

FOR INFORMATION PURPOSES. SPANISH VERSION PREVAILS.



MERLIN PROPERTIES SOCIMI, S.A.

Madrid, February 24, 2023

Audit and Control Committee's
Report on Auditor's Independence.

To the Board of Directors of MERLIN Properties SOCIMI, S.A.:

Pursuant to Article 529, *quaterdecies*, section 4, paragraph f) of Royal Legislative Decree 1/2010, of July 2, which approves the Revised Capital Companies Law, the following power is attributed to the Audit Committees of listed companies:

"To issue, on an annual basis, prior to the issue the audit report, a report expressing an opinion on the independence of the external auditor. Such report must contain, in all cases, an assessment of the provision of the additional services referred to in the preceding paragraph, taken individually and collectively, not entailed in the statutory audit and in connection with the rules on independence or with the regulations governing the activity of auditors".

In this regard, the Regulations of the Audit and Control Committee (hereinafter "the Committee") **of MERLIN Properties SOCIMI S.A.** (hereinafter "MERLIN" or the "Company") includes in Article 6.iii) the Committee's functions with respect to the external auditor's independence:

- i. to ensure independence and the absence of grounds for prohibition and incompatibility;*
- ii. to establish sources of internal information at the Company, which provide relevant information regarding the external auditor's independence, taken from the financial department, other management functions, from the internal audit department or from other assurance functions, such as the legislative compliance unit or the risk unit, or external information, such as information provided by the external auditor itself;*
- iii. to ask the external auditor for explanations about the internal quality control system it has established on matters of independence;*
- iv. to debate with the external auditor all circumstances capable of jeopardizing its independence and to evaluate the effectiveness of the safeguard measures adopted, as well as to understand and evaluate all relations between the Company and its related parties and the external auditor and its network, which entail the provision of non-audit services or any other type of relationship;*
- v. to receive from the external auditor, on an annual basis, the statement of its independence, as well as the information on any type of additional services provided, and the related fees received by the external auditor or by the persons or entities related to the auditor, pursuant to the audit legislation; and*
- vi. to issue, on an annual basis, prior to the issue of the report, a report in which it gives an opinion on whether the independence of the external auditor has been compromised. This report must contain, in all cases, a reasoned assessment of the provision of each and every one of the additional services, taken individually and collectively, not entailed in the statutory audit and in connection with the rules on independence or with the regulations on the activity of auditors.*

In compliance with these requirements, the Audit and Control Committee has issued this report in which it expresses **an opinion on the independence of**

the Company's external auditor, to be submitted to the Board of Directors and to be published for the upcoming 2023 Shareholder's Meeting.

SCOPE OF REVIEW

As a basis for this report, the Committee has relied on the following background and information:

- In order to guarantee the independence of the external auditor, the Audit and Control Committee has supervised, throughout the year 2022, compliance by both the Company and the external auditor with current regulations on the provision of non-audit services.
- The appearances of the external auditor before the Audit and Control Committee during the year, at its meetings of (i) February 22, (ii) July 26; and (iii) December 13, all in 2022, where the non-audit work performed by the Company's auditor and the amounts paid for such work were regularly monitored, in order to assess the Auditor's independence.
- The letter sent to the Committee dated February 24, 2023, in which the Company's Auditor declared the fees related to audit and other related services, as well as compliance with the independence-related requirements according to current audit regulations.

INDEPENDENCE ANALYSIS

A. Auditor's written statement confirming its independence

On February 24, 2023, the Company's Auditor sent a letter to the Committee in which it declared:

"The audit engagement team and Deloitte, S.L., with the extensions applicable to them, have complied with the applicable independence requirements in accordance with the provisions of Spanish Audit Law No. 22/2015, of 20 July and Regulation (EU) No. 537/2014, of 16 April."

B. Relations with the external Auditor and Internal Controls

At the various appearances of the Company's Auditor (February 22, July 26 and December 13), at no time did it report any issues that could jeopardize its independence.

Likewise, the External Auditor, in the letter addressed to the Committee, declared:

"We have internal procedures designed and in place for the purpose of identifying and assessing threats that may arise from circumstances related to audited entities, including those that may entail a cause of incompatibility and, where appropriate, aimed at implementing the necessary safeguards, [which can be found in Deloitte's Transparency Report available at www.deloitte.es], and in connection with the audit in question, and for the

period covered by the financial statements and up to the time this letter is issued, no circumstances have been identified, which individually or in the aggregate, could pose a significant threat to our independence and therefore would require the application of safeguards or could entail causes for incompatibility."

C. Other non-audit services provided and fees

In the letter sent to the Committee dated February 24, 2023, the Company's External Auditor has declared all fees relating to audit and related services provided to MERLIN Properties SOCIMI S.A. and its Consolidated Group Companies during 2022, which were as follows:

(thousands of euros)	Fees	%
<i>Audit and Limited Review Services</i>	658	82%
<i>Other verification services</i>	141	18%
Total Audit and Related services	799	100%
<i>Other professional services</i>	0	-
Total Fees 2022	799	100%

In compliance with **Auditor Engagement Policy and Relations Framework**, in 2022 the Audit and Control Committee pre-authorized the engagement of all non-audit services, after analyzing the weaknesses and threats to the auditor's independence for each service.

CONCLUSIONS

Based on the foregoing, this Committee has reasonably concluded the following:

- i) In the performance of its audit work in 2022, the external auditor has acted in accordance with the standards of independence that apply in accordance with current audit regulations.
- ii) The "**Audit**" services consisted of the Audit of the consolidated financial statements of the Group, as well as the Audit of the separate financial statements of the Parent Company and of the subsidiaries comprising the Group, as well as the Limited Review of the interim consolidated financial statements.

Of these audit services, 80% relate to fees for services performed by Deloitte, S.L. (Madrid), while the remaining 20% are for services performed by Deloitte Portugal.

- iii) As regards the non-audit work included under the heading "**Other verification work**", this work has been carried out exclusively by Deloitte, S.L. (Madrid) and the work consisted of the following:

- (a) Comfort letters regarding the update of the EMTN program bond issuance prospectus in 2022.
 - (b) Report verifying the Statement of Non-Financial Information.
 - (c) Reports on agreed-upon procedures regarding ratios linked to financing and acquisition contracts (covenants).
 - (d) Auditor's report on the information related to the internal control over financial reporting systems (ICFRS).
 - (e) Reports on agreed-upon procedures related to variable and long-term compensation programs.
 - (f) Reasonable assurance reports under ISAE 3000 on the Green Bond Report.
- iv) No non-audit work was carried out in 2022 that had to be recognized under "**Other professional services**".
- v) There are no aspects that could reasonably be considered to contravene audit regulations regarding the auditor's independence or the provision of additional non-audit services.

In Madrid, on February 24, 2023.

Donald Johnston

Chairman of the Audit and Control Committee

MERLIN Properties SOCIMI, S.A.