MERLIN PROPERTIES SOCIMI, S.A.

Madrid, July 19, 2024

Report of the Audit and Control Committee on the Related Party Transactions related to the MEGA Operation: Banco Co-Global Coordinator

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

Article 10.iii) of the Regulations of the Audit and Control Committee (hereinafter the "Committee") of MERLIN Properties SOCIMI S.A. (hereinafter "MERLIN" or the "Company"), includes the function of the Committee as ***"to inform the Board of Directors, prior to the adoption by the Board of Directors of the corresponding decision, on transactions with related parties***".

In compliance with this requirement, the Audit and Control Committee has analysed, where appropriate, the related-party transactions that are presented by the Management in accordance with **the <u>Related-Party Transactions Procedure</u>, approved in November 2017 and updated in September 2021** (update of the LSC), as well as with the applicable legislation in force.

In particular, **Articles 529 vices**: **Definition of related-party transactions**, which shall be understood as related-party transactions carried out by the Company or its subsidiaries with directors, with shareholders holding 10% or more of the voting rights or represented on the Company's board of directors, or with any other persons who must be considered related parties in accordance with the International Standards of Accounting (CN 24); **and Article 529 unvicies. Publication of information on related-party transactions**, by which the Companies must publicly announce, no later than the time of their execution, the related-party transactions carried out by this or Companies in their group and that reach or exceed:

a) 5% of total asset items, or

b) 2.5 per cent of the annual amount of the annual turnover.

OBJECTIVE OF THE REVIEW

a. Analyse that the related-party transactions that are presented **<u>are carried out under market conditions and with respect for the principle of equal treatment</u>**, through the analysis of reports or comparative market data with other similar transactions, offers to third parties, as deemed appropriate.

b. To propose to the Board of Directors the approval of those related-party transactions, **<u>prior to their formalisation</u>**, provided that they are carried out under market conditions and with respect for the principle of equal treatment of shareholders.

c. Verify, with the analyses carried out by Internal Audit, **<u>that there are no related-party transactions formalized by Management and registered in the Group's information systems (SAP) that have not been previously submitted</u>** for analysis and required pre-approval.

SCOPE OF THE REVIEW

The knowledge of the relevant facts and, where appropriate, the recommendations included in this report are the result of:

- The **analysis carried out by the Internal Audit Department**, at the request of the Audit and Control Committee, on the related-party Transaction of Banco Santander when acting as Co-Global Coordinator in the Capital Increase related to the MEGA Operation.

CONCLUSIONS

In accordance with Spanish securities regulations, the task of the global coordinator is fundamental and directly linked to the success of the capital increase. The business bank plays the role of global coordinator, i.e. in charge of structuring and coordinating the offer

In this regard, the Audit and Control Committee has reviewed the analyses presented by the Company's Management and Internal Audit.

A) CONTRACTING PROPOSAL

In compliance with the provisions of current legal regulations, MERLIN is interested in hiring Santander to provide the services to act as Co-Global Coordinator of the accelerated capital increase planned in the near future, and in accordance with the provisions of the applicable regulations.

The services that Banco Santander will offer to MERLIN for its role in the transaction will be as follows:

- Assist the Global Coordinators in the preparation of the pre-execution work of the accelerated capital increase.

- Participate in the implementation phase of the expansion, which includes:

    - Assist the management team in the presentation of the "*equity story*" and positioning of the Company with a view to the increase
    - Assist in the process of determining the *target* investors for the increase
    - Collaborate in the *wallcrossing exercise*
    - Advise on the indicative launch price, its placement strategy and the allocation recommendation
    - Advise the Board of Directors in making decisions regarding the operation
    - Carry out Due Diligence on behalf of the investors entering the increase
    - Assist in the coordination of interactions with the CNMV

- Advise on market communication
- Full dedication of your internal sales teams to order book placement and oversubscription

B) ECONOMIC PROPOSAL

***BANCO SANTANDER'S ECONOMIC PROPOSAL: MAXIMUM OF €1,500,000* (ca. 0.15% of the issue)**

For the analysis to be carried out for the determination of this transaction under market conditions and with respect for the principle of equal treatment of shareholders, *fees* already paid by the Company in similar transactions have been taken into account, as well as other comparable market fees.

The maximum fee amount proposed in this operation amounts to €1.5 million, of which approximately €1 million is proposed as a base fee, and €500,000 as an incentive (which will depend on the price reached in the placement).

Background at MERLIN:

- In the capital increase (with rights) in July 2015, Banco Santander participated in the syndicate of underwriters of MERLIN, with a role of Co-Bookrunner (two steps lower than the role of Co-Global Coordinator).

  For this role as Co-Bookrunner, MERLIN remunerated Banco Santander (at that time, the entity was not a shareholder of MERLIN) with a fee of 1.3 million euros (1.2 million euros as a base and 0.1 million euros as an incentive).

Background regarding the fees of other agents included in the issue:

- In the planned capital increase, JP Morgan, Deutsche Bank and Bank of America ML will participate as Co-Global Coordinator (in addition to Banco Santander). Their remuneration structure is identical in terms of base fee and incentive.

Other background in other market operations:

- Although the individual *fees* charged by financial institutions for this type of advice are not made public, in capital increase operations with rights (where the total *fees* of the operation are made public in the prospectus), the total *fees* are usually between 2% and 3% of the value of the issue.

- In the IPO of MERLIN, the *fees* amounted to approx. 2.15% of the amount raised. In the capital increase of April 2015, fees *accounted* for 3.06% of the amount of the increase. In the July 2015 increase, fees amounted to 3.0%.

It is for all these reasons that the Audit and Control Committee concludes that the proposed transaction for the Related Person is carried out on a market basis and with equal treatment to other shareholders, and therefore reports favorably to the Board for approval.

In Madrid, on 19 July 2024.

Donald Johnston

Chairman of the Audit and Control Committee