



## CONSOLIDATED PERFORMANCE

(1.0%)

Gross rents YoY

(5.6%)

FFO per share YoY

+5.2%

NAV per share YoY

- Business performance was good in the pre-Covid environment, showing **strong LfL rental growth and release spread** across the board
- Following the outbreak of the Covid pandemic, the Company launched a **commercial policy** granting 100% rent relief to retail tenants, whose stores are compulsorily closed due to the state of alarm
- The **3M20 figures include 17 days of impact of such extraordinary incentive**
- **FFO per share (€ 0.16) was on track to meet the guidance given for 2020**, despite including the incentive granted to tenants (€ -0.01 per share) and the perimeter changes (€ -0.01)
- No revaluation in the period. **NAV per share** standing at **€ 15.72**

(€ million)	3M20	3M19	YoY
Total revenues	131.8	132.6	(0.6%)
Gross rents	130.4	131.7	(1.0%)
Gross rents after incentives	123.3	126.6	(2.6%)
Net rents after propex	112.6	114.2	(1.4%)
<i>Gross-to-net margin</i>	<i>91.3%</i>	<i>90.2%</i>	
EBITDA <sup>(1)</sup>	103.9	105.0	(1.0%)
<i>Margin</i>	<i>79.7%</i>	<i>79.7%</i>	
FFO <sup>(2)</sup>	74.7	79.1	(5.6%)
<i>Margin</i>	<i>57.3%</i>	<i>60.0%</i>	
AFFO	67.9	75.5	(10.0%)
Net earnings	38.6	60.1	(35.7%)

(€ per share)	3M20	3M19	YoY
FFO	0.16	0.17	(5.6%)
AFFO	0.14	0.16	(10.0%)
EPS	0.08	0.13	(35.7%)
NAV	15.72	14.94	+5.2%

## BUSINESS PERFORMANCE

+3.5%

Rents like-for-like<sup>(3)</sup> YoY

+9.7%

Offices

+3.8%

S. Centers

+8.0%

Logistics

Release spread

(79 bps)

Occupancy vs 31/12/2019

94.0%

- **Offices:** 30,336 sqm contracted. **LfL of +4.5%** and **release spread of +9.7%**
- **Shopping centers:** 11,915 sqm contracted. **LfL of +3.8%** and **release spread of +3.8%**
- **Logistics:** 15,559 sqm contracted. **LfL of +3.5%** and **release spread of +8.0%**

<sup>(1)</sup> Excludes non-overhead costs items (€ 1.5m) plus LTIP accrual (€ 6.0m), for 3M20

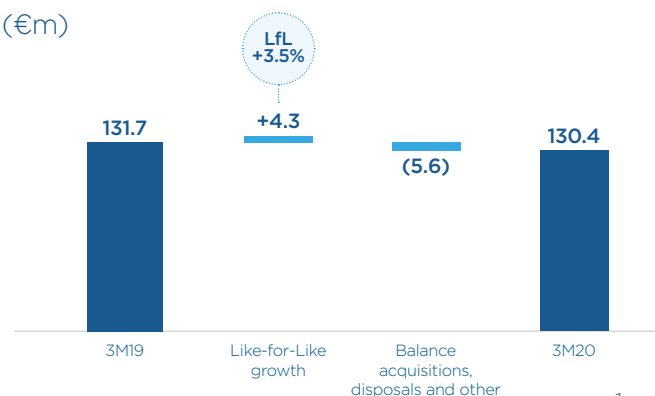
<sup>(2)</sup> FFO equals EBITDA less net interest payments, less minorities, less recurring income taxes plus share in earnings of equity method

<sup>(3)</sup> Portfolio in operation for the 3M20 (€ 124.7m of GRI) and for the 3M19 (€ 120.4m of GRI)

3M20	Contracted sqm	Rent		Leasing activity	Occ. vs 31/12/19
		€ m	Lfl change	Release spread	Bps
Offices	30,336	59.1	+4.5%	9.7%	(133)
Shopping centers	11,915	31.9	+3.8%	3.8%	91
Net leases	n.a.	21.8	+1.2%	n.m.	0
Logistics	15,559	14.3	+3.5%	8.0%	(126)
Other	n.a.	3.3	+0.5%	n.m.	20
<b>Total</b>	<b>57,810</b>	<b>130.4</b>	<b>+3.5%</b>		<b>(79)</b>

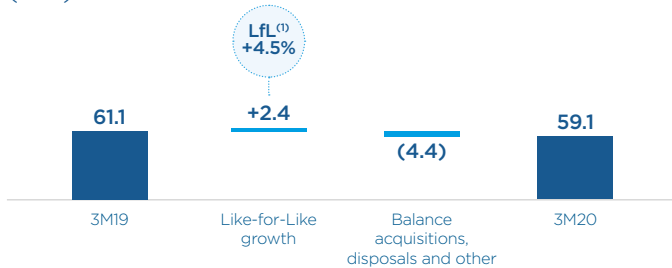
### Gross rents bridge

(€m)



# OFFICES

## Gross rents bridge (€m)



## Rents breakdown

	Gross rents 3M20 (€ m)	Passing rent (€/sqm/m)	Wault (yr)
Madrid	43.2	17.9	2.6
Barcelona	9.7	17.5	3.2
Lisbon	5.5	17.9	4.5
Other	0.8	11.0	6.1
<b>Total</b>	<b>59.1</b>	<b>17.7</b>	<b>2.9</b>

## Leasing activity

- **Sound LfL rental growth** in the period **(+4.5%)** and **accelerated release spread of +9.7%** when compared to FY19
- **3M leasing activity highlights:**
  - 5,190 sqm renewal with AEAT in E-Forum, Barcelona
  - 4,497 sqm renewal with Medtronic in PE Sanchinarro, Madrid
  - 3,663 sqm renewal with UPS in PE Alvento, Madrid
  - 3,574 sqm renewal with A.E.C.I.D. in PE Churruca, Madrid
  - 540 sqm new lease with Technip in WTC8, Barcelona
  - 519 sqm new lease with Koch Media in PE Alvento, Madrid
  - 505 sqm new lease with Honest Greens in Diagonal 514, Barcelona

	Contracted sqm	Out	In	Renewals	Net	Release spread	# Contracts
Madrid	21,776	(16,334)	1,378	20,398	(14,956)	+8.2%	120
Barcelona	8,561	(2,581)	1,464	7,096	(1,116)	+19.8%	27
Lisbon	0	0	0	0	0	+7.5%	7
<b>Total</b>	<b>30,336</b>	<b>(18,915)</b>	<b>2,842</b>	<b>27,494</b>	<b>(16,072)</b>	<b>+9.7%</b>	<b>154</b>

## Occupancy

- **Decline in occupancy mainly explained by the exit of Sigla in Madrid**, which has now been replaced by another tenant at a higher rent
- **Lisbon**, full, and **Barcelona**, almost full, continue in **excellent shape**
- **9,135 sqm new lease contract signed with BBVA in PE Las Tablas**. Fit out to be completed by July 14<sup>th</sup>
- By markets, **best performer this quarter has been Madrid CBD**

<b>Stock</b>	1,193,364 sqm
<b>WIP</b>	125,752 sqm
<b>Stock incl. WIP</b>	1,319,116 sqm

### Occupancy rate<sup>(2)</sup>

	3M20	FY19	Change bps
Madrid	89.3%	91.0%	(169)
Barcelona	95.5%	96.0%	(54)
Lisbon	100.0%	100.0%	0
Other	100.0%	100.0%	0
<b>Total</b>	<b>91.4%</b>	<b>92.8%</b>	<b>(133)</b>


<sup>(1)</sup> Offices portfolio in operation for 3M20 (€ 56.8m of GRI) and for 3M19 (€ 54.4m of GRI)

<sup>(2)</sup> MERLIN policy excludes buildings under complete refurbishment. Buildings excluded this period are Plaza Ruiz Picasso, Castellana 85, Monumental, Arturo Soria 343, Plaza de Cataluña 9, Pere IV and Adequa 2


## OFFICES (CONT.)

### INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

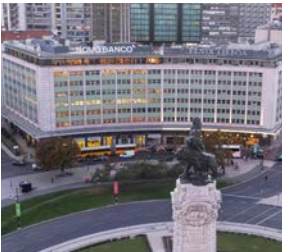

#### INVESTMENTS

	GLA (sqm)	ERV	ERV Yield <sup>(1)</sup>	Acquisition
 <b>Plaza de Cataluña 9</b>	3,048	€ 0.8m	4.5%	€ 15.4m

#### LANDMARK I

WIP	GLA (sqm)	Scope	Budget	Delivery
 <b>Castellana 85</b>	15,254	Full refurb	€ 32.1m	1Q21
 <b>Monumental</b>	22,387	Full refurb (incl. SC)	€ 34.8m	1Q21

#### IN STOCK

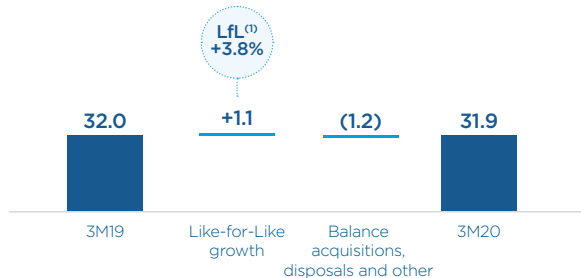
 <b>Marqués de Pombal</b>	12,460	Lobby + common areas + exterior terrace	€ 1.6m	3Q20
 <b>Diagonal 605</b>	13,244	Double height lobby + common areas + new retail space	€ 8.7m	4Q20

<sup>(1)</sup> Yield on cost calculated over acquisition (€ 15.4m) plus estimated Capex (€ 3.0m)

# SHOPPING CENTERS

## Gross rents bridge

(€m)



## Rents breakdown

	Gross rents 3M20 (€ m)	Passing rent (€/sqm/m)	Wault (yr)
MERLIN	31.9	22.9	2.3

## Footfall and tenant sales

	3M20 LTM	YoY
Tenant sales <sup>(2)</sup>	1,112.6	+5.1%
Footfall <sup>(3)</sup>	103.2	+2.4%
OCR <sup>(2)</sup>	12.3%	

## Leasing activity

- Tenant sales continued growing in the pre-Covid environment
- Healthy release spread (+3.8%) and LfL rental growth (+3.8%)
- 3M leasing activity highlights:
  - 975 sqm renewal with Mango in Bonaire
  - 741 sqm new lease with Pull & Bear in El Saler
  - 460 sqm renewal with Zara Home in Artea
  - 234 sqm new lease with Druni in Centro Oeste

	Contracted sqm	Out	In	Renewals	Net	Release spread	# Contracts
Total	11,915	(6,452)	4,468	7,446	(1,984)	+3.8%	113

## Occupancy

- Higher occupancy at quarter end (+91 bps), due to the sale of 3 non-core assets
- Voluntary vacancy due to Flagship Plan amounts to 3,769 sqm in aggregate
- Best performer in 3M20 has been **Larios**

Stock	414,018 sqm
WIP + Tres Aguas <sup>(4)</sup>	114,787 sqm
Stock incl. WIP	528,805 sqm

	Occupancy rate		bps
	3M20	FY19	
Total	94.2%	93.3%	91

<sup>(1)</sup> Shopping centers portfolio in operation for 3M20 (€ 29.6m of GRI) and for 3M19 (€ 28.5m of GRI)

<sup>(2)</sup> Until February 29<sup>th</sup> since retailers did not report March sales figures. Excluding sold assets

<sup>(3)</sup> (1.6%) footfall evolution 3M20 including the effect of 16 days with Covid

<sup>(4)</sup> Tres Aguas at 100% allocation



## SHOPPING CENTERS (CONT.)

### INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

#### FLAGSHIP

WIP		GLA (sqm)	Scope	Budget	Delivery
	<b>X-Madrid</b>	47,096	Full revamp	€ 46.4m	Finished

#### IN STOCK<sup>(1)</sup>

	<b>El Saler</b>	47,853	Full refurb	€ 24.0m	4Q20
	<b>Porto Pi</b>	58,779	Full refurb	€ 26.6m	1Q21

<sup>(1)</sup> GLA and Capex budget for shopping centers refurbishments include 100% of the asset, regardless of the stake owned by MERLIN in the owners' community

# LOGISTICS

## Gross rents bridge

(€m)



## Rents breakdown

	Gross rents 3M20 (€ m)	Passing rent (€/sqm/m)	Wault (yr)
Madrid	8.1	4.0	4.4
Barcelona	2.4	6.1	3.0
Other	3.9	3.9	3.9
<b>Total</b>	<b>14.3</b>	<b>4.2</b>	<b>3.8</b>

## Leasing activity

- Steady growth across the board
- Excellent release spread in all markets (+8.0%), with Seville being the top performer (+12.2%)
- 3M leasing activity highlights:
  - 9,075 sqm renewal with Airbus in Sevilla ZAL
  - 2,757 sqm renewal with Comercial Servicios Alimenticios in PLZF
  - 2,098 sqm new lease with Moldtrans in Sevilla ZAL

	Contracted sqm	Out	In	Renewals	Net	Release spread	# Contracts
Madrid	-	-	-	-	-	+7.3%	4
Barcelona	4,386	(16,750)	0	4,386	(16,750)	+9.8%	4
Other	11,173	0	2,098	9,075	2,098	+12.2%	1
<b>Total</b>	<b>15,559</b>	<b>(16,750)</b>	<b>2,098</b>	<b>13,461</b>	<b>(14,652)</b>	<b>+8.0%</b>	<b>9</b>

## Occupancy

- The portfolio remains highly occupied. Barcelona (PLZF) is affected by the exit of Telefonica, Serloprat and Molenbergnatie, which space is going to be subject to light Capex

Stock	1,160,292 sqm
Best II	537,107 sqm
Best III	465,554 sqm
Stock incl. WIP	2,162,954 sqm
ZAL PORT	601,482 sqm
ZAL PORT WIP	125,911 sqm
Stock managed	2,890,347 sqm

	Occupancy rate		
	3M20	FY19	bps
Madrid	97.2%	97.2%	-
Barcelona	85.4%	96.6%	(1,120)
Other	99.8%	99.1%	64
<b>Total</b>	<b>96.4%</b>	<b>97.7%</b>	<b>(126)</b>

<sup>(1)</sup> Logistics portfolio in operation for 3M20 (€ 12.9m of GRI) and for 3M19 (€ 12.4m of GRI)

## LOGISTICS (CONT.)

### INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

#### Best II (as from 31/03/20)

	GLA (sqm)	ERV (€m)	Investment (€m)	ERV YoC
<b>Delivered</b>				
Madrid-Pinto II B <sup>(1)</sup>	29,473	1.2	13.7	8.6%
Guadalajara-Cabanillas III <sup>(1)</sup>	21,879	0.9	11.8	7.8%
<b>In progress</b>				
Madrid-San Fernando II	34,224	1.9	21.7	8.9%
Guadalajara-Azuqueca II	98,757	4.4	54.7	8.1%
Guadalajara-Azuqueca III	51,000	2.3	30.1	7.7%
Guadalajara-Cabanillas Park I F	20,723	0.9	10.8	7.9%
Guadalajara-Cabanillas Park II	210,678	9.2	114.2	8.1%
Toledo-Seseña	28,731	1.2	15.5	7.7%
Guadalajara-Cabanillas Park I G	92,994	3.8	56.0	6.8%
<b>Total</b>	<b>588,459</b>	<b>25.9</b>	<b>328.4</b>	<b>7.9%</b>

#### Best III (as from 31/03/20)

	GLA (sqm)	ERV (€m)	Investment (€m)	ERV YoC
<b>Delivered</b>				
Valencia-Ribarroja <sup>(1)</sup>	34,992	1.9	26.3	7.2%
<b>In progress</b>				
Zaragoza-Plaza II	11,421	0.5	7.1	7.2%
Madrid-San Fernando III	98,924	5.1	54.9	9.3%
Sevilla ZAL WIP <sup>(2)</sup>	42,650	2.0	24.4	8.4%
Lisbon Park	224,864	10.5	147.6	7.1%
Valencia-Betera	96,572	4.4	56.2	7.8%
<b>Total</b>	<b>509,423</b>	<b>24.5</b>	<b>316.5</b>	<b>7.7%</b>

<sup>(1)</sup> Reclassified as part of the existing stock

<sup>(2)</sup> 8,787 sqm already delivered and let to Amazon and reclassified as part of the existing stock. A cold storage positive-negative warehouse of 4,689 sqm has been delivered during April

## BALANCE SHEET

- RCF fully drawn down in light of the Covid-19 environment
- **€ 1.3 bn in cash and equivalents**
- **Credit rating reaffirmed** by both S&P and Moody's post Covid outbreak
- **LTV further reduced to 40.1%** (47 bps reduction vs 31/12/19)

Ratios	31/3/2020	31/12/2019
LTV	40.1%	40.6%
Av. Interest rate	1.99%	2.09%
Av. Maturity (years)	6.2	6.4
Unsecured debt to total debt	85.0%	82.7%
Interest rate fixed	88.7%	99.5%

	€ million
GAV	12,716
Gross financial debt	6,380
Cash and equivalents <sup>(1)</sup>	(1,277)
Net financial debt	5,103
NAV	7,384

Corporate rating		Outlook
<b>S&amp;P Global</b>	BBB	Stable
MOODY'S	Baa2	Stable

## INVESTMENTS, DIVESTMENTS AND CAPEX

- During the period, MERLIN Properties acquired **Plaza de Cataluña 9**, an historical asset located in one of the most emblematic squares in Barcelona. The asset comprises **3,048 sqm** of GLA and will be operated by **LOOM**
- **€ 185.0m of successful divestments at GAV** in the period including the contribution of 3 secondary retail assets (Thader, La Fira and Nassica) to **Silicius Socimi** and the sale of 12 BBVA branches
- The three plans of the Company, **Landmark I, Flagship and Best II & III continue progressing well**. In light of Covid-19, the Company has revised its Capex plans and is now focused on executing assets with pre-lets in place. Please see the Covid-19 update report for further details

	Office	Retail	Logistics	€ million
Acquisitions	Plaza de Cataluña 9			15.5
Development & WIP	Castellana 85 Monumental Plaza Ruiz Picasso Arturo Soria 343	X-Madrid	Guadalajara-Azuqueca II Madrid-San Fernando II Sevilla Zal WIP Zaragoza-Plaza II Lisbon Park	27.8
Refurbishment	Diagonal 605 Torre Glories	El Saler Porto Pi Larios	Madrid-Getafe (Gavilanes) Madrid-Getafe (Los Olivios) Madrid-Coslada Complex Madrid-Meco	11.0
Like-for-like portfolio (Defensive Capex) <sup>(2)</sup>				7.2
<b>Total</b>				<b>61.5</b>

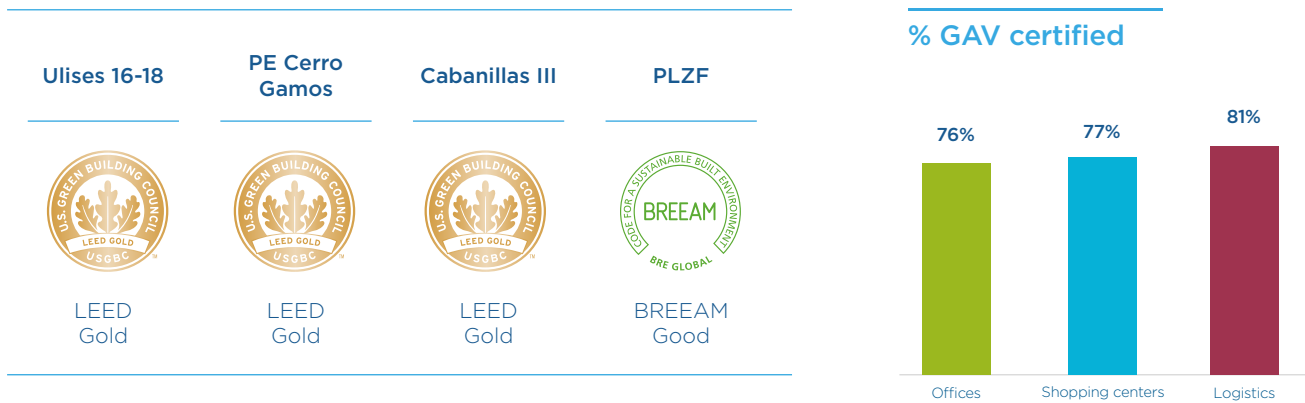
<sup>(1)</sup> Includes cash and treasury stock (€ 56.9m), Juno's receivable (€ 70.0m) and Silicius receivable (€86.5m)

<sup>(2)</sup> € 6.8m are capitalized in balance sheet and € 0.4m are expensed in P&L



## SUSTAINABILITY

- **Intensive effort in terms of portfolio certification**, having obtained 16 new LEED/BREEAM certificates in the period
- The 3 **LEED** certificates obtained are scored **Gold**



## POST CLOSING

- In May, **Cilsa (ZAL Port)** delivered 2 warehouses to **LIDL (60,942 sqm)** and **Agility (11,221 sqm)**. Along with the units delivered to **DAMM and UPS during 3M20 (59,948 sqm)**, the company has exceeded 600k sqm GLA under operations
- On April 27<sup>th</sup>, MERLIN signed on a 10-year term lease agreement with a top tier tenant, comprising **19,425 sqm in Monumental, Lisbon**, which represents 77% of the asset. The building, under refurbishment, will be delivered on 1Q21 at a yield on cost of 9.4%. **This is the largest leasing transaction in Lisbon’s CBD** on record.
- On April 1<sup>st</sup>, MERLIN delivered a positive-negative cold storage warehouse of **4,689 sqm in Sevilla ZAL to Carbó Collbatallé**

# COVID-19 UPDATE

## OPERATIONS

- **On March 15<sup>th</sup>, a state of alarm was declared** in Spain following the outbreak of the Covid-19 pandemic and remains in place since then. The calendar to come back to **normal life** started on May and is staggered into 4 phases, **pointing to an end by June 30<sup>th</sup>**
- During this period, **our primary focus** has been **to protect the health and safety** of our employees, tenants, contractors and suppliers, while **preserving our business activity**
- From an operational standpoint **all our operating assets have remained open and accessible to tenants during this period**, fully serviced with reinforced measures for cleaning, disinfection and air filtering
- In accordance with the state of alarm declaration, there have been activities **qualified as essential**, permitted to **open**, and **non-essential activities**, which have been forced to **close**
- **MERLIN enjoys a broad diversification of income by asset categories, tenant base and underlying industry exposure**, which has helped to **mitigate the impact of the pandemic**

	Offices	Shopping centers	Logistics	Net Leases	Other
Asset category relative weight <sup>(1)</sup>	47%	22%	11%	17%	3%
Affected by the lockdown <sup>(2)</sup>	3.5%	89.0%	0.0%	0.0%	97.0%
Non-affected	96.5%	11.0%	100.0%	100.0%	3.0%

Including F&B

<sup>(1)</sup> Calculated as each asset category passing rent divided by total passing rent

<sup>(2)</sup> Including non-essential activities and restaurants. Restaurants can remain open for home delivery purposes but activity has been meaningless

## COMMERCIAL POLICY

- MERLIN Properties conceived a commercial policy in order to share with its tenants the difficulties arising post Covid-19 outbreak

### MERLIN Commercial Policy

<b>Enacted</b>	▶▶▶	March, 17 <sup>th</sup> 2020			
<b>Eligibility</b>	▶▶▶	Tenants affected by the compulsory shutdown set forth in the state of alarm regulations			
<b>Conditions to apply</b>	▶▶▶	Tenants being up-to-date in their contractual obligations, including payment of past rents and common expenses			
<b>Policy</b>	▶▶▶	<ul style="list-style-type: none"> <li>• 100% rent relief since March 15<sup>th</sup> (state of alarm) and up until the earliest of (i) end of compulsory shutdown, and (ii) July 31<sup>st</sup></li> <li>• Common service charges continue to be paid by tenants</li> <li>• Tenants waive rights to take any future actions against MERLIN as a consequence of Covid-19</li> </ul>			
<b>Implementation</b>	▶▶▶		Offices	Shopping centers	Other
		Eligible universe <sup>(1)</sup>	3%	89%	97%
		Tenants that have accepted	100%	>85%	100%

### • Business impact

- **MERLIN Properties’ commercial policy was fast to be implemented** and provided relief to tenants affected by the compulsory lockdown. It has met widespread acceptance within our tenant base, enhancing MERLIN’s brand value reducing litigation and eventually paying off in long term business performance
- On March 19<sup>th</sup>, MERLIN provided an update to the market regulator quantifying **the impact of the commercial policy as less than 10% of income**. This calculation assumed that the policy was accepted by 100% of eligible tenants and the relief persisted up until July 31<sup>st</sup> (i.e. 4.5 months)
- On April 28<sup>th</sup>, the **Spanish central government** published the general guidelines for the return to the **“new normality” over the next 8 weeks**. In principle, all stores within shopping centers will reopen as from May 25<sup>th</sup>, with footfall reduced 60% and distancing restrictions. As from June 8<sup>th</sup>, shopping centers footfall reduction will be eased to 50%
- **As a consequence, the impact of the commercial policy today will be lower than the originally projected**. However, **a new partial relief policy is currently being designed** for the post Covid-19 trading period. Details will be announced once communicated to our tenants

<sup>(1)</sup> As a % of anual gross rents of each category

## COLLECTION RATE

- The common practice in Spain is to **invoice on a monthly basis in advance**. MERLIN enjoys a **tenant base of very high quality**, which translates into **high collection rates**, as illustrated in the table below:

(as a % of total invoices due)

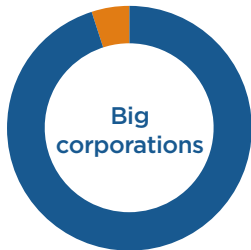
April 2020	Offices	Shopping centers	Net leases	Logistics
Commercial policy	0% <sup>(1)</sup>	58.0%	0%	0%
Collected	95.2%	28.2%	100%	94.9%
In process <sup>(2)</sup>	3.2%	0%	0%	3.2%
Uncollected	1.6%	13.8%	0%	1.9%

<sup>(1)</sup> We have excluded the retail component of offices which is residual for the asset category (-3%)

<sup>(2)</sup> Includes mainly public administrations

# TENANT QUALITY

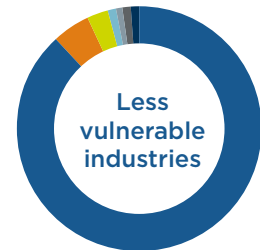
• **Offices.** 95% of tenants are **big corporations** and 70% of our premises are used as the **main HQ** of our tenants. **89% of our tenants operate in less vulnerable industries<sup>(1)</sup>** to Covid-19 effects



- Big corporations **95%**
- SMEs **5%**



- Headquarters **70%**
- Delegations **30%**



- Less vulnerable **89%**
- Retail **5%**
- Transportation **3%**
- Leisure **1%**
- Automotive **1%**
- Tourism **1%**
- 3<sup>rd</sup> party flex space operators **<1%**

• **Shopping centers.** In the post-Covid era, **proximity and convenience are the key elements to retail.** Our **portfolio** is **predominantly** composed of **urban shopping centers**, in which customers shop very close to where they live and/or work. This urban asset category represents 58% of our annual rents. 73% of our tenant base are listed companies or large private corporations



- Urban **58%**
- Dominant **37%**
- Secondary **5%**



- Listed public corporations **41%**
- Large private corporations **32%**
- Other **27%**

• **Logistics.** Our asset base has grown organically in the last years by developing a brand new portfolio through the execution of Best I (completed), and II & III (under completion). **MERLIN enjoys a leading position in the Iberian market**, and more importantly these days, the **recently built assets meet 3PLs standards to serve online commerce**, resulting in a portfolio massively suited for online commerce and only 11% exposed to industry-related activities, which will be further reduced alongside the completion of Best II & III projects



- Online commerce (3PLs) **89%**
- Industry-related **11%**

<sup>(1)</sup> Less vulnerable industries as per S&P definition mainly include Utilities, Industrial, Public Administration, Healthcare, Consumer products, Finance and Real Estate, Consulting, Law and other services, Technology and Education

## BALANCE SHEET

- MERLIN Properties benefits from a **solid balance sheet to overcome this challenging period**, with low leverage of 40.1% LTV and a cash and equivalents position of € 1.3 bn as of March 31<sup>st</sup>, 2020
- **The Company does not face any debt expiries until 2022**, due to the absence of commercial paper or any other similar short-term financial instrument
- **Both rating agencies have reaffirmed the corporate rating after the Covid-19 outbreak**, factoring in MERLIN's commercial policy. S&P rating at BBB (stable) and Moody's rating at Baa2 (stable)

## CAPITAL PRESERVATIONS MEASURES

The Company has adopted **several initiatives to preserve capital** as follows:

Measures	Content	Capital preserved
Capex plans	MERLIN has separated <b>projects under execution and high level of pre-lets</b> from those not started that may be deferred. <b>Projects under execution and income producing in the short-term entail an aggregate investment of € 247.7 million</b> , over the next four years, out of which € 167.4 million are expected to be disbursed this year. <b>Future additional rents attributable to these projects (of which 65% are pre-let) amount to € 37.3 million.</b>	€ 458 million
Dividends	The 2019 dividend distribution corresponding to 2019 will be approved in the AGM to be held on June 17 <sup>th</sup> . In October 2019, € 20 cents per share were distributed on account. The complimentary dividend proposed will amount to € 14.6 cents per share, payable in cash. Furthermore, a share premium distribution of € 17.4 cents per share will also be proposed, payable in cash, but the execution will be delegated to the Board, who will decide after analyzing the impact of the Covid-19 evolution in the business	€ 81 million
Overheads	The Board of Directors have decided to reduce their compensation by 25% and has agreed with the CEO, General Corporate Manager and all members of the senior management team the initiative to waive all the variable compensation and stock plan corresponding to 2020	€ 11 million

# APPENDIX

---

1. Consolidated Profit and loss
2. Consolidated Balance sheet

## 1. Consolidated Profit and loss

(€ thousand)	31/03/20	31/03/19
<b>Gross rents</b>	<b>130,377</b>	<b>131,712</b>
Offices	59,122	61,147
Shopping centers	31,865	32,001
Logistics	14,276	13,152
Net Leases	21,796	21,778
Other	3,318	3,633
<b>Other income</b>	<b>1,404</b>	<b>861</b>
<b>Total Revenues</b>	<b>131,781</b>	<b>132,573</b>
Incentives	(3,760)	(5,132)
Covid-19 rent relief	(3,308)	0
<b>Total Operating Expenses</b>	<b>(28,354)</b>	<b>(32,603)</b>
Propex	(10,685)	(12,405)
Personnel expenses	(7,583)	(7,816)
Opex recurring	(2,506)	(2,187)
Opex non-overheads	(1,542)	(1,260)
LTIP Provision	(6,038)	(8,935)
<b>EBITDA</b>	<b>96,359</b>	<b>94,838</b>
Depreciation	(359)	(346)
Gain / (losses) on disposal of assets	(13,854)	(23)
Provision surpluses	(235)	(316)
Change in fair value of investment property	0	0
Difference on business combination	0	(3,110)
<b>EBIT</b>	<b>81,911</b>	<b>91,043</b>
Net financial expenses	(28,508)	(27,460)
Debt amortization costs	(4,157)	(3,053)
Gain / (losses) on disposal of financial instruments	0	43
Change in fair value of financial instruments	(9,832)	(1,395)
Share in earnings of equity method instruments	476	2,671
<b>PROFIT BEFORE TAX</b>	<b>39,890</b>	<b>61,849</b>
Income taxes	(1,260)	(1,752)
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>38,630</b>	<b>60,097</b>
Minorities	0	0
<b>PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE</b>	<b>38,630</b>	<b>60,097</b>



## 2. Consolidated Balance sheet

(€ thousand)

ASSETS	31/03/20	EQUITY AND LIABILITIES	31/03/20
<b>NON CURRENT ASSETS</b>	<b>13,048,618</b>	<b>EQUITY</b>	<b>6,738,147</b>
Intangible assets	853	Subscribed capital	469,771
Property, plant and equipment	11,900	Share premium	3,813,409
Investment property	12,046,034	Reserves	2,662,010
Investments accounted for using the equity method	438,470	Treasury stock	(56,926)
Non-current financial assets	463,583	Other equity holder contributions	540
Deferred tax assets	87,778	Interim dividend	(92,939)
		Profit for the period	38,630
		Valuation adjustments	(96,348)
		Minorities	-
		<b>NON-CURRENT LIABILITIES</b>	<b>7,226,359</b>
		Long term debt	6,506,314
		Long term provisions	32,353
		Deferred tax liabilities	687,692
<b>CURRENT ASSETS</b>	<b>1,116,050</b>	<b>CURRENT LIABILITIES</b>	<b>200,162</b>
Trade and other receivables	37,573	Short term debt	78,957
Short term investments in group companies and associates	1,058	Short term provisions	778
Short-term financial assets	8,836	Trade and other payables	103,217
Other current assets	1,060,185	Other current liabilities	17,210
Accruals and deferrals	8,398		
<b>TOTAL ASSETS</b>	<b>14,164,668</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,164,668</b>



**MERLIN**

PROPERTIES

Paseo de la castellana, 257  
28046 Madrid  
+34 91 769 19 00  
info@merlinprop.com  
**www.merlinproperties.com**