures when planning, monitoring and evaluating our performance. We consider these APMs and non-IFRS measures to be useful metrics for our management and investors to compare operating performance between accounting periods, as these measures exclude items outside the ordinary course performance of our business, which are grouped in the “management adjustment” line and are further detailed in Section 3.2 of the Economic and Financial Review in our Directors’ Report included in our Annual Report on Form 20-F for the year ended 31 December 2021. Nonetheless, these APMs and non-IFRS measures should be considered supplemental information to, and are not meant to substitute IFRS measures. Furthermore, companies in our industry and others may calculate or use APMs and non-IFRS measures differently, thus making them less useful for comparison purposes. For further details on APMs and Non-IFRS Measures, including its definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS, please see the 2021 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the “SEC”) on 1 March 2022, as updated by the Form 6-K filed with the SEC on 8 April 2022 in order to reflect our new organizational and reporting structure, as well as the section “Alternative performance measures” of the annex to this Banco Santander, S.A. (“Santander”) Q1 2022 Financial Report, published as Inside Information on 26 April 2022. These documents are available on Santander’s website (www.santander.com). Underlying measures, which are included in this document, are non-IFRS measures.

The businesses included in each of our geographic segments and the accounting principles under which their results are presented here may differ from the included businesses and local applicable accounting principles of our public subsidiaries in such geographies. Accordingly, the results of operations and trends shown for our geographic segments may differ materially from those of such subsidiaries.

Forward-looking statements

Banco Santander, S.A. (“Santander”) advises that this document contains “forward-looking statements” as per the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements may be identified by words like “expect”, “project”, “anticipate”, “should”, “intend”, “probability”, “risk”, “VaR”, “RoRAC”, “RoRWA”, “TNAV”, “target”, “goal”, “objective”, “estimate”, “future” and similar expressions. Found throughout this document, they include (but are not limited to) statements on our future business development, economic performance and shareholder remuneration policy. However, a number of risks, uncertainties and other important factors may cause actual developments and results to differ materially from our expectations. The following important factors, in addition to others discussed elsewhere in this document, could affect our future results and could cause materially different outcomes from those anticipated in forward-looking statements: (1) general economic or industry conditions of areas where we have significant operations or investments (such as a worse economic environment; higher volatility in the capital markets; inflation or deflation; changes in demographics, consumer spending, investment or saving habits; and the effects of the war in Ukraine or the COVID-19 pandemic in the global economy); (2) exposure to various market risks (particularly interest rate risk, foreign exchange rate risk, equity price risk and risks associated with the replacement of benchmark indices); (3) potential losses from early repayments on our loan and investment portfolio, declines in value of collateral securing our loan portfolio, and counterparty risk; (4) political stability in Spain, the United Kingdom, other European countries, Latin America and the US (5) changes in legislation, regulations, taxes, including regulatory capital and liquidity requirements, especially in view of the UK exit of the European Union and increased regulation in response to financial crises; (6) our ability to integrate successfully our acquisitions and related challenges that result from the inherent diversion of management’s focus and resources from other strategic opportunities and operational matters; and (7) changes in our access to liquidity and funding on acceptable terms, in particular if resulting from credit spreads shifts or downgrade in credit ratings for the entire Group or significant subsidiaries.

Numerous factors could affect our future results and could cause those results deviating from those anticipated in the forward-looking statements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

Forward-looking statements speak only as of the date of this document and are informed by the knowledge, information and views available on such date. Santander is not required to update or revise any forward-looking statements, regardless of new information, future events or otherwise.

No offer

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Historical performance is not indicative of future results

Statements about historical performance or accretion must not be construed to indicate that future performance, share price or results (including earnings per share) in any future period will necessarily match or exceed those of any prior period. Nothing in this document should be taken as a profit forecast.

Third Party Information

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