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REPORT BY THE BOARD OF DIRECTORS OF MERLIN PROPERTIES, SOCIMI, S.A. ON THE CAPITAL INCREASE RESOLUTION WITH EXCLUSION OF THE SHAREHOLDERS' PREEMPTIVE SUBSCRIPTION RIGHT THAT IS ADOPTED ON THE DATE HEREOF PURSUANT TO THE DELEGATION OF POWER GRANTED BY THE SHAREHOLDERS' MEETING HELD ON APRIL 27, 2023

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1. Introduction

The Board of Directors of MERLIN Properties, SOCIMI, S.A. (the "**Company**" or "**MERLIN**") issues this report for the purposes of the provisions of articles 286, 297, 308, 504 and 506 of the Capital Companies Law, regarding the resolution to increase capital by issuing up to a maximum of 93,954,149 shares for their par value of one (1.00) euro, at the Issue Price, as this term is defined below, out of monetary contributions and with exclusion of the preemptive subscription right, which will be carried out through an accelerated bookbuilding offer ("**ABO**") among qualified investors (the "**Increase**" or the "**Accelerated Increase**").

This Increase with exclusion of the shareholders' preemptive subscription right is approved by the Board of Directors pursuant to the delegations of power granted by the Shareholders' Meeting of the Company held on April 27, 2023, under item Seven of the meeting agenda, whereby the Board of Directors has the power to increase the Company's share capital, on one or more occasions, through capital increases with monetary consideration and including the possibility of excluding the preemptive subscription right if it is advisable for the corporate interest.

For the purposes of the provisions of the articles of the Capital Companies Law mentioned above, and in particular of article 506.4, this report will be made available to the Company's shareholders at the time of publication of the call notice for the first Shareholders' Meeting that is held after the Increase has been executed. Furthermore, pursuant to the provisions of recommendation 5 of the Code of Good Governance for Listed Companies, this directors' report will be published on the Company's website once the issue price of the Capital Increase has been set.

This report is issued taking into consideration, in addition to the internal analyses carried out by the management team, the information received by the Company from Goldman Sachs Bank Europe SE and Morgan Stanley Europe SE, as joint global coordinators and lead managers of the Capital Increase covered by this report (the "**Joint Global Coordinators of the Increase**").

In order to facilitate an understanding of the Increase, an explanation of the Increase is offered first. The report envisaged in the above-mentioned articles of the Capital Companies Law and its related provisions is issued below.

2. Justification for the Capital Increase

The Board of Directors of the Company considers that for its growth strategy, in addition to maintaining the current lines of business existing today, being positioned as the leading lessor of properties for operating data centers on the Iberian peninsula, without ruling out that it may be necessary to extend its operations throughout Europe, if the market so requires is an undeniable opportunity.

The Board of Directors considers that the Company has been a pioneer on the Iberian peninsula in commencing this activity with a plan of 60 MWs currently under development, and it has the know-how and access to technology required for these assets to be especially competitive and appreciated by tenants interested in these kinds of spaces. This, coupled with the estimate, backed by experts, of an intense increase in the demand for data centers that can serve the development of new technologies, including, in particular, generative AI, has prompted the decision of the Company's Board of Directors to substantially increase its level of investment in this activity in order to add an additional capacity of 200 MW.

To this end, the Board commenced a process to analyze costs and the resources needed to undertake this development, including an evaluation of all the possible avenues for obtaining such resources, with the assistance of advisers appropriate for the purpose. In this analysis, the impacts of the various alternatives on dividends and returns to shareholders, as well as the customary leverage parameters such as the Loan to Value ratio, net debt/EBITDA ratio or the interest coverage ratio, were taken into consideration. Following this, it was concluded that the most favorable alternative is to finance a significant portion of the investment required by this development, as well as, where applicable, other possible corporate purposes, by increasing capital at the listed company itself, that is, at MERLIN, considering it as the formula best suited to the interests of the Company and its shareholders.

Consequently, the decision of the Board of Directors is to proceed with the capital increase under the terms set out in this report.

3. Description of the transaction

Current conditions in capital markets are favorable for carrying out the Increase. Accordingly, it should be noted that the trend in the main global, European and Spanish equity indices has been positive in 2024. Specifically, the most representative stock exchange indexes in the US (S&P 500) and Europe (Stoxx600) posted gains of over 17% and 8%, respectively, from January 1 to July 11, 2024; in turn, the equity market benchmark index in (IBEX 35) closed with a gain of 10.6% in the same period. This positive trend represents an incentive for long-only equity investors to continue to invest the gains generated so far this year in new capital market transactions. In addition, regarding MERLIN's value in particular, its share price has risen significantly in recent months – specifically, about 16% from the closing price on February 28, when the Company announced its results for fiscal year 2023, to the closing on July 22, 2024. This appreciation of MERLIN's shares, together with the relatively favorable equity environment for investors, represents an opportunity to raise funds that will allow the Company to implement its investment plan in the data center area, while strengthening its equity structure.

In view of the above, the Board of Directors of the Company, pursuant to the delegations of power granted by the Company's Shareholders' Meeting held on April 27, 2023, under item Seven of the meeting agenda, plans to adopt on the date hereof the resolution relating to the Increase with exclusion of the preemptive subscription rights held by the Company's shareholders under the terms set out below, and to delegate to the directors indicated and in the manner of exercise of the delegation also indicated in the Board's resolution itself, the authority to execute such Increase within a maximum period of 3 business days as from the date of adoption of this resolution.

The placement of the ordinary shares of the Company issued pursuant to the Increase will be made: (i) in Spain, pursuant to the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**"), of article 35 of Law 6/2023 of March 17, 2023 on Securities Markets and Investment Services, and of article 112 of Royal Decree 813/2023, of November 8, 2023, on the legal regime for investment firms and other entities that provide investment services, including, in particular, qualified investors, among which the current shareholders of the Company that may be qualified as such are deemed to be included, under the terms set out in the Increase resolution and within the parameters established in this report; (ii) in the other Member States of the European Union, as provided in the Prospectus Regulation and in their respective complementary internal regulations that may be applicable; and (iii) in the remaining non-European Union countries where the placement is made, to those who have the status of qualified investors or equivalent category in accordance with the applicable regulations in each jurisdiction and taking into account the remaining requirements so that, in accordance therewith, the capital increase does not require any registration or approval vis-à-vis the competent authorities. In particular, the New Shares will be offered exclusively (a) in the United States, to qualified institutional investors ("**qualified institutional investors**") within the meaning of Rule 144A of the Securities Act of 1933, in its current version (the "**Securities Act**") in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, or by means of transactions not subject to the requirements of registration or clearance by the competent authorities or in accordance with an exemption from, or in a transaction not subject to, the requirements of the Securities Act, and (b) outside the United States, through offshore transactions, as defined in, and subject to Regulation S of the Securities Act.

In order to make it possible for the investors to subscribe the shares, the preemptive subscription right of the Company's shareholders must be excluded, the justification for which is explained in detail in section 3 below. Given the need to exclude the preemptive subscription right, under the terms set out in article 506 of the Capital Companies Law, the issue price of the Increase must correspond to the fair value of the Company's shares.

For these purposes, it has been estimated that the definitive issue price of the shares under the Increase (the "**Issue Price**") will be determined by a procedure of price discovery among the qualified investors (including the Company's institutional investors, under the terms set out below), who will be invited to participate in the Increase through an ABO, provided that the price set as a result of such procedure does not represent a discount above that permitted by article 504.3 of the Capital Companies Law (the "**Maximum Discount**").

The Company considers that the Issue Price that is determined by means of the above-mentioned procedure, subject at all times to the Maximum Discount, will correspond to the fair value of the Company's shares. The reasons justifying this conclusion are indicated in section 3 below. In accordance with the terms of the Increase resolution, as indicated above, the cap of ordinary shares to be issued under the Increase has been set at the amount of 93,954,149 shares of the Company (representing approximately 20% of the total share capital of the Company at the time of adoption of the relevant resolution of the Shareholders' Meeting and the immediately preceding 12 months) (the "**New Shares**").

The placement of the ordinary shares issued under the Increase using the accelerated bookbuilding procedure will be coordinated by the Joint Global Coordinators of the Increase, which, together with other entities such as Banco Santander, S.A., BofA Securities Europe SA, Deutsche Bank Aktiengesellschaft and J.P. Morgan SE (the "**Joint Bookrunners of the Increase**"), will conduct a process of bookbuilding and selection and confirmation of the bids. For these purposes, the Company will sign with the Joint Bookrunners of the Increase a share placement agreement under which such entities will make their best endeavors to cause the shares under the Accelerated Increase to be subscribed by qualified investors (including any institutional shareholders of the Company). It is placed on record that, regarding the participation of Banco Santander as Joint Bookrunner of the Increase, since it constitutes a related-party transaction, the corresponding report has been received from the Audit and Control Committee and approval has been obtained from the Board with the abstention of the nominee directors of said institution.

Furthermore, the Joint Global Coordinators of the Increase will initially subscribe and pay in the New Shares (except for those subscribed and paid in by the Reference Shareholders and the Executive Directors, as both terms are defined below), acting for and on behalf of the qualified investors among whom the shares have been placed with a view to the subsequent transfer thereof to such qualified investors.

This bookbuilding process and the subsequent selection and confirmation of the bids received from the qualified investors will be carried out subject to the standard practices and usages in procedures of this kind.

Lastly, it is placed on record that Banco Santander will act as Agent Bank of the Increase, and the Company will sign the appropriate agreement to that effect, for which purpose, since it constitutes a related-party transaction, the corresponding report has been received from the Audit and Control Committee and approval granted by the Board with the abstention of the nominee directors of said institution.

4. Issue price representing the fair value of the Company’s shares

Pursuant to the delegations of power granted by the Company’s Shareholders’ Meeting held on April 27, 2023 under item Seven on the meeting agenda, the Company’s Board of Directors resolved to exclude the preemptive subscription right of the Company’s shareholders with respect to the Increase, pursuant to the provisions of articles 308 and 504 of the Capital Companies Law.

The exclusion of the preemptive subscription right requires that the par value of the New Shares plus the share premium correspond to their fair value, which, pursuant to the provisions of article 504 of the Capital Companies Law, in the case of listed companies, will correspond to their market value, which in turn will be presumed, unless justified otherwise, to be that established by reference to their quoted share price.

As a guarantee for the current shareholders of the Company, the Issue Price determined as described in section 2 above may represent a certain implicit percentage discount with respect to the share price, although under no circumstances may such discount be higher than the Maximum Discount. Given that the discount implicit in the Issue Price may not be higher than the Maximum Discount, the Board of Directors of the Company considers that the Issue Price corresponds to the fair value of the Company’s shares for the following reasons:

4.1 Determination by means of bookbuilding mechanism

Bookbuilding processes in the context of acquisitions of significant blocks of shares in listed companies seek to study the volume of demand for shares at different price levels in order to ascertain the price that the market would be willing to pay for them.

In addition to the determination mechanism itself, it should be noted that the discount implicit in the Issue Price after concluding the bookbuilding procedure may not be higher than the Maximum Discount.

Accordingly, the Company’s Board of Directors considers that the Issue Price will be set by the Company following the conclusion of the bookbuild procedure, either by its Board or by the directors in which, pursuant to the resolution of the Board by which the authority to set such price has been delegated, will represent the fair value of the Company’s share, given that it results from the bookbuild itself, using generally accepted methods at the national and international level for determining the fair value and it will represent the value at which qualified investors have stated their commitment to acquiring the New Shares.

4.2 Considerations regarding the Issue Price with respect to the Company's share price

In accordance with article 504 of the Capital Companies Law, the fair value of a listed company's shares will be its market value which will be presumed, unless justified otherwise, to be that which is established by reference to the quoted share price.

Notwithstanding the foregoing, in interpreting this provision, it must be borne in mind that the quoted share price of listed securities is essentially volatile, subject to market forces acting on it continually and in real time, which can lead to very significant changes in a short period of time.

For this reason, the determination of the market value of securities admitted to trading therefore requires performing an analysis of the changes in prices over a sufficiently extensive period of time to make a suitable assessment of the share value, given that it is not feasible or reasonable to identify it with the quoted price that the share has at each given moment.

In this respect, although the Issue Price may represent a discount on the Company's share price, the Board of Directors considers that, even applying the Maximum Discount, the Increase is carried out at a fair value, given that the Maximum Discount coincides with the discount set by the Capital Companies Law within the parameters of a fair price.

4.3 Increase in shareholder base, commitment by current reference shareholders and executive directors, message of confidence and improvement in the Company's solvency image

In addition to the more technical reasons described in the preceding sections, mention should be made of the added value that the success of this transaction entails for the Company.

In this respect, the reference shareholders of the Company, namely, Banco Santander, S.A. and Nortia Capital Investment Holding, S.L. (the "**Reference Shareholders**"), holders of approximately 24.58% and 8.17%, respectively, of the current share capital, have signed with the Company a commitment to participate in the Capital Increase by subscribing the number of shares necessary to retain their holding in the Company's shareholder base, at the price resulting from the process, that is, at the Issue Price (subject to a cap per share in the case of Banco Santander higher than the share price on the date of adoption of this report) and MERLIN has committed to allocating to them a total number of New Shares that represents their respective percentage holdings.

This commitment is assumed solely by the two shareholders mentioned above. The remaining current institutional shareholders of the Company are invited to participate in the process, although there is no record of any commitment or specific expression of interest by them.

It is important to note that the participation of the Reference Shareholders will result from their commitment to acquire shares at the Issue Price to be determined by the Company at all times within the pre-established parameters and that this commitment allows the Company to undertake the Accelerated Increase with guarantees of success, increasing the Company's shareholder base with a type of shareholder that will provide liquidity and stability to the share. In addition, any requests that may be made by other qualified investors that are shareholders of the Company to subscribe New Shares will reinforce the presence of the existing institutional shareholders and will strengthen the Company's shareholder base.

It is placed on record that, for the participation of the Reference Shareholders, since it constitutes a related-party transaction, the corresponding report has been received from the

Audit and Control Committee and approval granted by the Board with the abstention of the nominee directors of said institutions, as applicable.

In addition, Mr. Ismael Clemente Orrego, CEO and founder of MERLIN, holder of approximately 0.14% of the share capital and Mr. Miguel Ollero Barrera, Director and Corporate General Manager and founder of MERLIN, holder of approximately 0.13%; of the share capital (the "**Executive Directors**"), have irrevocably committed to subscribing new shares in the Capital Increase, pro rata to their current holding in the Company and at the price resulting from the Issue Price, subject to a cap per share in both cases higher than the share price on the date of adoption of this report.

It is placed on record that, for the participation of the Executive Directors, since it constitutes a related-party transaction, the corresponding report has been received from the Audit and Control Committee and approval granted by the Board with the abstention of each executive director, as applicable.

After the Capital Increase, the Reference Shareholders and the Executive Directors will be subject to a lock-up commitment in relation to the New Shares for 90 days as from the closing date of the Capital Increase, subject to the market exceptions that are customary in this type of transaction.

The commitment assumed by the Reference Shareholders and the Executive Directors has been assessed positively both by the entities advising on the Increase and by the Board of Directors itself, with the abstention in this decision both of the nominee directors of the Reference Shareholders and of the Executive Directors, given that (i) it entails an express recognition of support for and trust in the Company and its business project and (ii) it facilitates the placement among other institutional investors that might view a transaction of this kind with precaution (in terms of strategy and of absolute and relative size of the transaction) without the backing and commitment of the Company's two largest shareholders or of the Executive Directors. Furthermore, both the Reference Shareholders and the Executive Directors will not participate actively in the process of price discovery among the qualified investors, given that they have committed to subscribing the New Shares on the terms indicated above.

In view of all the foregoing, the Board of Directors of the Company considers that the Issue Price of the Accelerated Increase determined according to the accelerated bookbuilding mechanism and subject to the cap of the Maximum Discount correspond to the fair value of the Company's shares. In accordance with the provisions of the applicable legislation, it is not necessary for the Company to obtain a report issued by an independent expert, other than the Company's auditor, appointed by the Commercial Registry, on the fair value of the Company's shares, on the book value of the preemptive right it is proposed to exclude or limit and on the reasonableness of the data contained in the report by the Board of Directors.

5. JUSTIFICATION FOR EXCLUSION OF THE PREEMPTIVE SUBSCRIPTION RIGHT

Pursuant to the delegations of power granted by the Company's Shareholders' Meeting held on April 27, 2023 under item Seven on the meeting agenda, the Board of Directors resolved to exclude the preemptive subscription right that would correspond to the Company's shareholders with respect to the Accelerated Increase. This exclusion is necessary to be able to carry out the Accelerated Increase using the placement procedure described in the preceding section. In this respect, the Joint Global Coordinators of the Increase have stated that recent geopolitical and market uncertainties make it advisable to take advantage of any market windows that may arise in order to raise capital, and that the current market conditions are favorable for a capital increase, allowing it to be carried out by means of the Accelerated

Increase structure following the second quarter results announcement and before the summer.

To comply with the provisions of the above-mentioned articles and, ultimately, to evidence fulfillment of the legal requirements for adoption of the resolution on exclusion of the preemptive subscription right in the Accelerated Increase, the following is placed on record:

5.1 Advantages of the exclusion of the preemptive subscription right

The Company's Board of Directors considers that exclusion of preemptive subscription right in the Accelerated Increase is fully justified by the following reasons of corporate interest:

(a) Strengthening of the capital structure and solvency: The Accelerated Increase provides an opportunity to the Company to strengthen its capital structure and improve its solvency ratios by maintaining a high level of equity, which will directly affect debt financing costs and the Company's competitiveness when it comes to undertaking leveraged investments.

(b) Qualified investors: Addressing the Accelerated Increase to qualified investors will provide the Company with the opportunity to raise, under the best conditions, a significant volume of funds from investors active in international financial markets, taking advantage of the great business capacity of such markets and the favorable market circumstances.

The inclusion of the new qualified investors that join the Company entails an increase in the Company's shareholder base with sophisticated shareholders with an international profile, who will contribute to supporting the Company's external image and business project. Furthermore, both the Reference Shareholders' commitment and any requests that may be made by other qualified investors that are already shareholders of the Company to subscribe new shares will reinforce the presence of the existing institutional shareholders and will strengthen the Company's shareholder base.

(c) Flexibility in placement: The exclusion of the shareholders' preemptive subscription right is necessary to permit the placement of the Accelerated Increase through bookbuilding techniques which make it possible to perform the transaction under the best conditions for the Company while taking advantage of current market circumstances.

(d) Swift execution: The ABO format makes it possible to complete the Increase in a matter of hours and to avoid the Increase taking place while MERLIN's share is trading on the public market, which facilitates the process of price discovery among the qualified investors. Other alternative strategies to the one proposed herein would delay the placement process. For example, (i) in the case of a capital increase without the exclusion of preemptive subscription rights, such rights must be capable of being traded and exercised for a period that shall not be less than fourteen days from the publication of the issue notice in the Official Commercial Registry Gazette and (ii) in the case of a primary offering without a preemptive subscription right and with retail participation, a minimum period of around two weeks would be required from the time of the notice to the setting of the issue price. In both cases, the transaction would be subject to the preparation of a prospectus and its registration with the Spanish National Securities Market Commission ("**CNMV**"), a process which would foreseeably take several months. These time frames and requirements contrast with those required to complete the subscription and paying in of shares in an accelerated bookbuilding procedure such as the one proposed herein, and the prior registration of a prospectus with the CNMV is not necessary because the proposed transaction is aimed only at qualified investors and the New Shares will represent less than 20% of the volume of the Company's shares admitted to trading.

(e) Lower formalization cost: The costs of an accelerated bookbuilding transaction are lower than those of a capital increase with the preemptive subscription right or those of a primary offering, excluding preemptive subscription rights, basically for two reasons: (i) the reduction in fees of the banks involved in the transaction, either because the accelerated bookbuilding is not subject to an underwriting commitment, or because, even if there is underwriting, it is cheaper because the risk assumed by the banks involved in the transaction is lower than in other transactions in which the placement and execution periods are much longer; and (ii) the reduction in advertising and marketing expenses, since no prospectus is prepared or registered for the transaction and no roadshow is required to make it known to investors.

(f) Less exposure to market volatility: The structure of the transaction allows for the placement of the shares in a very short period of time and taking advantage of the situation in international markets (known as the "market window"), without being at the expense of market volatility.

It should be recalled that, in recent years, equity markets have experienced significant volatility due to both macroeconomic and microeconomic factors. In this respect, the ABO method makes it possible to minimize this timing exposure for an issuer that tries to carry out a capital increase, particularly compared with a capital increase with preemptive subscription rights. If this alternative were opted for, the price of the New Shares should be set at the start of the process, thereby leaving the Company exposed to developments in the markets during the rights trading period. In the case of a primary offering, although the final price would be set at the end of the subscription period, the long duration of the process, as a result of the need to prepare a prospectus and register it with the National Securities Market Commission, could entail a considerable market risk which, depending on developments in the market, could prevent the necessary resources from being obtained to fulfill the intended purpose, taking into account in particular that these types of transactions are not usually underwritten until the end of the public offering period.

In short, therefore, neither an issue with preemptive subscription rights nor a public offering excluding such rights would be advisable for the Company in view of the volatility inherent in the financial markets and the execution time required to carry out any of these transactions.

(g) Maximization of the Issue Price. The issue price of the New Shares in an accelerated bookbuilding procedure usually represents a minor discount with respect to the share price at that time, since the market risk to which it would be subject if other alternatives were used is minimized. For example, a capital increase with preemptive subscription rights requires a period of more than three weeks from when the final conditions of the increase are set to when it is closed, whereas the price discovery process through an ABO prevents any type of exposure for the Company's share during trading hours.

In light of the advantages deriving for the Company from the structure of the planned transaction, the transaction is not only suitable for the desired purpose but is also appropriate from the standpoint of the corporate interest. The Board of Directors also considers that the exclusion measure meets the requirement of proportionality between the advantages obtained for the Company and the disadvantages that could potentially be caused to shareholders who could see their expectations undermined by the dilution it could cause (depending on the performance of the share price), since the exclusion is easily offset and justified by the advantage that the success of the transaction entails for the Company and the shareholders, on the terms and in the time periods described above.

On the other hand, while it is true that the Reference Shareholders will not see their respective shareholdings diluted as a result of the subscription commitments assumed by them and referred to above, the fact that such entities are the two principal shareholders of the Company, that they hold 24.58% and 8.17%, respectively, of the share capital and that they are both represented on the Board of Directors highlights the importance of their participation for the successful outcome of the Increase, not only because they cover a significant portion of the increase but also for the support that their participation provides for the transaction vis-à-vis the market. The Reference Shareholders have given an irrevocable commitment to subscribe shares in the Accelerated Increase at the price resulting from the bookbuilding procedure and not to transfer their shares for a period of 90 days, commitments which will not be required from the rest of the Company's shareholders. This fact undoubtedly relativizes any objection argued by any other shareholder in the sense that the transaction could cause them a disproportionate sacrifice in terms of dilution of voting rights that is not offset with the unquestionable advantages that the transaction provides to the Company.

Additionally, it must be taken into account in this connection that any shareholder may reconstruct their holding and attain a percentage similar to that held prior to the transaction by purchasing shares of the Company on the secondary market after the Increase, applying a volume of funds that, in a stable share price scenario, would be similar to what they would have invested in the Increase had they participated in it. In any event, as previously indicated, it is the Company's intention, on the one hand, that the Increase be open to participation by institutional investors that are already shareholders of the Company and that are interested in subscribing new shares and, on the other, that one of the criteria for selecting orders and allocating the shares be that investors bidding to subscribe New Shares, where they are institutional investors, are current shareholders of the Company, such that, to the extent possible and taking into account other factors (in particular, the price at which bids for new shares are made or the advisability of incorporating new reference shareholders), the current institutional shareholders can retain their current holding following the Increase if they so wish. It is expressly placed on record that the auditor's reports in relation to the Company's separate and consolidated financial statements as at December 31, 2023, are available on the Company's website (https://www.merlinproperties.com/).

6. WORDING OF THE PROPOSED AMENDMENT

As a result of the Accelerated Increase, article 5 of the corporate bylaws of the Company relating to the share capital will be amended, empowering Deputy Chairman and CEO Mr. Ismael Clemente Orrego and executive director Mr. Miguel Ollero Barrera[1] to determine its final wording in accordance with the outcome of the Accelerated Increase, in light of the amount actually subscribed in line with the possibility of incomplete subscription mentioned above.

The wording of the resolutions that are planned to be adopted by the Company's Board of Directors in approving the Increase and other pertinent resolutions are attached as **Schedule 1** to this report.

[1] TBD. I understand it makes sense here to limit the delegation of power to the executive directors. Joint delegation is proposed but it could be individual

Schedule 1

RESOLUTIONS PROPOSED TO THE BOARD OF DIRECTORS OF MERLIN PROPERTIES, SOCIMI, S.A. IN RELATION TO THE ACCELERATED CAPITAL INCREASE WITH EXCLUSION OF THE SHAREHOLDERS' PREEMPTIVE SUBSCRIPTION RIGHT

I. PROJECT MEGA: CAPITAL INCREASE AND DIRECTORS' REPORT

In application of the authorization, granted under item Seven on the agenda by the Company Shareholders' Meeting held on April 27, 2023 (the "**Delegation Resolution**"), to increase the share capital of the Company, on one or more occasions and at any time, within a period of five years as from the date of said Shareholders' Meeting, pursuant to the provisions of article 297.1.b) of the Capital Companies Law and subject to the pertinent report by the Audit and Control Committee, the Board of Directors unanimously resolves to perform a capital increase of up to a maximum of 93,954,149 shares at their par value of one (1.00) euro, plus the resulting share premium as indicated below, with exclusion of the preemptive subscription right, to be carried out through an accelerated bookbuilding offer among qualified investors (the "**Accelerated Increase**").

The Accelerated Increase will be performed as provided below:

1. Approval of the Report by the Board of Directors for the purposes of articles 286, 297.1.b), 308, 504 and 506 of the Capital Companies Law

Since the Accelerated Increase excludes the preemptive subscription right and is aimed solely at investors described in section 2 below, to approve the report by the Board of Directors of the Company in accordance with the provisions of articles 286, 297.1.b), 308, 504 and 506 of the Capital Companies Law, in relation to the reasons justifying the proposal and the consideration to be paid for the new shares, and indicating the persons to whom the shares are to be allocated.

This report will be made available to the Company's shareholders on publication of the call notice for the first Shareholders' Meeting to be held following the issue resolution.

2. Capital increase

2.1 Amount and issue price of the Accelerated Increase

The maximum nominal amount of the Accelerated Increase is ninety-three million, nine hundred fifty-four thousand, one hundred and forty-nine (93,954,149) euros, by issuing up to a maximum of 93,954,149 ordinary shares of the Company, each with a par value of one (1.00) euro, of the same class and series as the currently existing shares (the "**New Shares**").

In this connection, the Board of Directors places on record that: (i) the authorization referred to above has not been used to date; and (ii) the maximum nominal amount of the capital increase added to the amount drawn down to date is less than 20% of the share capital at the date of the Delegation Resolution.

The New Shares will be issued at their par value of one (1.00) euro each, plus a share premium to be determined by the persons to whom the Board of Directors delegates such authority pursuant to resolution IV below, once the accelerated bookbuilding procedure for the New Shares has been concluded, in order to reflect the fair value of the shares in the most appropriate way possible. By virtue of this procedure, the Accelerated Increase will be promoted and disclosed with a view to obtaining expressions of interest or bids for the New Shares from potential investors. On completion of the bookbuilding procedure, and on the basis thereof, the price that the market is willing to pay for the Company shares will have been established, resulting in a fair value for the shares.

Once the accelerated bookbuild has been completed, the issue price of the New Shares will be set in accordance with the result of such procedure.

In all cases, the persons to whom the Board of Directors delegates the authority to set the issue price may not set an issue price that is lower than the result of applying a higher discount to the one provided for in article 504.3 of the Capital Companies Law.

The Accelerated Increase will be performed with exclusion of the preemptive subscription right of the Company's shareholders.

In accordance with the provisions of article 506 of the Capital Companies Law, the issue price for the Accelerated Increase corresponds to the fair value of the shares, as reflected in the report prepared for such purpose by the Board of Directors and referred to in section 1 above.

For the purposes of the provisions of article 299 of the Capital Companies Law, it is placed on record that the Company shares existing prior to the Accelerated Increase are fully paid in.

2.2 Targets of the Accelerated Increase

The Accelerated Increase will be performed by means of an Accelerated Bookbuilt Offering (i) in Spain, pursuant to the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation"), of article 35 of Law 6/2023 of March 17, 2023 on Securities Markets and Investment Services, and of article 112 of Royal Decree 813/2023, of November 8, 2023, on the legal regime for investment firms and other entities that provide investment services, including, in particular, qualified investors, among which the current shareholders of the Company that may be qualified as such are deemed to be included, on the terms set out in this resolution; (ii) in the other Member States of the European Union, as provided in the Prospectus Regulation and in their respective complementary internal regulations that may be applicable; and (iii) in the remaining non-European Union countries where the placement is made, to those who have the status of qualified investors or equivalent category in accordance with the applicable regulations in each jurisdiction and taking into account the remaining requirements so that, in accordance therewith, the capital increase does not require any registration or approval vis-à-vis the competent authorities. In particular, the New Shares will be offered exclusively (a) in the United States, to qualified institutional investors ("qualified institutional investors") within the meaning of Rule 144A of the Securities Act of 1933, in its current version (the "Securities Act") or in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, or by means of transactions not subject to the requirements of registration or clearance by the competent authorities or in accordance with an exemption from, or in a transaction not subject to, the requirements of the Securities Act, and (b) outside the United States, through offshore transactions, as defined in, and subject to Regulation S of the Securities Act.

In order to make it possible to place the New Shares of the Accelerated Increase using this procedure, the preemptive subscription right of the existing Company shareholders has been excluded, as explained in section 2.5 below. In any event, it is the Company's intention that the Increase be open to participation by institutional investors that are already shareholders of the Company and that are interested in subscribing new shares and that one of the criteria for selecting orders and allocating the shares be that investors bidding to subscribe new shares are current shareholders of the Company, such that, to the extent possible and taking into account other relevant factors for the corporate interest of the Company (in particular, the price at which bids for new shares are made or the advisability of incorporating new reference shareholders), the current institutional shareholders can retain their current holding following the Increase if they so wish.

The bookbuilding procedure will be coordinated by one or more financial institutions (the "Joint Global Coordinators and Joint Bookrunners of the Accelerated Increase"). These institutions will sign a placement agreement with the Company for such purpose and will disclose and promote the bookbuilding procedure with a view to attracting investors to participate in the Accelerated Increase.

One of such institutions will be Banco Santander which, in turn, will act as Agent Bank, signing the appropriate contract for such purpose. It is placed on record that, since this constitutes a related-party transaction, the corresponding report has been received from the Audit and Control Committee and approval granted by the Board with the abstention of the nominee directors of said institution.

Once the orders from the qualified awardee investors have been confirmed, provision may be made for the Joint Global Coordinators and Joint Bookrunners of the Accelerated Increase or any of them to subscribe, in whole or in part, acting for the qualified awardee investors, the Accelerated Increase with a view to expediting its registration at the Commercial Registry and the admission to trading of the New Shares, in order to subsequently transfer them, as the case may be, to the qualified investors who are the ultimate awardees.

2.3 Contributions

The New Shares will be paid in by means of cash contributions.

For the purposes of the provisions of article 299 of the Capital Companies Law, it is placed on record that the previously issued Company shares are fully paid in.

2.4 Incomplete subscription of the Accelerated Increase

Pursuant to the delegation of powers granted by the Annual Shareholders' Meeting of April 27, 2023 under item Seven on the agenda, and in accordance with the provisions of article 311 of the Capital Companies Law, express provision is made for the possibility of incomplete subscription of the Accelerated Increase.

Accordingly, if the Accelerated Increase is not subscribed in full, the share capital will be increased by the amount of the subscriptions actually made. Once the New Shares actually subscribed have been paid in, the Company will declare the Accelerated Increase subscribed and closed, determining the final amount and notifying the market through the Spanish National Securities Market Commission ("CNMV") and the Comissão do Mercado de Valores Mobiliários ("CMVM").

2.5 Exclusion of the preemptive subscription right

Since, according to the Report by the Board of Directors approved in section 1 above, the exclusion of the preemptive subscription right will allow for the placement of the New Shares on the market by means of the accelerated capital increase procedure described in section 1 above, the Board deems that such exclusion is to the benefit of the corporate interest, and it therefore resolves to fully exclude the preemptive subscription right of the Company's shareholders.

As a result of the exclusion of the abovementioned preemptive subscription right, by operation of article 506 of the Capital Companies Law, the issue price of the Accelerated Increase must correspond to the fair value of the Company shares, understood to be their market value, and, in the opinion of the Board, this is justified by the reasons set out in the report prepared by the directors and approved under section 1 above.

Consequently, and in accordance with the provisions of the applicable legislation, it is not necessary for the Company to obtain a report issued by an independent expert, other than the Company's auditor, appointed by the Commercial Registry, on the fair value of the Company's shares, on the book value of the preemptive right it is proposed to exclude or limit and on the reasonableness of the data contained in the report by the Board of Directors.

2.6 Rights of the New Shares

The New Shares are ordinary shares, belong to the same class and series as the other currently-issued ordinary shares of the Company and grant the same rights (both economic and voting) and obligations as the latter, including the right to a share in Company profit as from the date they are registered in the name of their holders on the corresponding register of book entries.

Subscribers of the New Shares will be entitled to exercise the rights inherent in the status of shareholder from such time as the New Shares are registered in their name on the accounting registers of Iberclear and of its member entities.

2.7 Placement

The Company will sign a placement agreement with various financial institutions that will act as the Joint Global Coordinators and Joint Bookrunners of the Accelerated Increase. The Joint Global Coordinators and Joint Bookrunners of the Accelerated Increase will not assume the commitment to guarantee the acquisition of the New Shares.

2.8 Application for admission to trading of the New Shares

It is resolved to apply for the admission to listing on the Madrid, Barcelona, Bilbao, Valencia and Lisbon Stock Exchanges by means of the Spanish electronic trading system (SIBE or continuous market) and Euronext Lisbon of all New Shares issued in execution of this capital increase resolution.

It is expressly stated that the Company is subject to the existing stock market rules and any that may be issued in the future and, in particular, with respect to the trading, continued listing, and delisting of shares.

2.9 Prospectus

The placement of the New Shares under the Accelerated Increase will not require the approval of a prospectus since it constitutes a public offering exempt from the obligation to publish a prospectus, in accordance with article 35 of Law 6/2023 of March 17, 2023 on Securities Markets and Investment Services and article 1(4) of Regulation (EU)

2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

2.10 Amendment of the bylaws

As a result of the Accelerated Increase, it is resolved to amend article 5 of the corporate bylaws of the Company relating to the share capital, empowering Deputy Chairman and CEO Mr. Ismael Clemente Orrego and executive director Mr. Miguel Ollero Barrera to determine its final wording in accordance with the outcome of the Accelerated Increase, in light of the amount actually subscribed in line with the possibility of incomplete subscription mentioned above.

II. APPROVAL OF RELATED-PARTY TRANSACTIONS

The reference shareholders of the Company, that is, Banco Santander, S.A. (Banco Santander) and Nortia Capital Investment Holding, S.L. (Nortia), holders of approximately 24.58% and 8.17%, respectively, of the current share capital, and the directors Mr. Ismael Clemente Orrego and Mr. Miguel Ollero Barrera, holders or approximately 0.14% and 0.13%, respectively, of the share capital, have notified the Company of their irrevocable commitment to (i) subscribe New Shares in the Capital Increase, pro rata to their current holding and at the price resulting from the process, that is, at the Issue Price, with a cap, in the case of Banco Santander and of the executive directors, higher than the share price on the date hereof, and (ii) to assume the lock-up commitment in relation to the New Shares for 90 days as from the closing date of the Capital Increase.

In consideration for their commitments, Merlin would assume the obligation to award them the corresponding number of New Shares to enable them to retain their current percentage holdings in the capital.

Since they are all related parties for the purposes of the Law, the proposal has been subject to the corresponding report by the Audit Committee, which reported favorably on the transaction.

Consequently, the Board of Directors resolves to approve by means of a unanimous decision by all directors but with the abstention, as applicable, of the related party in each case, the related-party transactions, that is, they are approved:

- With the abstention of the nominee directors appointed by Banco Santander, for the related-party transaction with Banco Santander on the terms indicated in the Audit Committee report.

- With the abstention of the nominee director appointed by Nortia, for the related-party transaction with Nortia on the terms indicated in the Audit Committee report.

- With the abstention of the director Mr. Ismael Clemente Orrego, for the related-party transaction with him on the terms indicated in the Audit Committee report.

- With the abstention of the director Mr. Miguel Ollero Barrera, for the related-party transaction with him on the terms indicated in the Audit Committee report.

III. APPROVAL OF THE IMPACT OF RELATED-PARTY TRANSACTIONS ON PROJECT MEGA

It is unanimously resolved, as applicable and with the same abstentions indicated above, that the targets of the bookbuilding procedure will include Banco Santander and Nortia Capital Investment Holding, as well as the directors Mr. Ismael Clemente Orrego and Mr. Miguel Ollero Barrera, each of them with the number of New Shares that allows them to retain, following the Accelerated Increase, their current percentage holding in the share capital.

It is placed on record that the remaining current institutional shareholders of the Company are invited to participate in the process, although there is no record of any commitment or specific expression of interest by them.

IV. DELEGATION OF POWERS

The directors Mr. José Luis de Mora Gil-Gallardo, Mr. Ismael Clemente Orrego, Mr. Juan Antonio Alcaraz García, Mr. Emilio Novela Berlin and Ms. Ana García Fau are expressly empowered so that all of them may, acting jointly and with the unanimous consent of all of them, take all such steps as may be necessary or merely appropriate to establish and specify the conditions of the Accelerated Increase in all aspects not expressly provided for in the above resolutions, and perform all such acts as may be necessary or appropriate for their fullest implementation, including, without limitation, the following:

(i) establish the start and end of the bookbuilding period, which will not be more than 48 hours and which, in all cases, must be carried out in a maximum of 72 hours as from the date of this resolution, with the power to abstain and/or withdraw from performance of the Increase in consideration of the conditions of the market, of the Company or any fact or event with a social or economic bearing that makes such decision advisable, reporting such circumstance to the Company's Board of Directors once the period established for its performance has ended;

(ii) once the period referred to in the preceding paragraph has ended, to set the number of New Shares to be issued and the issue price per share of the New Shares;

(iii) determine the award process and, as the case may be, make such award;

(iv) withdraw from the Accelerated Increase in the event the market conditions so advise, informing the Board of Directors of such withdrawal at the first meeting held;

(v) declare the Accelerated Increase to be closed once the New Shares have been awarded and the New Shares ultimately subscribed have been paid in, with the power to declare the incomplete subscription of the increase, as the case may be;

(vi) negotiate, agree and sign one or more underwriting and/or placement agreements for the Accelerated Increase (including the corresponding price supplement), agency contracts, protocols or preliminary agreements referring to such underwriting and/or placement agreements, as well as any other agreements or documents that may be necessary or merely appropriate for the successful outcome of the Accelerated Increase, designating for such purpose the Joint Global Coordinators and Joint Bookrunners of the Accelerated Increase;

(vii) appear before a notary and execute the corresponding public deed of Accelerated Increase, request its registration (including partial registration under article 63 of the Commercial Registry Regulations) at the Madrid Commercial Registry, and execute all such deeds of rectification, clarification and supplementation of the content of these resolutions as may be necessary to rectify any defects that may be detected in the course of the registry assessment, until they are registered;

(viii) appear before any bodies or authorities, public or private, sign all such documents and take all such steps as may be necessary for the full implementation of the above resolutions;

(ix) apply for and obtain admission to trading for the New Shares on the Madrid, Barcelona, Bilbao, Valencia and Lisbon Stock Exchanges by means of the Spanish electronic trading system (SIBE or continuous market) and Euronext Lisbon, performing for this purpose all such steps and signing all such public or private documents as may be necessary or merely appropriate before the companies governing the abovementioned stock exchanges, the CNMV, Iberclear and any other public or private bodies or authorities;

(x) draft and publish all such notices and communications of relevant events that may be necessary or appropriate;

(xi) in general, take all such steps as may be necessary or merely appropriate for the successful outcome and full execution of the Accelerated Increase and the registration of the Accelerated Increase at the Commercial Registry, including, without limitation, executing all such public and private documents as may be necessary or appropriate in relation to the above resolutions, including adapting the content thereof to meet the requirements, even non-formal requirements, of the CNMV, the Commercial Registry or any other public or administrative authority or registry; and

(xii) subdelegate some or all of the above powers to one or more third-party employees of the Company, whether on a joint or several basis.

In addition, the Deputy Chairman and CEO Mr. Ismael Clemente Orrego and the executive director Mr. Miguel Ollero Barrera are expressly authorized so that either of them, acting individually, may execute the powers contained in letters (vi) through (xi) above, as well as any others they see fit in relation to the Accelerated Increase.

V. APPROVAL OF THE MINUTES

The minutes of this Board meeting, once drawn up, were unanimously approved by the directors present (in person or by proxy) at the end of the session.