



INMOBILIARIA COLONIAL, SOCIMI, S.A.

ORDINARY GENERAL MEETING OF SHAREHOLDERS (MAY 2025)

BOARD OF DIRECTORS REPORT ON THE MOTION FOR AUTHORISING THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL PURSUANT TO ARTICLE 297.1.b) OF THE CONSOLIDATED TEXT OF THE SPANISH COMPANIES ACT TOGETHER WITH THE POWER TO EXCLUDE PRE-EMPTIVE RIGHTS (ITEM FIVE ON THE AGENDA).

1. PURPOSE OF THE REPORT

This report has been prepared by the Board of Directors of Inmobiliaria Colonial, SOCIMI, S.A. ("**Colonial**" or the "**Company**") in relation to the motion for authorising the Board of Directors of the Company to increase the share capital of Colonial, in accordance with the provisions of Article 297.1.b) of the consolidated text of the Spanish Companies Act approved by Royal Legislative Decree 1/2010, of 2 July (the "**Spanish Companies Act**"), including the power to exclude pre-emptive subscription rights in accordance with the provisions of Article 506 of the Spanish Companies Act, which is submitted for approval by the Ordinary General Meeting of Shareholders.

In accordance with the provisions of Articles 286, 296.1, 297.1.b) and 506 of the Spanish Companies Act and related articles of the Regulations of the Commercial Registry approved by Royal Decree 1784/1996, of 19 July, the aforementioned motion to the General Meeting of Shareholders requires the preparation of the following supporting report by the Board of Directors of Colonial.

2. GROUNDS FOR THE MOTION

In accordance with the provisions of Article 297.1.b) of the Spanish Companies Act, the General Meeting of Shareholders, subject to the requirements established for the amendment of the Company Bylaws, may delegate to the Board of Directors the power to resolve on one or more occasions to increase the Company's share capital at such time and in such amount as it may decide, without prior consultation of the General Meeting. Without prejudice to the foregoing, the nominal amount of the share capital increase(s), as the case may be, resolved by the Company's Board of Directors may not, in any case, jointly exceed the amount corresponding to half of the Company's share capital at the time of authorisation (i.e., at the date of this report, €784,180,858.75), and must be carried out within a maximum period of five years following the adoption of the resolution by the General Meeting of Shareholders. In turn, in accordance with Article 286 of the Spanish Companies Act in relation to Articles 296.1 and 297.1.b) of the Spanish Companies Act, the directors must draw up a written report justifying the motion.

The Board of Directors understands that the motion submitted to the General Meeting of Shareholders is grounded in the usefulness of providing the Company's management body with an instrument that enables the raising of funds deemed necessary or convenient for the Company's interests in the shortest possible time, all within the limits and under the terms, deadlines and conditions resolved by the General Meeting of Shareholders.

In this respect, the demands that the market imposes on commercial enterprises, and in particular on listed companies, require their governing and administrative bodies to be in a position to make use of the possibilities offered by the corporate regulatory framework in order to provide rapid and effective responses to the needs arising in the trade environment in which large companies currently operate. However, it is often not possible to determine in advance what the Company's capital needs will be.

Thus, the proposal seeks to overcome the delays and increased costs that may be involved in calling a General Meeting of Shareholders for the sole purpose of increasing the share capital.

As a consequence of the above, it has been concluded that delegating to the Board of Directors the power to increase the share capital and provide the Company with new equity gives the Board of Directors greater flexibility in making business decisions and in adequately overseeing management of the Company's corporate interest.

For these purposes, it is proposed to the General Meeting of Shareholders to delegate to the Board of Directors the power to increase Colonial's share capital once or several times, up to the maximum amount permitted by law. The proposed resolution includes rescinding the resolution adopted under item five of the agenda of the Ordinary General Meeting of Shareholders of 30 June 2021 concerning the authorisation to the Board of Directors to increase the share capital, from the moment of the approval of the proposed resolution by the General Meeting of Shareholders.

In addition, and as permitted by Article 506 of the Spanish Companies Act in the case of listed companies, when the General Meeting delegates to the directors the power to increase the share capital in accordance with Article 297.1.b) of the Spanish Companies Act, it may also grant them the power to exclude pre-emptive rights when the interests of the Company so require.

In this regard, the proposed resolution includes, as permitted by Article 506 of the Spanish Companies Act, the granting to the directors of the power to exclude, in whole or in part, the pre-emptive subscription rights of shareholders when the interests of the Company so require, all in accordance with the terms of Article 506 of the Spanish Companies Act. However, in accordance with the provisions of the aforementioned Article 506 of the Spanish Companies Act, the Board of Directors' power to increase the share capital with exclusion of pre-emptive subscription rights is limited to a maximum of 20% of the share capital at the time of authorisation (i.e. €313,672,343.50 at the date of this report).

The Board of Directors believes that this further possibility, which broadens the room for manoeuvre and the ability to respond offered by the mere delegation of the power to increase the share capital under the terms of Article 297.1.b) of the Spanish Companies Act, is justified mainly by the flexibility and speed with which it is sometimes necessary to act in the financial markets in order to be able to benefit from moments when market conditions are more favourable. In addition, the exclusion of pre-emptive rights generally has a less distortive effect on the trading of the Company's shares during the issuance period, which is usually shorter than in a rights issue, and reduces the costs associated with the transaction. It also allows the operation to be adapted to international markets or to accelerated demand prospecting techniques or bookbuilding.

In any case, it is expressly stated for the record that the exclusion, in whole or in part, of the pre-emptive subscription right is only a power that the General Meeting of Shareholders grants to the Board of Directors. The exercise of such power shall depend on the Board of Directors itself so deciding, in accordance with the interests of the company and the circumstances prevailing at any given time, subject to the provisions of the applicable regulations. In the event that the Board of Directors resolves to exclude the pre-emptive subscription right in relation to a specific share capital increase that it may resolve to carry out under the authorisation granted by the General Meeting of Shareholders, it shall issue, at the time of resolving on the increase, a report detailing the specific reasons of corporate interest justifying such measure. Said report shall be accompanied, where required under applicable law, by a report from an independent expert other than the statutory auditor. Such report of the Board of Directors shall be made available to the shareholders and communicated to the first General

Meeting to be held after the relevant issue resolution together with, if applicable, the independent expert's report.

The proposal also envisages delegation to the Board of Directors of the power to carry out any actions that may be necessary or appropriate in relation to the issue and application for admission to trading of the new shares to be issued by the Company by virtue of the authorisation to increase the Company's share capital pursuant to the provisions of Article 297.1.b) of the Spanish Companies Act.

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This report was prepared and approved by the Board of Directors at its meeting of 10 April 2025.