

TO THE NATIONAL SECURITIES MARKET COMMISSION

Merlin Properties, SOCIMI, S.A. (“MERLIN”), in accordance with the provisions of securities market legislation, notifies the following:

MATERIAL INFORMATION

On the date hereof, June 27, 2017, the Board of Directors of Merlin has approved, as part of the corporate restructuring process of its subsidiaries in Spain, the commencement of the process for the integration, via merger, of the companies Explotaciones Urbanas Españolas, S.L.U. (“**EUE**”) and Centros Comerciales Metropolitanos, S.A.U. (“**CCM**”), both wholly owned by MERLIN (the “**Merger**”).

For such purposes, the members of the Board of Directors of Merlin present at the meeting and the joint directors of EUE and CCM have drafted and signed the corresponding joint plan for merger by absorption of EUE and CCM (as absorbed companies) into Merlin (as absorbing company) (the “**Merger Plan**”). The Merger Plan shall be published on the corporate website of MERLIN (www.merlinproperties.com) (Corporate Governance section/Other Information) for consultation, downloading and printing in the next few days, which shall be notified by means of the relevant notification of material information.

Since, at the date hereof, MERLIN owns more than 90% of the share capital of the absorbed companies (specifically, 100% of their share capital), the Merger is to be performed pursuant to the provisions of article 51 of Law 3/2009, of April 3, 2009, on Structural Modifications to Commercial Companies.

In Madrid, on June 27, 2017