MERLIN

<u>**FOR INFORMATION PURPOSES. SPANISH VERSION PREVAILS.**</u>

REPORT ISSUED BY THE BOARD OF DIRECTORS OF MERLIN PROPERTIES, SOCIMI, S.A. IN RELATION TO THE REELECTION OF MR. FERNANDO JAVIER ORTIZ VAAMONDE AS AN INDEPENDENT DIRECTOR BY THE ANNUAL SHAREHOLDERS' MEETING

In Madrid, on April 4, 2024

1. Introduction

The Board of Directors of Merlin Properties, Socimi, S.A. (the "**Company**") has prepared this explanatory report on the reelection of Mr. Fernando Javier Ortiz Vaamonde as an independent director of the Company (the "**Report**"), in compliance with the provisions of article 529.decies.5 of the Capital Companies Law ("**LSC**").

The Board of Directors is required by the provisions of the aforementioned article to issue an explanatory report providing an assessment of the (i) competence, (ii) experience and (iii) merits of the proposed candidate, to be accompanied by a proposal prepared by the Appointments and Compensation Committee, in the case of independent directors.

2. Purpose of the Report

In light of the above, this Report is issued by the Board of Directors of the Company for the purposes of:

(i) justifying the proposed reelection OF MR. Fernando Javier Ortiz Vaamonde as an independent director of the Company, by the Annual Shareholders' Meeting to be held in 2024; and

(ii) assessing the competence, experience and merits of the candidate proposed for the discharge of the office of independent director,

all of the above in accordance with the terms of article 529.*decies*.5 of the Capital Companies Law.

In this connection and in accordance with the provisions of article 529.decies.4 of the LSC, the Appointments and Compensation Committee has prepared and submitted to the Board of Directors a proposal for the reelection of Mr. Fernando Javier Ortiz Vaamonde as an independent director of the Company. Such proposal is attached hereto as a **Schedule** for ease of identification.

3. Proposal of the Appointments and Compensation Committee

In short, the Appointments and Compensation Committee, taking into account the work carried out to date by Mr. Fernando Javier Ortiz Vaamonde as a Company director, has considered and positively evaluated his reelection in view, among other factors, of the following:

(i) the skills and abilities of the director, which are as required and which amply fulfill the needs required by the Company;

(ii) the director's background, which makes it possible for the board to maintain a diversity of knowledge, experience and ages and that membership of the board primarily comprises independent directors;

(iii) that the candidate meets the requirements of good standing, suitability and of recognized caliber, competence, experience, qualification, training, availability and commitment to their function;

(iv) the absence of obstacles to being a candidate;

(v) the fact that with his reelection (i) an appropriate balance will be maintained on the Board of Directors as a whole, maintaining the equilibrium between nominee directors and the rest of the capital, and a number of independent directors who make up at least half of the total members of the Board, and (ii) it will enhance decision-making and the contribution of multiple points of view in the discussion of matters within its remit.

(vi) the impeccable performance of Mr. Fernando Javier Ortiz Vaamonde in discharging his office, from the time he took possession thereof and after his reelection;

(vii) his experience in the finance and investment areas and on myriad boards of directors, all relevant to the Company;

(viii) his highly qualified and suitable professional profile for the discharge of the duties of independent director;

(ix) his possession of competencies, experience and skills to lead and guide the supervisory function currently performed by the board of directors; and

(x) the receipt of favorable proposals from the other directors and, in particular, from the independent directors, for the purposes of his reelection as an independent director of the Company.

4. Justification of the proposal by the Board of Directors

The understanding of the Board of Directors is that for a director to be able to exercise their supervisory and control functions properly, they must have the required combination of skills and competencies in the following areas:

(i) proven competence and experience;

(ii) knowledge of the area in which the Company pursues its activity;

(iii) the ability to dedicate themselves to and involve themselves in the Company’s businesses; and

(iv) knowledge additional and complementary to that regarding the Company’s activity, such as knowledge of financial aspects.

The work performed at the Company by Mr. Fernando Javier Ortiz Vaamonde to date evidences his competence, experience and merits for retaining the office of director. His extensive experience and his good performance as a director of the Company ensures there will be a diversity of opinion in the debate of matters addressed by the Board of Directors.

In view of the above, and in light of the reasons put forward for his reelection by the Appointments and Compensation Committee (which the Board echoes), the Board of Directors considers the reelection of Mr. Fernando Javier Ortiz Vaamonde as a director of the Company to be justified and advisable, in the belief that such reelection will allow the Board of Directors to continue having a member whose profile is considered valuable to the pursuit of the Company's business.

In addition, his position as an independent director will reinforce the role of the Board of Directors as an efficient supervisory body and serve as an effective counterbalance to the nominee directors.

5. Assessment of the competence, experience and merits of the candidate

The competence, experience and merits of Mr. Fernando Javier Ortiz Vaamonde are evidenced by his professional career, showing that he has the skills required to serve as an independent director. IN SUMMARY, IT SHOULD BE NOTED THAT MR. Fernando Javier Ortiz Vaamonde:

(i) has a Degree in Law and Business Studies from ICADE (E-3). He began his professional career in 1992 as a tax and corporate lawyer at Arthur Andersen Asesores Fiscales y Legales, now Garrigues, where he spent five years;

(ii) He is a founding shareholder and Executive Chairman of ProA Capital de Inversiones S.G.E.I.C., one of the largest private equity management firms in Spain, with more than €1.2 billion under management. He has been a partner of the N+1 group (Alantra) and a member of its Management Committee. He was Chief Investment Officer at BBVA and in charge of an investment vehicle specialized in investing in Internet and new technology companies. Previously, he was the Corporate Finance Director at ING Barings. Mr. Fernando Ortiz started his professional career at Arthur Andersen Legal and Tax Advisors, currently Garrigues, where he was a tax and legal advisor;

(iii) Among others and on behalf of Fondos ProA, he is or has been a director at Grupo Vips, Ibermática, Avizor, Eugin, Moyca, SABA, Pastas Gallo, LCDLC (La Casa de las Carcasas) and IsEazy.

In short, in the view of the Board of Directors, the candidate meets the appropriate and necessary requirements in terms of suitability, competence, experience, training, merits and commitment in order to continue forming part of the Board of Directors of the Company.

6. Conclusions of the Board of Directors.

In light of the foregoing, the Board of Directors considers it justified that Mr. Fernando Javier Ortiz Vaamonde be reelected as an independent director of the Company.

The Board of Directors therefore proposes to the Annual Shareholders' Meeting to be held during 2024, as does the Appointments and Compensation Committee, that he be appointed as an independent director of the Company as he has the competence, experience and merits to do so.

7. Category of director to which he belongs or in which he should be classed

Pursuant to the applicable legislation, Mr. Fernando Javier Ortiz Vaamonde would have the category of independent director of the Company.

Madrid, on April 4, 2024

MERLIN

Schedule

FOR INFORMATION PURPOSES. SPANISH VERSION PREVAILS.

PROPOSAL ISSUED BY THE APPOINTMENTS AND COMPENSATION COMMITTEE OF MERLIN PROPERTIES, SOCIMI, S.A. IN RELATION TO THE REELECTION OF MR. FERNANDO JAVIER ORTIZ VAAMONDE AS AN INDEPENDENT DIRECTOR

In Madrid, on March 22, 2024

1. Introduction

The Appointments and Compensation Committee (the "**Committee**") of Merlin Properties, Socimi, S.A. (the "**Company**") has prepared this proposal for the reelection of Mr. Fernando Javier Ortiz Vaamonde as an independent director of the Company (the "**Proposal**"), in compliance with the provisions of article 529.*decies*.4 of the Capital Companies Law ("**LSC**").

In accordance with that article, the Appointments and Compensation Committee is responsible for proposing the appointment or reelection of members of the Board of Directors in the case of independent directors.

In addition, pursuant to the provisions of article 529.*decies*.5 LSC, the Proposal must be accompanied by an explanatory report from the board that assesses the competence, experience and merits of the proposed candidate, which will be attached to the minutes of the Shareholders' Meeting or of the meeting of the Board itself.

2. Analysis by the Appointments and Compensation Committee – Suitability of the candidate

In light of the fact that the period for which Mr. Fernando Javier Ortiz Vaamonde was appointed as a director is coming to an end, the Appointments and Compensation Committee has commenced the corresponding process in order to evaluate his reelection as a director of the Company.

In the context of Recommendation 14 of the Good Governance Code and of the current director selection policy, this committee has taken into account the following in its analysis:

(i) the needs of the Board of Directors, in the context of which consideration has been given to the advisability of the Board continuing to have an extensive presence of highly qualified professionals who, with their contributions, enrich the Board's debates and decision-making process, and for membership of the Board to primarily comprise independent directors;

(ii) the diversity of knowledge, experience and age required by the board, which is maintained with the reelection of Mr. Ortiz.

The Committee has also considered:

(i) the skills and abilities of the director, which are as required and which amply fulfill the needs required by the Company;

(ii) the director's background, which makes it possible for the board to maintain a diversity of knowledge, experience and ages and that membership of the board primarily comprises independent directors;

(iii) that the candidate meets the requirements of good standing, suitability and of recognized caliber, competence, experience, qualification, training, availability and commitment to their function;

(iv) the absence of obstacles to being a candidate for director; and

(v) that his reelection (i) will maintain an appropriate balance on the Board of Directors as a whole, preserving the balance between nominee directors and the rest of the capital and a number of independent directors of at least half of the total number of board members and (ii) will enrich decision-making and ensure the contribution of multiple viewpoints to the discussion of matters falling within the board's remit.

As part of its analysis, the Appointments and Compensation Committee has considered the following main aspects, which were already considered in the context of his prior reelection:

(i) the impeccable performance of Mr. Fernando Javier Ortiz Vaamonde in discharging his office, from the time he took possession thereof and after his reelection;

(ii) his experience in the finance and investment areas and on myriad boards of directors, all relevant to the Company;

(iii) his highly qualified and suitable professional profile for the discharge of the duties of independent director;

(iv) his possession of competencies, experience and skills to lead and guide the supervisory function currently performed by the board of directors; and

(v) the receipt of favorable proposals from the other directors and, in particular, from the independent directors, for the purposes of his reelection as an independent director of the Company.

The foregoing has enabled this Committee to conclude that his reelection as an independent director of the Company would bring significant benefits to this managing body.

3. Conclusions and proposal of the Appointments and Compensation Committee

In conclusion, the Appointments and Compensation Committee considers that Mr. Fernando Javier Ortiz Vaamonde has the (i) competence, (ii) experience and (iii) merits necessary to be reelected as an independent director of the Company and, accordingly, proposes his reelection by the Shareholders' Meeting as an independent director of the Company.

Likewise, this Appointments and Compensation Committee has deemed and considers it justified (based on a favorable report) for Mr. Ortiz to continue serving as a member of this Appointments and Compensation Committee, a post which he has performed in a manner above reproach.

4. Category of director in which he should be classed

Having regard to Mr. Fernando Javier Ortiz Vaamonde's characteristics and in accordance with the applicable legislation, he should continue to be classed as an independent director of the Company.

Madrid, March 22, 2024