



FOR INFORMATION PURPOSES. SPANISH VERSION PREVAILS.

REPORT FROM THE BOARD OF DIRECTORS OF MERLIN PROPERTIES, SOCIMI, S.A. ON THE PROPOSAL TO GRANT AUTHORIZATION TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL AS REFERRED TO IN ITEM SIX ON THE AGENDA OF THE ANNUAL SHAREHOLDERS' MEETING OF MERLIN PROPERTIES, SOCIMI, S.A. CALLED FOR APRIL 28 AND APRIL 29, 2026, ON FIRST AND SECOND CALL, RESPECTIVELY

The purpose of this report is to justify the proposal to grant authorization to the Board of Directors, with powers of delegation, to increase share capital pursuant to the provisions of article 297.1.b) of the Capital Companies Law ("**LSC**"), including the power to exclude the preemptive subscription right pursuant to the provisions of article 506 LSC, the approval of which is submitted to the Annual Shareholders' Meeting of Merlin Properties, SOCIMI, S.A. (the "**Company**") under item six on the agenda, all in accordance with the provisions of articles 286, 297.1.b) and 506 LSC.

1. Legislative framework

Under article 297.1.b) LSC, the Shareholders' Meeting may, subject to the requirements established for the amendment of the Bylaws, delegate to the Board of Directors the power to resolve, on one or more occasions, to increase the share capital of the Company up to a given figure, at such time and by such amount as the may Board decide, without first consulting with the Shareholders' Meeting.

The LSC states that these increases may in no case be higher than half of the capital of the Company at the time of the authorization (or twenty percent of the capital of the company at the time of the authorization if it is for increasing the capital while excluding the preemptive subscription right) and must be made by way of monetary contributions within a maximum period of five years after the resolution of the Shareholders' Meeting is adopted.

With respect to the requirements established for the amendment of the Bylaws, article 286 LSC establishes that the directors must draft the full text of the proposed amendment and, in the case of corporations, a written report justifying it.

In turn, article 506 LSC provides that where the Shareholders' Meeting delegates to the directors the power to increase the share capital, it may also grant them the power to exclude the preemptive subscription right in relation to the share issues covered by the delegation if the interest of the company so requires. As noted, the above-mentioned article indicates that the delegation of authority to increase capital with the exclusion of preemptive subscription rights may not relate to more than twenty percent of the company's capital at the time of the authorization.

The call notice for the Shareholders' Meeting that sets out the proposal to delegate to the directors the power to increase the share capital must expressly state the

proposal to exclude the preemptive subscription right and, as from the call of the Shareholders' Meeting, a report from the directors justifying the proposed delegation must be made available to the shareholders.

This report is in response to the above-mentioned requirements.

2. Justification for the proposed resolution

a) As regards the power to increase the share capital

The proposed resolution that is submitted to the Shareholders' Meeting is justified by the advisability of the managing body having a mechanism, envisaged in corporate law, that allows it to carry out, flexibly, without the subsequent call and holding of a new Shareholders' Meeting, one or more capital increases within the limits, terms and conditions decided on by the Shareholders' Meeting.

The demands imposed by the market on commercial companies and, in particular, listed companies, require their managing bodies to be in a position to make use of the possibilities offered by the legislative framework in order to swiftly and effectively respond to the needs that arise in the economic dealings in which large companies currently engage. Without a doubt, one of these needs is to provide the Company with equity through new capital contributions.

However, it is often impossible to determine in advance what the Company's capital needs will be and to anticipate the delays and increased costs that may be entailed by a request to the Shareholders' Meeting to increase capital, thereby hindering the Company's ability to respond effectively and swiftly to the needs of the market. This makes it recommendable for the Board of Directors to be in a position to use the authorized capital mechanism provided for in Spanish legislation.

The option of resorting to the delegation provided for in article 297.1.b) LSC enables the Company to equip the Board of Directors with a flexible and effective tool to better address the Company's needs, according to market circumstances.

Based on the above, it has been considered advisable to submit to the Shareholders' Meeting a proposal to delegate to the Board of Directors the power to increase the share capital of the Company by a nominal maximum amount equal to half of the share capital at the time of this authorization (or to 10% of the total share capital figure if the increase excludes the shareholders' preemptive subscription right), figures which, therefore, respect the limits imposed by the applicable legislation.

Any increases carried out pursuant to this delegation will be done by issuing and allotting new shares – with or without a share premium –, which may be voting or non-voting shares, common or preferred, including redeemable, or any other type permitted by the applicable legislation – the consideration for which will be monetary contributions.

In addition, the proposal envisages the request, where appropriate, for the admission to trading on official and non-official secondary markets, organized or otherwise, domestic or foreign, of the shares issued by the Company pursuant to the delegation, authorizing the Board of Directors to perform the necessary steps and acts for the admission to listing vis-à-vis the competent bodies of the various domestic or foreign securities markets.

b) As regards the power to exclude the preemptive subscription right

Pursuant to the provisions of article 506 LSC, it has also been considered appropriate, as a supplement to the above proposal, to propose that the delegation to the Board of Directors to increase capital also includes the grant of the power to exclude, in whole or in part, the shareholders' preemptive subscription right in relation to the share issues covered by the delegation, where the interest of the Company so requires, all on the terms of such article.

The power to exclude the preemptive subscription right is a supplement to the power to increase capital since it provides the managing body with the flexibility intended with the delegation of the power to increase the share capital. Accordingly, and in addition to the justification of the cost saving that a capital increase with the exclusion of the preemptive subscription right offers compared with an increase with rights (in particular, in the fees of the financial institutions participating in the potential issue), the exclusion of the preemptive subscription right is justified by (i) a principle of prudence and anticipation of potential cyclical difficulties, (ii) planning criteria, and mainly, (iii) by the need to strengthen the swiftness and flexibility of the Board of Directors' ability to act and respond when required by the current volatility of the financial markets, thereby allowing the Company to take advantage of the times when market conditions are more favorable. In addition, the measure of excluding the preemptive subscription right is justified by the lower distortion in the trading of the Company's shares during the issue period, which is usually shorter than in an issue with rights.

In any event, it is worth noting that the option of excluding the preemptive subscription right is a power that the Shareholders' Meeting delegates to the Board of Directors and that it falls to the latter, based on the specific circumstances and with respect to the legal requirements, to decide whether or not it is appropriate in each case. Accordingly, the delegation of this power does not imply that each capital increase that is carried out pursuant to the authorized capital mechanism will be done excluding the preemptive subscription right, as capital increases with the preemptive subscription right will still be possible and the Board of Directors will be the one to analyze the advisability of its exclusion on case-by-case basis. It should be noted that, while the applicable legislation limits the possibility of increasing the share capital, where the preemptive subscription right is excluded, to a maximum amount equal to twenty percent (20%) of the total current share capital figure, the requested authorization is for an amount below such limit; the proposed delegation limits the increase in the share capital, where the preemptive subscription right is excluded, to a maximum of ten percent (10%) of the total

current share capital figure.

Lastly, it is also proposed to expressly empower the Board of Directors so that it may, in turn, delegate the power referred to in the proposal that gives rise to this report, pursuant to the provisions of article 249bis LSC.

3. Proposed resolution to the Shareholders' Meeting

The full text of the proposed resolution that is submitted to the Annual Shareholders' Meeting for approval in relation to item six on the agenda is transcribed below.

PROPOSED RESOLUTION:

"To authorize and empower the Board of Directors, as broadly as required by law, so that it may, pursuant to the provisions of article 297.1.b) of the Capital Companies Law, increase the share capital, without first consulting with the Shareholders' Meeting, on one or more occasions and at any time, within the term of five years following the date on which this Shareholders' Meeting is held, up to a maximum nominal amount equal to half (50%) of the share capital at the time of this authorization or of ten percent (10%) of the share capital at the time of this authorization in the event that the increase excludes the shareholders' preemptive subscription right, thus respecting the limits imposed by the applicable legislation.

The capital increases pursuant to this authorization will be carried out, on one or more occasions, by issuing and allotting new shares—with or without a share premium—the consideration for which will be monetary contributions. With respect to each increase, it will fall to the Board of Directors to decide whether the new shares to be issued are common, preferred, redeemable, non-voting or any other type permitted by law. In addition, the Board of Directors may set, in all matters not provided for, the terms and conditions of the capital increases and the characteristics of the shares, as well as freely offer the new shares not subscribed within the period or periods for exercising the preemptive subscription right.

The Board of Directors may also establish that, in the event of an incomplete subscription, the capital will be increased only by the amount of subscriptions made and the wording of the articles of the Bylaws on the capital and number of shares will be amended. The shares issued out of this authorization may be used to cover the conversion of convertible shares issued or to be issued by the Company or companies in its group.

In addition, with respect to the capital increases carried out pursuant to this authorization, the Board of Directors is entitled to exclude, in whole or in part, the preemptive subscription right on the terms of article 506 of the Capital Companies Law, although in this case (capital increases with exclusion of the preemptive subscription right), the authority shall be limited to capital increases carried out pursuant to this authorization up to a maximum equal to 10% of the current share capital.

The Company will request, where appropriate, the admission to trading on official or non-official secondary markets, organized or otherwise, domestic or foreign, of the

shares issued by the Company pursuant to this delegation, authorizing the Board of Directors to perform the necessary steps and acts for the admission to listing vis-à-vis the competent bodies of the various domestic or foreign securities markets. In addition, the resolution approving the capital increase will expressly state, for the appropriate legal purposes, that, in the event that the de-listing of the Company's shares is subsequently requested, it will be adopted with the formalities required by the applicable legislation and, in such case, the interest of the shareholders who object to or do not vote for the resolution will be guaranteed, complying with the requirements established in the Capital Companies Law, in the Securities Market Law and other related or implementing provisions.

The Board of Directors is expressly authorized to, in turn, sub-delegate the delegated powers referred to in this resolution, pursuant to the provisions of article 249 bis, subarticle (I) of the Capital Companies Law.

This authorization renders ineffective the authorization granted by the Shareholders' Meeting of the Company on April 30, 2025, in the portion not used."

* * *

In Madrid, on March 25, 2026.