

FOR INFORMATION PURPOSES ONLY. Spanish Version prevails.

TO THE NATIONAL SECURITIES MARKET COMMISSION

MERLIN Properties, SOCIMI, S.A. (“MERLIN”), in compliance with the applicable legislation, hereby notifies the following

RELEVANT INFORMATION

MERLIN will hold a conference call with analysts and institutional investors on Friday, February 28th, 2020, at 3 p.m. Madrid/CET time, which can be followed on line, through audio and video conference, with the following link and access code:

Webex Link:

<https://merlinproperties.webex.com/merlinproperties/onstage/g.php?MTID=e6b5a32929338ef7d3fe2a632624cb4083>

Event number: 5979707

Participant Dial in numbers:

Spain +34 91 414 3675

UK +44 (0) 2071 928338

USA +1877 8709135

Netherlands 08000235015

France 0805101465

Germany 08007234756

Canada 18669250818

Italy 800131881

Attached you will find the press release and supporting documentation for the presentation that is also available on MERLIN’s corporate website (www.merlinproperties.com)

Madrid, February 27th 2020.

MERLIN Properties SOCIMI, S.A.

MERLIN Properties increases its operating profit by a strong 9.2%, to 313 million euros

- Gross rents: € 525.9 million (+5.2%)
- EBITDA: € 425.5 million (+5.4%)
- Gross asset value: € 12,751 million (+5.9%)
- Net asset value per share: € 15.60 (+5.4%)
- Operating profit (“FFO”): €313.3 million (+9.2%)
- Guidance to dividend in 2020: € 52 cents per share

- Operating profit exceeds €313 million (equivalent to € 67 cents per share), with an increase of +9.2% vs. 2018
- Excellent business performance. Occupancy ends the period at 94.8% (increase of 140 basis points). Top performers are offices, with an increase of 264 basis points and shopping centers with an increase of 204 basis points. Solid growth in rents in all asset categories, both in like-for-like terms and release spreads
- In accordance with EPRA standards, the net asset value amounts to € 15.60 per share, representing a 5.4% increase year on year. Aggregating dividends and net asset value growth, the Company has created € 610 million of value to its shareholders in 2019, which represents a total shareholder return of 8.8%
- Refurbishments for our value creation plans (Landmark I, Flagship and Best II & III) are producing excellent results, having delivered 11 completed projects in 2019
- MERLIN announces a complementary dividend of € 32 cents per share to be paid in May, yielding a total dividend of € 52 cents per share for FY2019, 4% above FY2018. In addition, the Company is also providing guidance for shareholder distributions of €244 million or € 52 cents per share in 2020, in line with 2019

Madrid, 27 February. – MERLIN Properties has reported FY2019 results, with total revenues of € 530.6 million (including gross rents of €525.9 million), recurring EBITDA of €425.5 million and operating profit of €313.3 million (€0.67 per share). Net earnings of €563.3 million (€1.20 per share) is not comparable year on year due to the extraordinary gain in FY2018 related to the capitalization of Testa Residencial service contract. Excluding non-recurring items, net ordinary earnings amount to €212.5 million, which represents an increase of 3.6% vs. 2018.

Offices

- Business performance

Exceptional year in occupancy, having increased 264 basis points up to 92.8%. Strong performance with a 7.3% LfL rent increase, historical maximum reached by MERLIN thus far. Excellent release spread, delivering a 7.2% on average. By markets, the growth has been 6.0% in Madrid, 19.5% in Barcelona and 11.2% in Lisbon.

During 2019, the Company acquired a 14.46% stake in DCN, a strategic bet to play a major role, bringing expertise and long-term stability, to the largest real estate project in Europe and the future prime CBD of Madrid. The exposure in Lisbon has also increased, with 3 acquisitions (Art, TFM and Nestlé) and the bet on LOOM continues with the acquisition of 22@ Ferreteria and Plaza de Cataluña, 9 in Barcelona.

- Landmark Plan I

Excellent progress in Landmark I. During 2019, Torre Chamartin and Torre Glóries have been delivered, both 100% occupied and generating returns for shareholders above what was initially expected. For 2020, the deliveries which are expected are Diagonal 605, 95% commercialized, Castellana 85, 100% commercialized and Marqués de Pombal, also 100% commercialized.

Shopping centers

- Business performance

Relevant increase in both occupancy and rents. FY 2019 occupancy arrives at 93.3%, an increase of 204 basis points. LfL rent increase and release spread of 3.1% and 4.2% respectively, demonstrates strong performance. Excellent performance of the portfolio in terms of tenant sales (+4%) and footfall (+2%), proves its quality and its complementarity with the online offer highlighting the resilience of Spanish retail.

In addition, MERLIN has announced the closing of a transaction for which it contributes 3 assets (Thader, La Fira and Nassica) to Silicius Socimi. The transaction has been on a NAV neutral basis, and in exchange MERLIN has received 34.4% of Silicius.

- Flagship Plan

Outstanding year in the Flagship plan, with 4 deliveries in the period. The groundbreaking concept of X-Madrid is having great receptiveness, with 95% of the space commercialized, and more than 1.2 million visitors since opening less than 2 months ago, even though some retailers are not yet operational. Arturo Soria is still showing its strength, with the last phase of the terraces now completed. Larios, in Malaga, has completed its full refurbishment well above the initial expectations, with a 99% occupancy and a 6.6% yield on cost. Re-inaugurated in December, Tres Aguas has been the last to be delivered, having experienced an increase in occupancy of more than 900 basis points and reaching the highest sales in the last 5 years.

Logistics

- Business performance

Positive behavior in the period, with a release spread of 7.6% and an increase in LfL rents of 3.6%, with an occupancy that stands at 97.7%.

- Best Plan II & III

The following new projects have been delivered and reclassified from WIP to stock: Pinto IIB, leased to Media Markt (29,473 sqm); Valencia-Ribarroja, leased to Dachser (34,992 sqm); and Sevilla Zal, leased to Amazon (8,798 sqm). Great progress in the construction of Azuqueca II, let in its entirety to Carrefour (98,757 sqm) and Toledo-Seseña, partially let to Carreras.

Significant increase in portfolio value

Increase of 5.9% in gross asset value (“GAV”) of MERLIN portfolio, which as of December 31st 2019, amounts to € 12,751 million, following the appraisals performed by Savills, CBRE and JLL, versus a GAV of € 12,041 million in 2018. This reflects the excellent asset management initiatives undertaken and the value created from Landmark I, Flagship and Best II plans.

In accordance with EPRA standards, the net asset value of the portfolio amounts to €7,331 million, equivalent to € 15.60 per share, representing a 5.4% increase over 2018 EPRA NAV per share (€14.81), evidencing the significant value created to shareholders during the period.

Environmental Social and Governance

MERLIN has obtained an excellent mark in the 2019 GRESB edition, with an 82/100 score and continues progressing in the portfolio certification program, having obtained 37 new LEED/BREEAM certificates in 2019, which increases the percentage of assets certified to nearly 75% and makes the ambitious target set in 2018 of certifying 99% of the portfolio by 2022, feasible. 100% of the shopping center portfolio has been AIS certified and a program has been put in place to certify the connectivity of the buildings with WiredScore.

Outstanding value created to shareholders

The Company has reduced its loan to value ratio to 40.6%, reduced its cost of debt and lengthened the maturity of its debt, even after considering the acquisition of the DCN stake.

The value creation to shareholders in 2019 amounts to €610 million, through a combination of dividends in the calendar year (€235 million) and EPRA NAV growth (€375 million), representing an annual shareholder return rate of 8.8%.

Announcement of the complementary dividend for 2019 and guidance towards estimated shareholder distributions in 2020 (52 cents per share, in line with 2019)

MERLIN announces a complementary dividend to be paid in May amounting to 32 cents per share, which, together with the 20 cents already distributed, totals 52 cents per share of distribution to shareholders in 2019 (+4% vs 2018). The referenced complementary dividend will be paid after approval by the AGM, which is expected to take place on April 29th.

The Company guides to a shareholder distribution of at least € 244 million in 2020. This remuneration will be fully paid in cash and represents € 52 cents per share, in line with 2019.



About MERLIN Properties

MERLIN Properties SOCIMI, S.A. (MC:MRL) is one of the largest real estate company trading on the Spanish Stock Exchange, with a market capitalization of approximately 6,200 million euros, specialized in the acquisition and management of commercial property in the Iberian region. MERLIN Properties mainly invests in offices, shopping centers and logistics facilities, within the Core and Core Plus segments, forming part of the benchmark IBEX-35, Euro STOXX 600, FTSE EPRA/NAREIT Global Real Estate, GPR Global Index, GPR-250 Index, and MSCI Small Caps indices.

Please visit www.merlinproperties.com to learn more about the company.

For further information please contact:

Nuria Salas, nsalas@tinkle.es, +34 629 56 84 71

Sarah Estébanez, sestebanez@tinkle.es, +34 636 62 80 41

Iris Ancares, iancares@tinkle.es, +34 607 94 70 96



MERLIN
PROPERTIES

FY 2019 **RESULTS** PRESENTATION

28 February 2020



DISCLAIMER



This presentation has been prepared by MERLÍN Properties, SOCIMI, S.A. (the Company) for informational use only.

The information contained in this presentation does not purport to be comprehensive or to contain all the information that a prospective purchaser of securities of the Company may desire or require in deciding whether or not to purchase such securities, and has not been verified by the Company or any other person. The information contained in this document is subject to change without notice. Neither the Company nor any of affiliates, advisors or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of any information contained or referred to in this document. Each of the Company and its employees, officers, directors, advisors, agents or affiliates expressly disclaims any and all liabilities whatsoever (in negligence or otherwise, whether direct or indirect, in contract, tort or otherwise) for any loss howsoever arising from any use of this presentation, the information contained or referred to therein, any errors therein or omissions therefrom or otherwise arising in connection with this presentation. Neither the Company, nor any of its affiliates, advisors or agents undertakes any obligation to provide the recipients with access to additional information or to update this document or to correct any inaccuracies in the information contained or referred to therein.

Certain statements in this document regarding the market and competitive position data may be based on the internal analyses of the Company, which involve certain assumptions and estimates. These internal analyses may have not been verified by any independent sources and there can be no assurance that the assumptions or estimates are accurate. Additionally, certain information in this presentation may be based on management accounts and estimates of the Company and may have not been audited or reviewed by the Company's auditors, whereas the information on Metrovacesa S.A. and on certain competitors contained herein is based on publicly available information which has not been verified by the Company. Accordingly, recipients should not place undue reliance on this information.

This information is provided to the recipients for informational purposes only and recipients must undertake their own investigation of the Company. The information providing herein is not to be relied upon in substitution for the recipient's own exercise of independent judgment with regard to the operations, financial condition and prospects of the Company.

Neither this presentation nor any copy of it shall be taken, transmitted into, disclosed, diffused, sent, published or distributed in the United States, Canada, Australia or Japan. The distribution of this

presentation in other jurisdictions may also be restricted by law and persons into whose possession this presentation comes should inform themselves about and observe any such restrictions. In particular, any offer that might result from the transaction herein described will not be made, directly or indirectly, in the United States of America, or by use of mails, or by any means or instrumentality (including, without limitation, facsimile transmission, telephone and internet) of interstate or foreign commerce of, or any facilities of any national securities exchange of, the United States, Canada, Australia or Japan. The securities of the Company have not been and, should there be an offering, will not be registered under the U.S. Securities Act of 1933, as amended (the Securities Act) and, subject to certain exceptions, may not be offered or sold in the United States. The securities of the Company have not been and, should there be an offering, will not be registered under the applicable securities laws of any state or jurisdiction of Canada or Japan and, subject to certain exceptions, may not be offered or sold within Canada or Japan or to or for the benefit of any national, resident or citizen of Canada or Japan.

THIS PRESENTATION DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER FOR SALE OR SOLICITATION OF ANY OFFER TO BUY ANY SECURITIES IN THE UNITED STATES OR IN ANY OTHER JURISDICTION, NOR SHALL IT OR ANY PART OF IT FORM THE BASIS OF OR BE

RELIED ON IN CONNECTION WITH ANY CONTRACT OR COMMITMENT TO SELL OR PURCHASE SHARES. ANY DECISION TO SELL OR PURCHASE SHARES IN ANY OFFERING SHOULD BE MADE SOLELY ON THE BASIS OF PUBLICLY AVAILABLE INFORMATION.

This presentation may include forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause such actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of the Company and the environment in which they expect to operate in the future. Forward-looking statements speak only as of the date of this presentation and the Company expressly disclaim any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation, any change in their expectations or any change in events, conditions or circumstances on which these forward-looking statements are based.

In reviewing this presentation, the recipient is agreeing to, and accepting, the foregoing restrictions and limitations.



ISMAEL CLEMENTE
CEO



MIGUEL OLLERO
GM / COO



DAVID BRUSH
CIO



Contents

Highlights

FY19 Financial results

Offices

Shopping centers

Logistics

Valuation and debt position

ESG & Technology

Value creation

Closing remarks





FINANCIAL PERFORMANCE

- Compelling growth in cash flow, with **FFO per share of € 0.67, +9.2% YoY** and +6.4% above guidance
- **EPRA NAV** per share up **5.4% YoY** to reach **€ 15.60**
- **Leverage reduced to 40.6%**, while improving all financial ratios

OPERATING PERFORMANCE

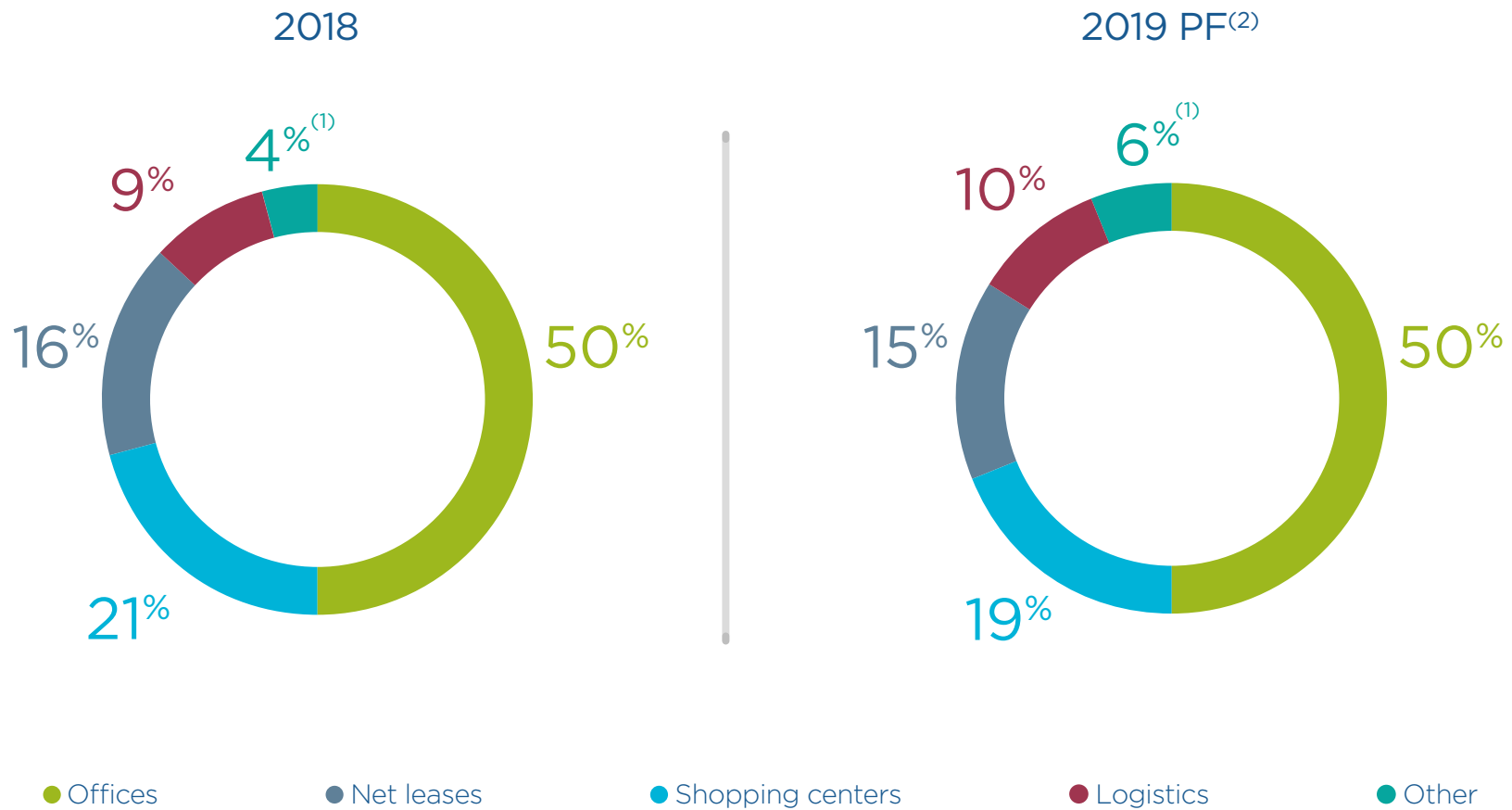
- **Excellent business performance**, with solid growth in occupancy, LfL rents and release spread across the board
- **High LfL rental growth in offices (+7.3% YoY)**, highest recorded to date, combined with **strong rise in occupancy (+264 bps)**
- Solid numbers in shopping centers with **tenant sales up 4%** underpinning healthy rental growth and meaningful **hike in occupancy (+204 bps)**
- **Logistics** continues showing **robust performance**

VALUE CREATION

- Strategic asset recycling **increasing exposure to logistics** and **reducing** exposure to **secondary retail** and **peripheral offices**
- Very positive advance in **Landmark, Flagship and Best II & III**, with 11 projects delivered in 2019, at very attractive returns
- **ESG at the core of our business**, accelerating sustainability initiatives in 2019
- **DPS of € 0.52**, meeting guidance



Logistics gaining weight while reducing retail exposure



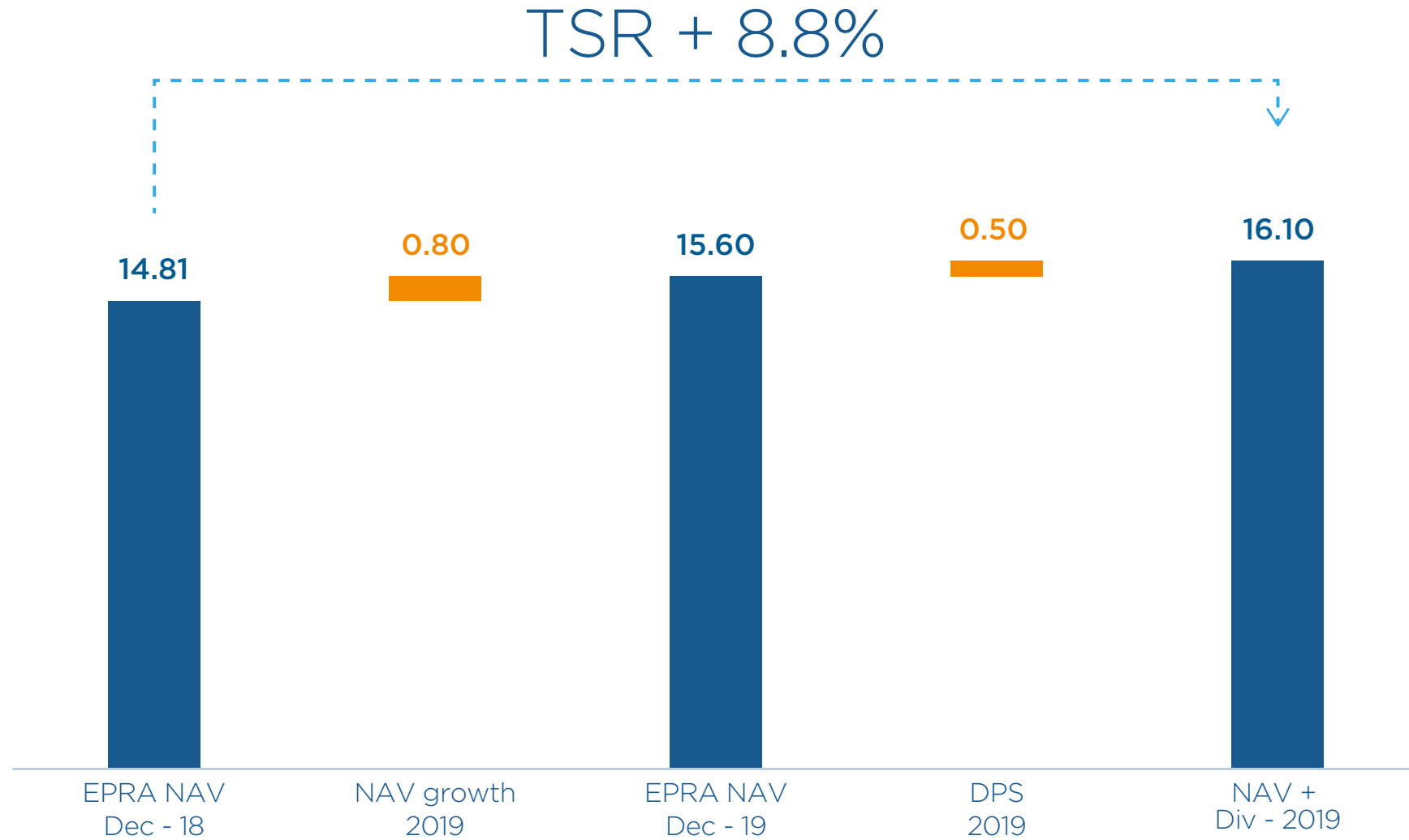
⁽¹⁾ Other includes hotels, non core land, miscellaneous and minority stakes including DCN

⁽²⁾ Pro-forma to include logistics WIP and offices WIP and the disposal of Mercury portfolio (post-closing)



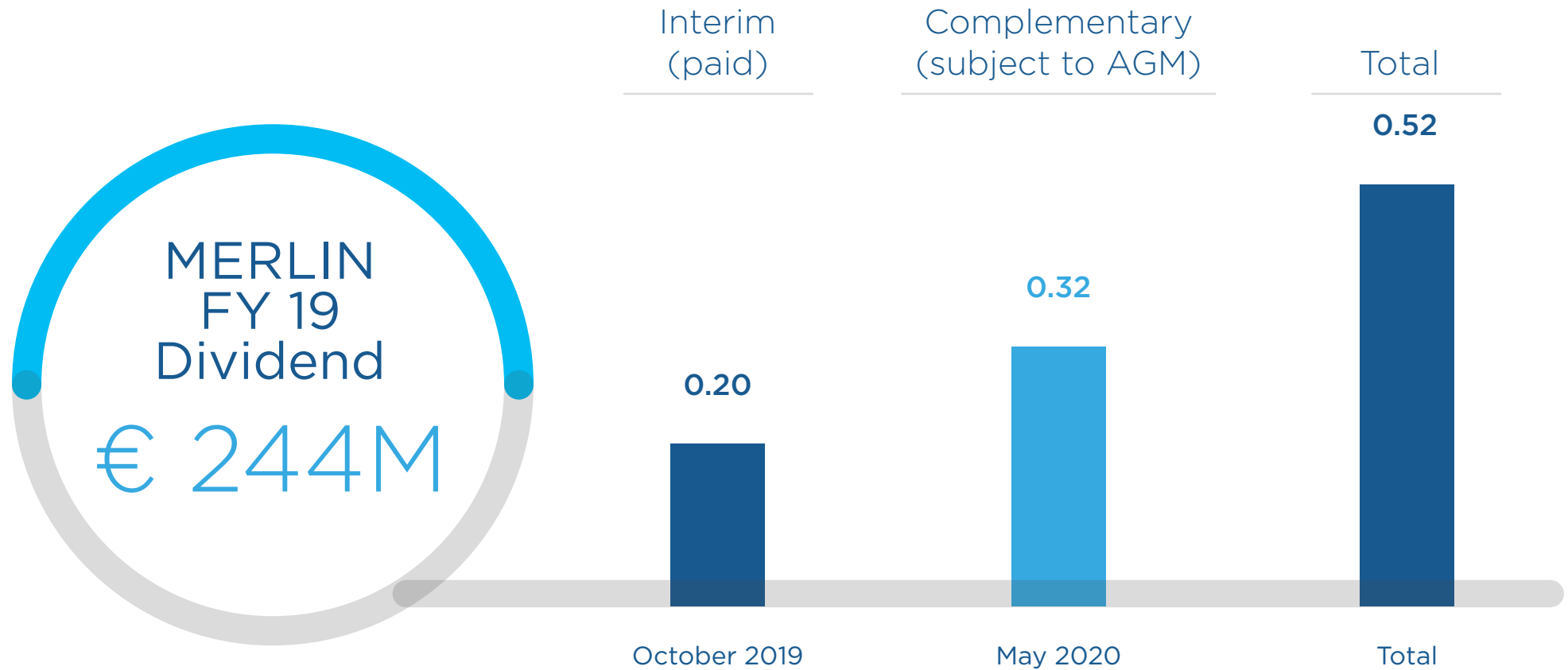
Compelling return to shareholders achieved in FY 2019

(€ per share)





FY 2019 dividend to reach € 244m, meeting guidance



Source: Company

An aerial night photograph of San Francisco, California. The Transamerica Pyramid is the central focus, brightly lit with a warm orange glow. The city's lights create a dense pattern of yellow and white points across the urban landscape. The dark blue ocean is visible in the background under a twilight sky. A large, white, diamond-shaped graphic element is overlaid on the right side of the image, containing the text.

FY 2019
Financial
results



Excellent year in cash flow generation (+12.1% AFFO growth YoY)

(€ million)	FY 2019	FY 2018	YoY
Gross rents	525.9	499.7	+5.2%
Gross rents after incentives	511.5	475.6	+7.5%
Net rents	463.3	433.5	+6.9%
EBITDA⁽¹⁾	425.5	403.6	+5.4%
FFO	313.3	286.9	+9.2%
AFFO	303.3	270.5	+12.1%
IFRS net profit	563.6	854.9	(34.1%)
EPRA NAV	7,330.7	6,955.9	+5.4%

(€ per share)				
FFO	Exceeding guidance	0.67	0.61	+9.2%
AFFO		0.65	0.58	+12.1%
EPS		1.20	1.82	(34.1%)
EPRA NAV		15.60	14.81	+5.4%

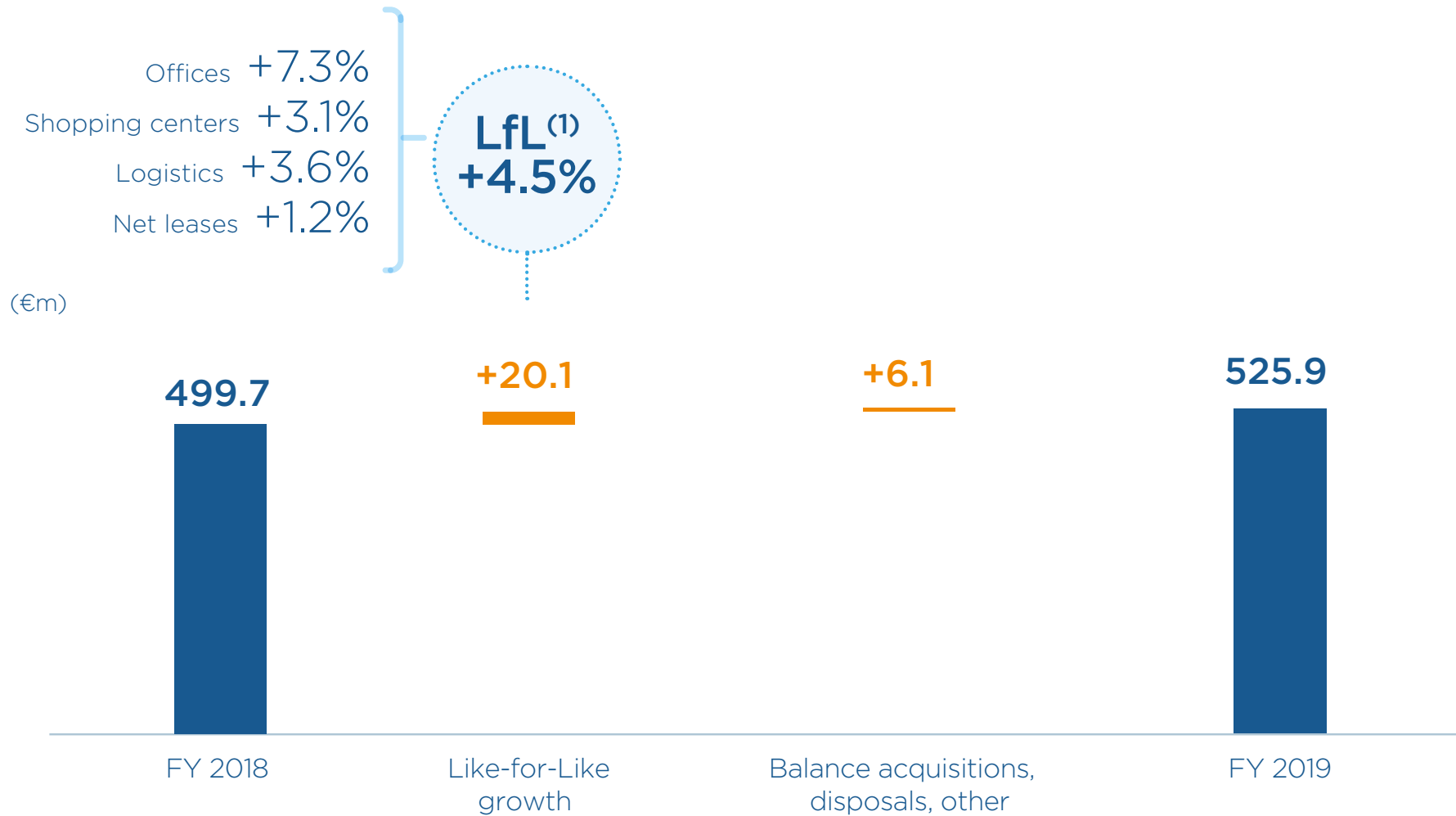
Includes extraordinary gain on Testa disposal

Source: Company

⁽¹⁾ Excludes non-overheads items (€ 4.9m) and LTIP accrual (€ 44.2m)



Robust LfL growth in all asset categories reaching historical high in offices (+7.3%)

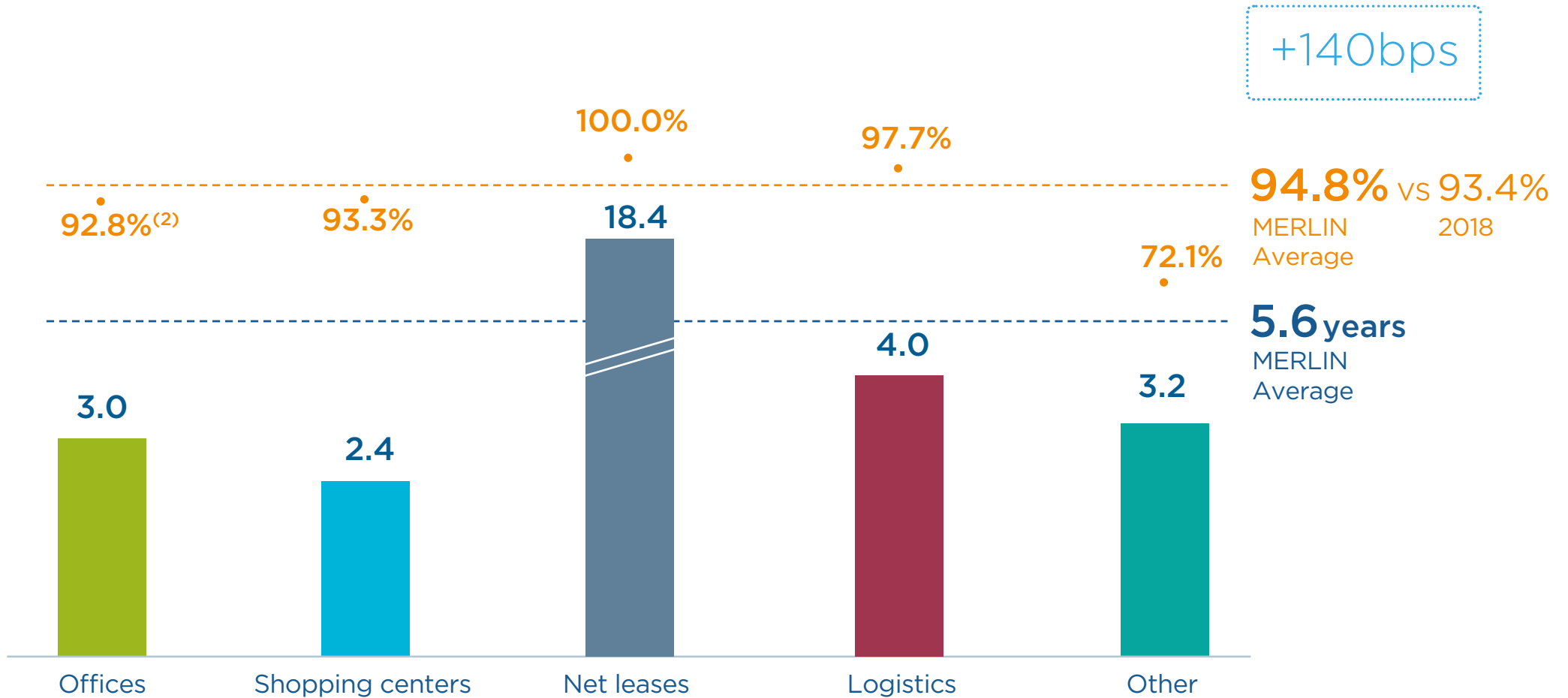


⁽¹⁾ FY18 (€ 443.6m GRI) vs FY19 (€ 463.7m GRI)



Outstanding **occupancy growth** in **offices** (+264 bps YoY) and **retail** (+204 bps YoY)

OCCUPANCY AND WAULT PER ASSET TYPE⁽¹⁾



Source: Company

⁽¹⁾ WAULT by rents means the weighted average unexpired lease term, calculated as of 31 December 2019

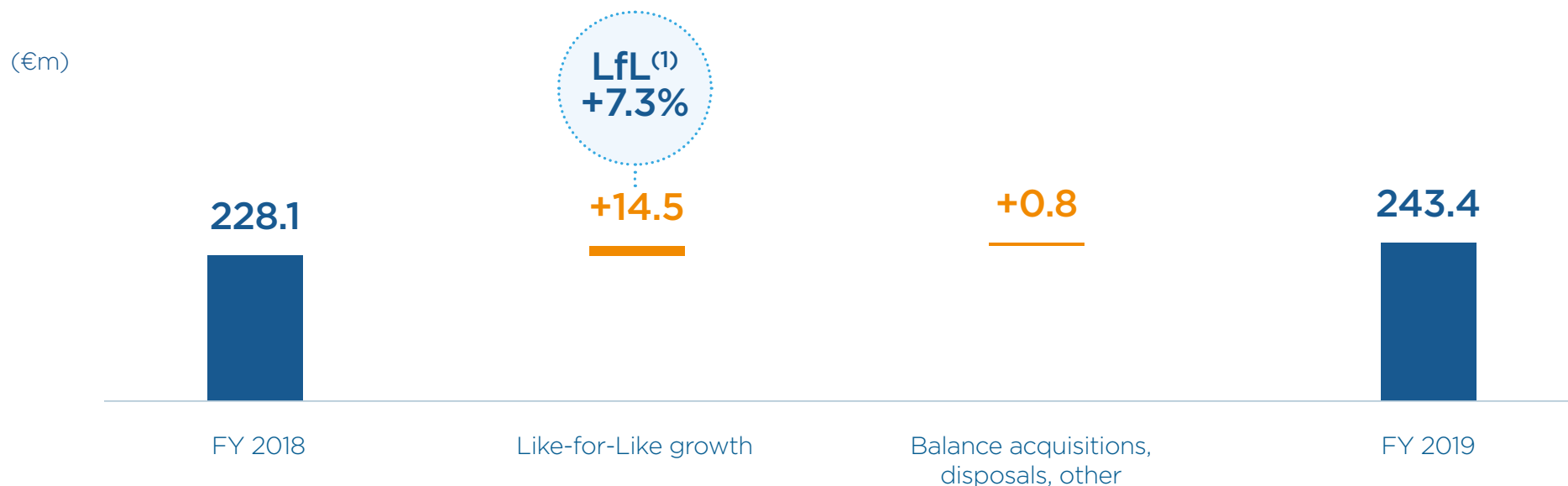
⁽²⁾ 92.0% on a like-for-like basis, excluding assets sold



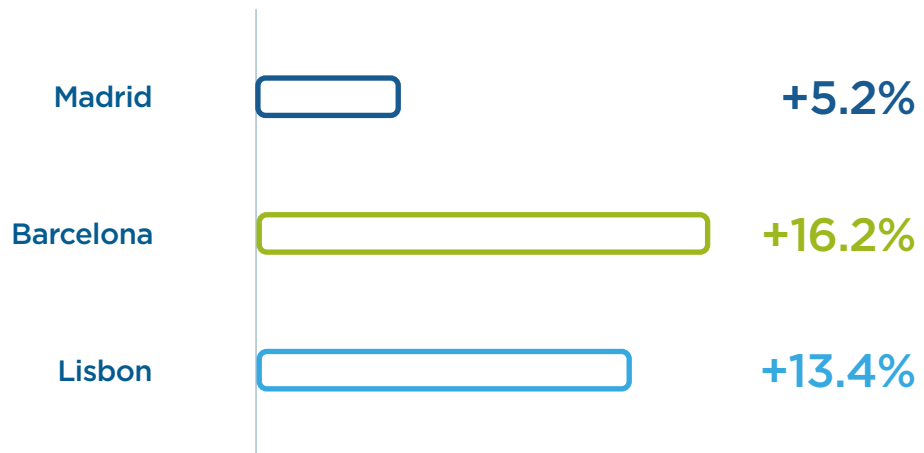
Offices



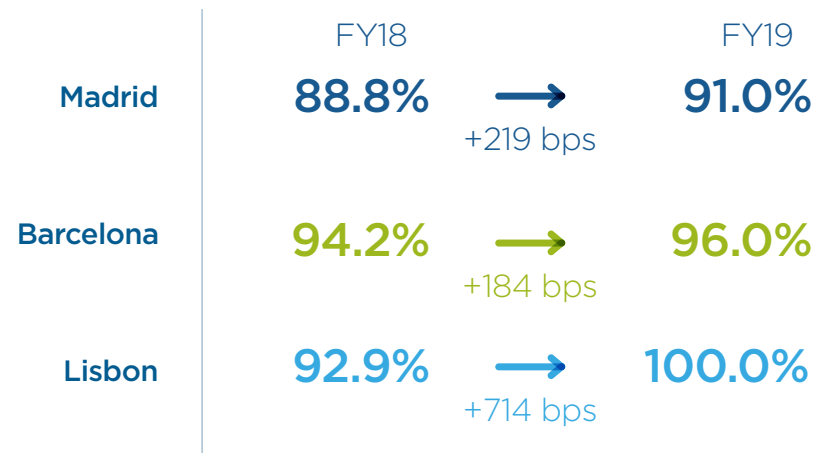
Steep LfL rental growth in 2019, after a very strong last quarter in Madrid and Barcelona



Lfl growth by area



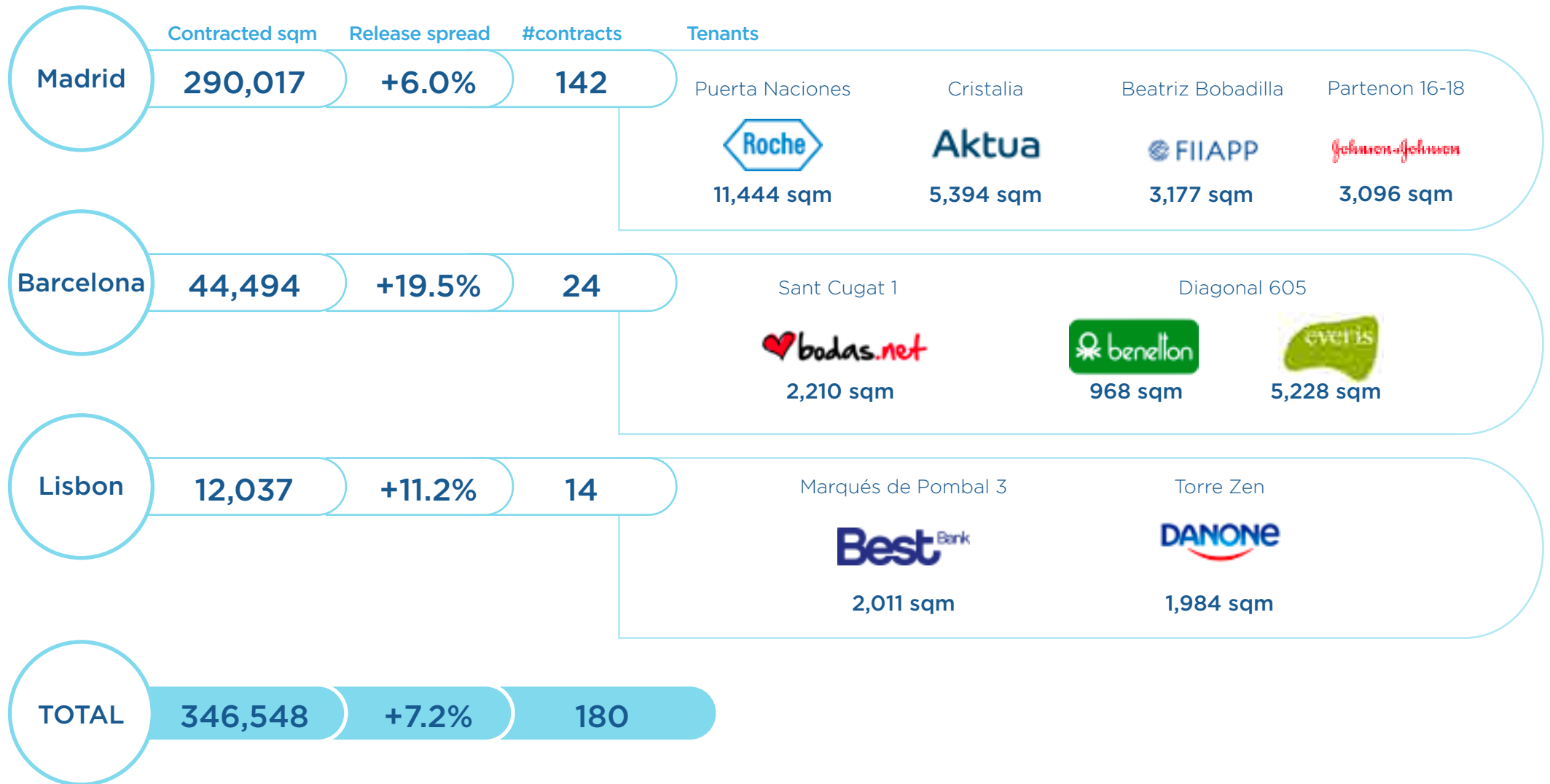
Occupancy by area



⁽¹⁾ Office portfolio in operation for FY18 (€ 198.3m of GRI) and for FY19 (€ 212.8m of GRI)



Rental growth continues to be robust (+7.2% release spread)





Rapid expansion of LOOM...

Madrid



Operating
6 spaces | 1,474 desks | 72% Occ.

Barcelona



Operating
1 space | 160 desks | 94% Occ.



New opening
Torre Chamartín
126 desks
Opening 2Q20









New openings
Cornellá
188 desks
Opening 1Q20

Ferreteria 22@
293 desks
Opening 1Q21

Plaza Cataluña 9
342 desks
Opening 1Q21



... while providing an **integral space solution** to our core clients

	Traditional (sqm)	Flex (desks)
 Comunidad de Madrid	3,949 sqm (Princesa)	70 desks (LOOM Princesa)
	10,380 sqm (PE Alvia)	40 desks (LOOM Pozuelo)
	10,619 sqm (PE Puerta de las Naciones)	32 desks (LOOM Eucalipto)
	5,189 sqm (PE Cerro de los Gamos)	156 desks (LOOM Pozuelo)
	Other landlord	233 desks (LOOM Eucalipto)
	Other landlord	90 desks (LOOM Glòries)

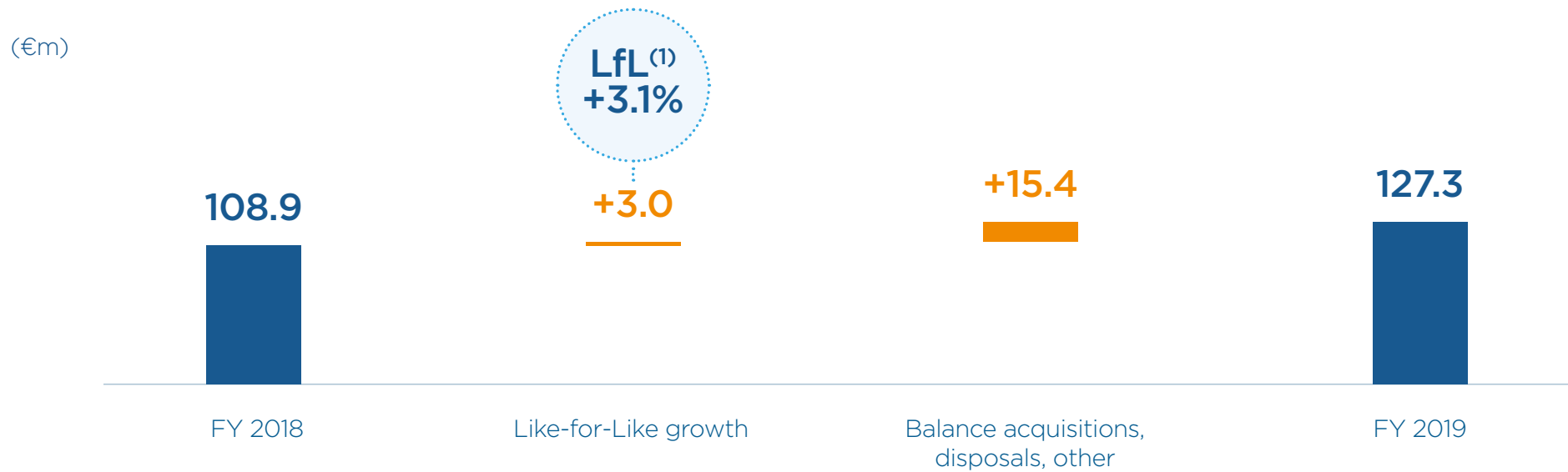
CORPORATES REPRESENT **70%** OF LOOM'S CUSTOMER BASE



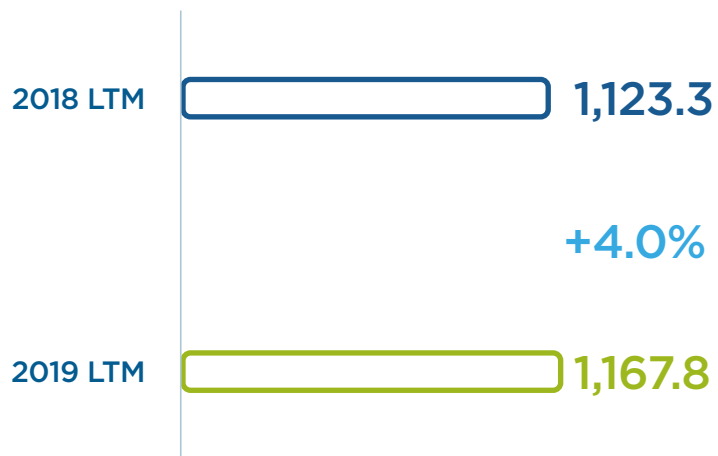
Shopping centers



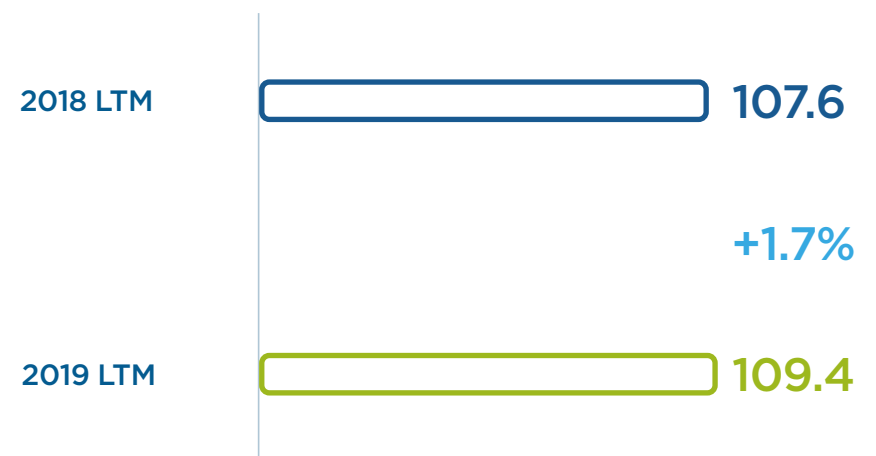
Positive LfL rental growth, underpinned by strong growth in tenant sales (+4.0%)



Tenant sales (million)



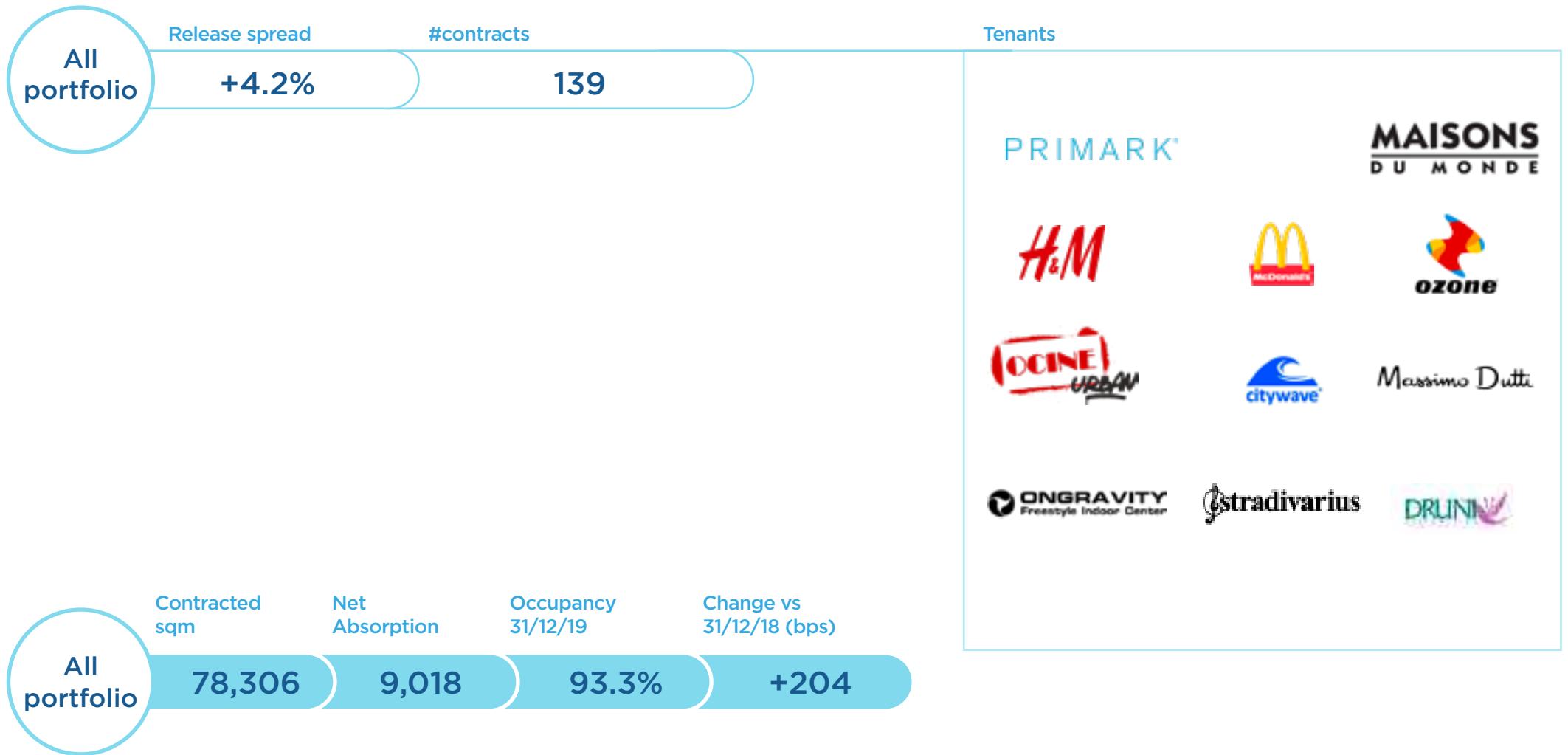
Visitors (million)



⁽¹⁾ Shopping centers portfolio in operation for FY18 (€ 97.4m of GRI) and for FY19 (€ 100.4m of GRI)



Upward trend in performance with a release spread of 4.2% and meaningful growth in occupancy to end at 93.3% (+204 bps YoY)





Transforming our centers...



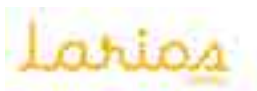
13 new stores



14 new stores



14 new stores



21 new stores



4 new stores



8 new stores



9 new stores



27 new stores

... and opening flagships



PRIMARK®

MAISONS
DU MONDE

8,266 sqm

2,029 sqm



4,251 sqm

2,959 sqm

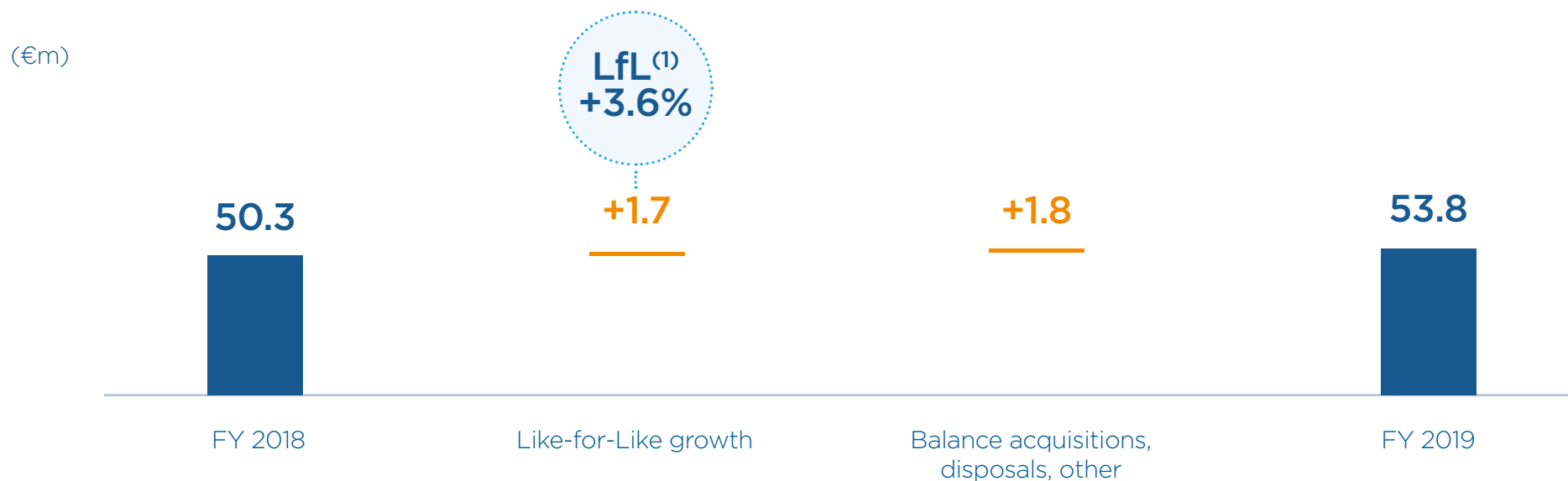
2,380 sqm



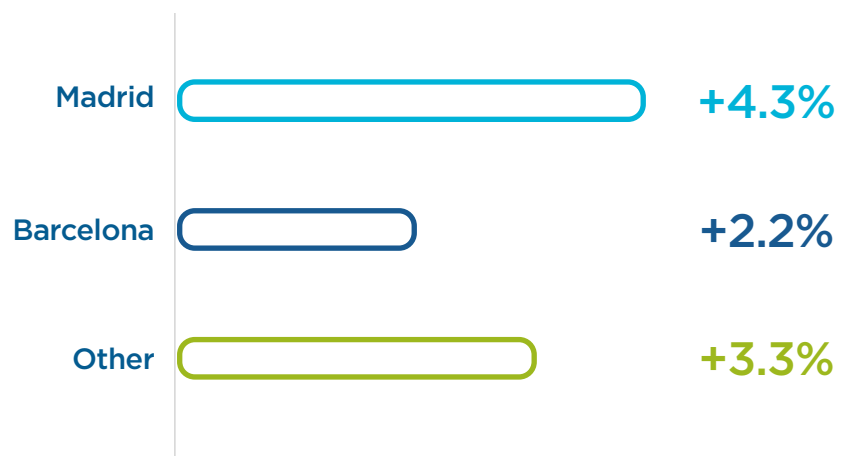
Logistics



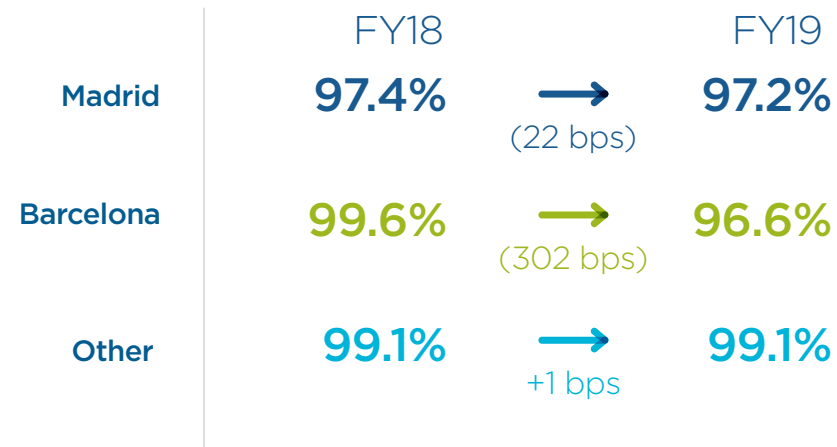
A strong market and the quality of MERLIN's portfolio translates into good LfL rental growth



Lfl growth by area



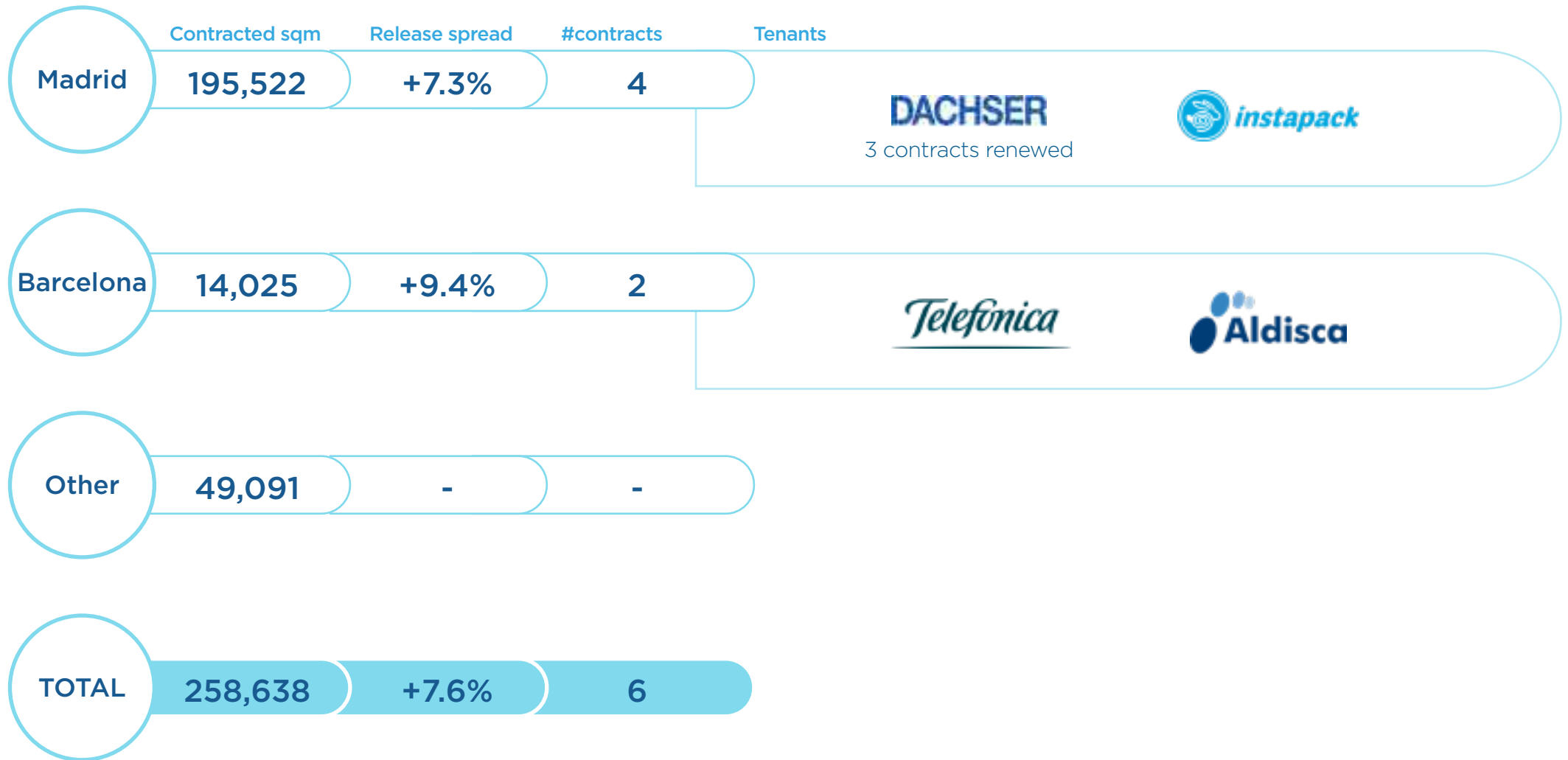
Occupancy by area



⁽¹⁾ Logistics portfolio in operation for FY18 (€ 47.9m of GRI) and for FY19 (€ 49.6m of GRI)



Outstanding release spread (7.6% all portfolio)





Stock
469,370 sqm — Investment **€ 138m**

WIP⁽¹⁾
258,138 sqm — ERV **€ 22m**

Stock incl. WIP
727,508 sqm

Third parties stock
178,433 sqm

Stock under management
905,941 sqm

Contracted sqm Release spread #contracts Tenants

202,857 **+6.6%** **34**



Occupancy by area

FY18 **97.6%** — (80 bps) → FY19 **96.8%**



€m	FY19	FY18	YoY
Gross rents	45.7	44.1	+3.5%
Net rents	45.1	43.5	+3.5%
EBITDA	43.2	41.7	+3.6%
FFO⁽²⁾	24.6	24.8	(1.1%)
Net earnings	8.8	9.1	(3.7%)
MERLIN attributed	4.2	4.4	(3.7%)

Delay in the delivery of UPS to Jan 2020

⁽¹⁾ 35,144 sqm delivered to Damm in January 2020

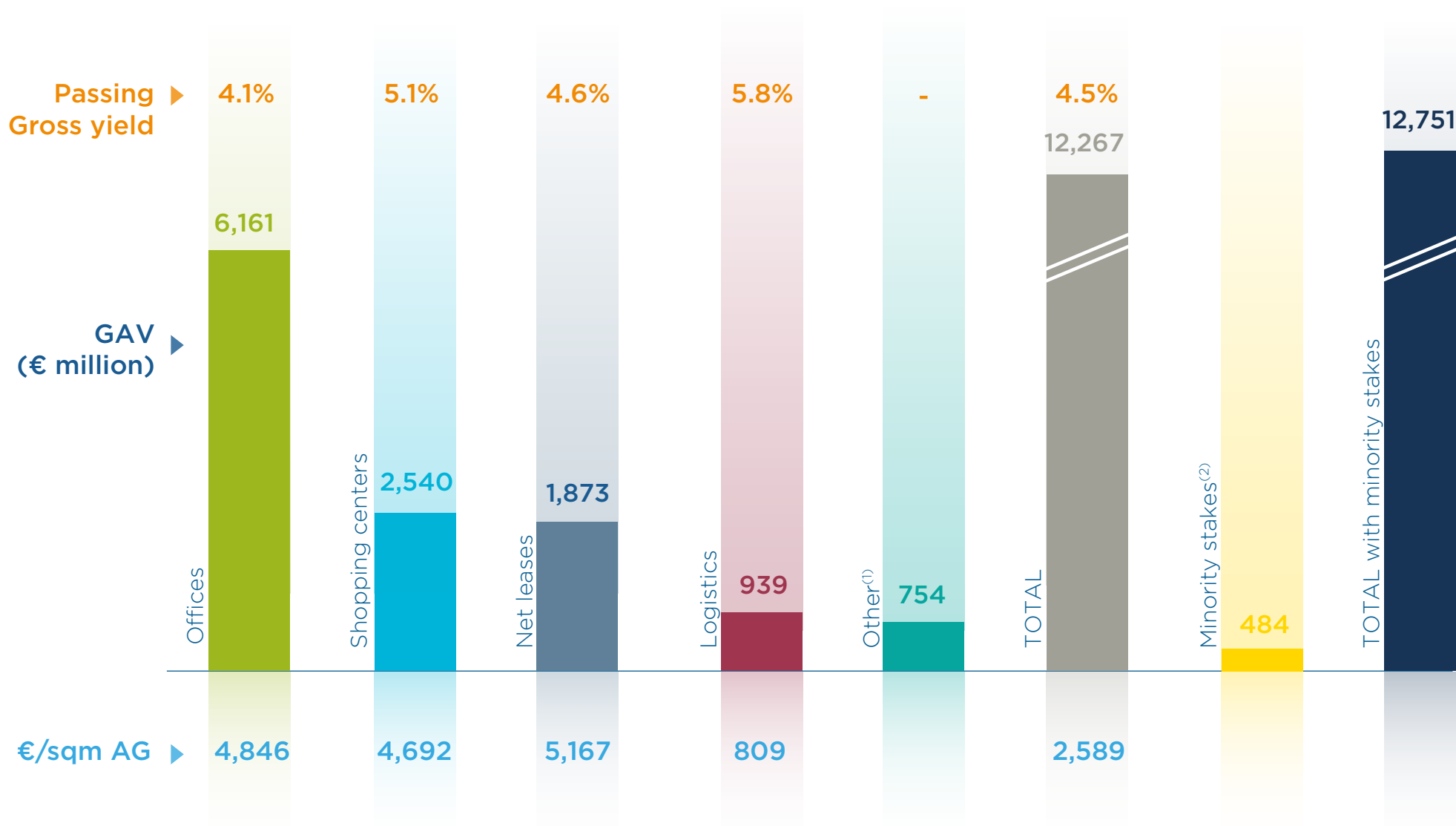
⁽²⁾ After deducting leasehold concession charge



Valuation
and debt
position



Gross asset value exceeding **€ 12.75bn**



Source: Company

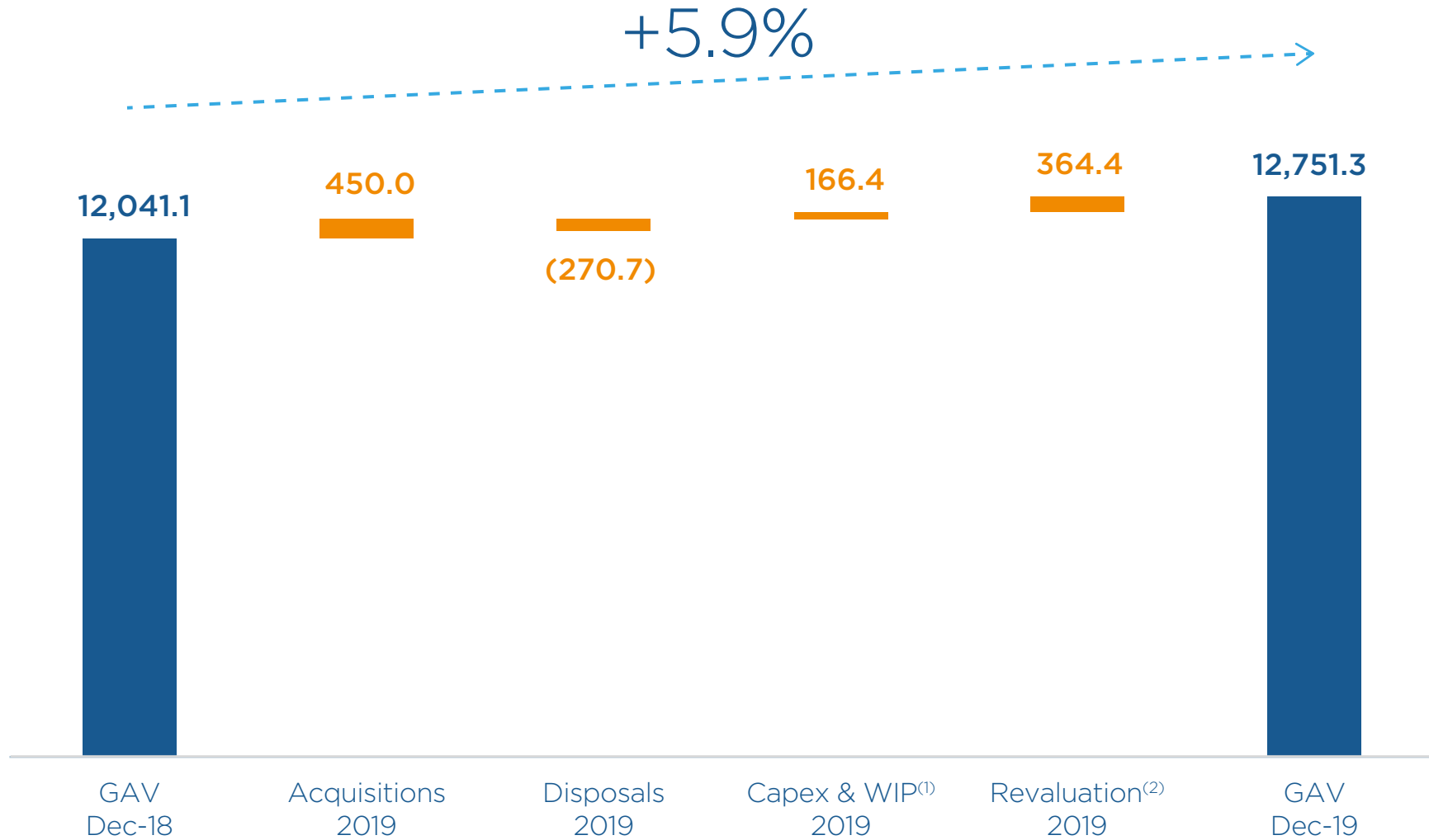
⁽¹⁾ Other includes logistics WIP, Office land for development, non-core land and miscellaneous

⁽²⁾ Including DCN and the DCN loan



Solid revaluation in the year of +5.9% (+3.3% LfL)

(€m)



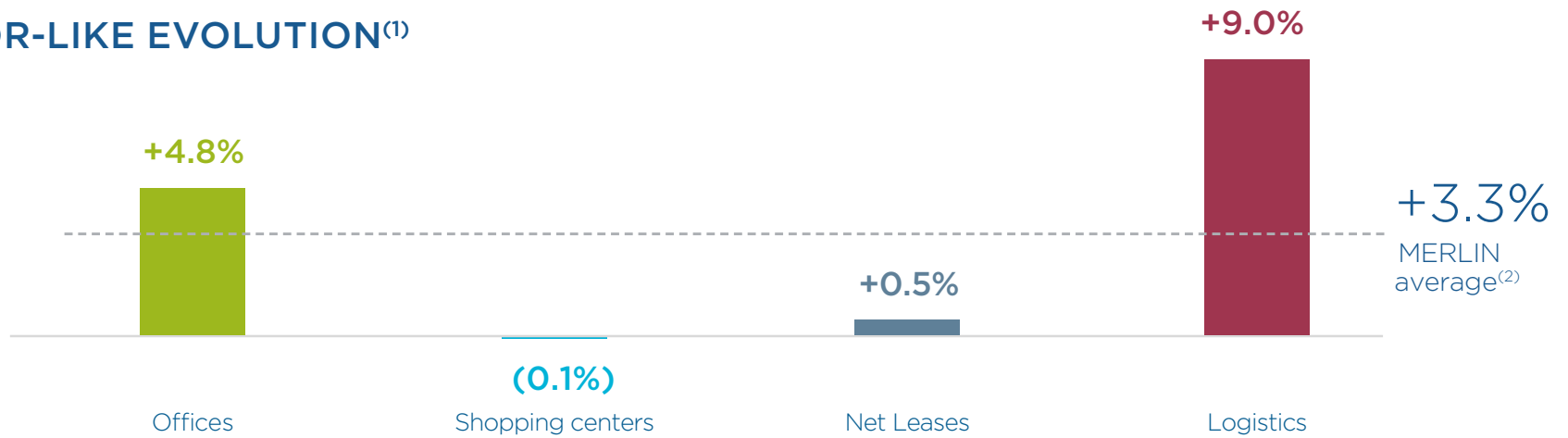
⁽¹⁾ Including acquisition of logistics assets to be developed

⁽²⁾ € 364.4m revaluation 2019 equals € 355.0m P&L revaluation plus € 10.6m equity method revaluation (€ 1.6m off B/S) minus € 1.1m of other adjustments

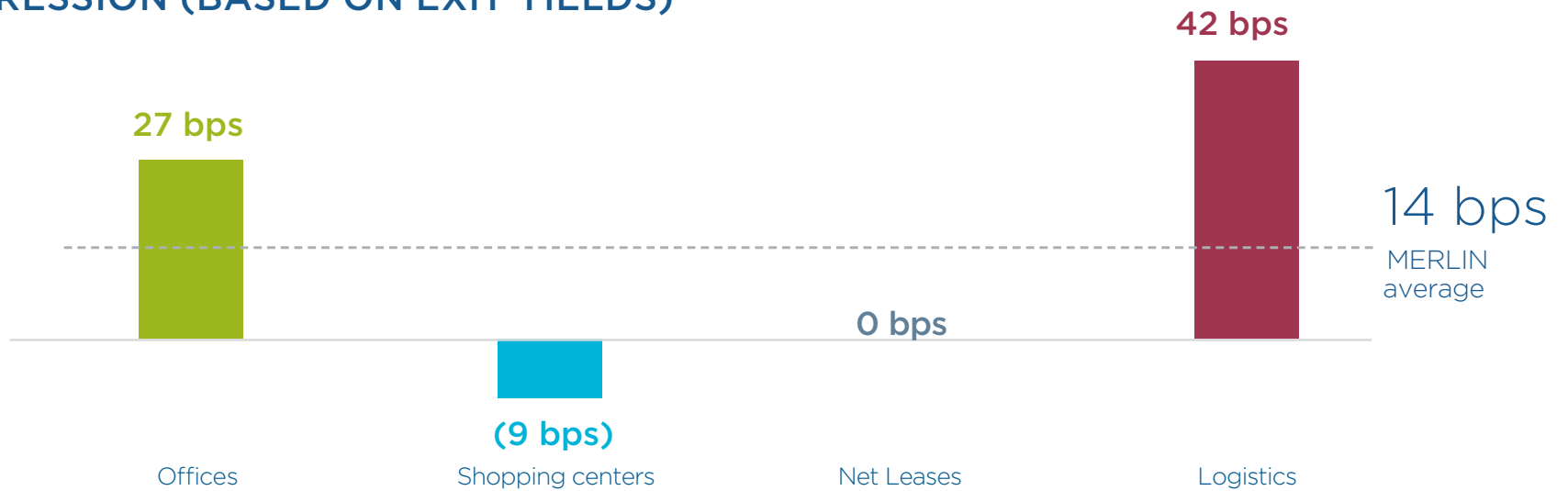


Appraisals reflecting income growth

GAV LIKE-FOR-LIKE EVOLUTION⁽¹⁾



YIELD COMPRESSION (BASED ON EXIT YIELDS)

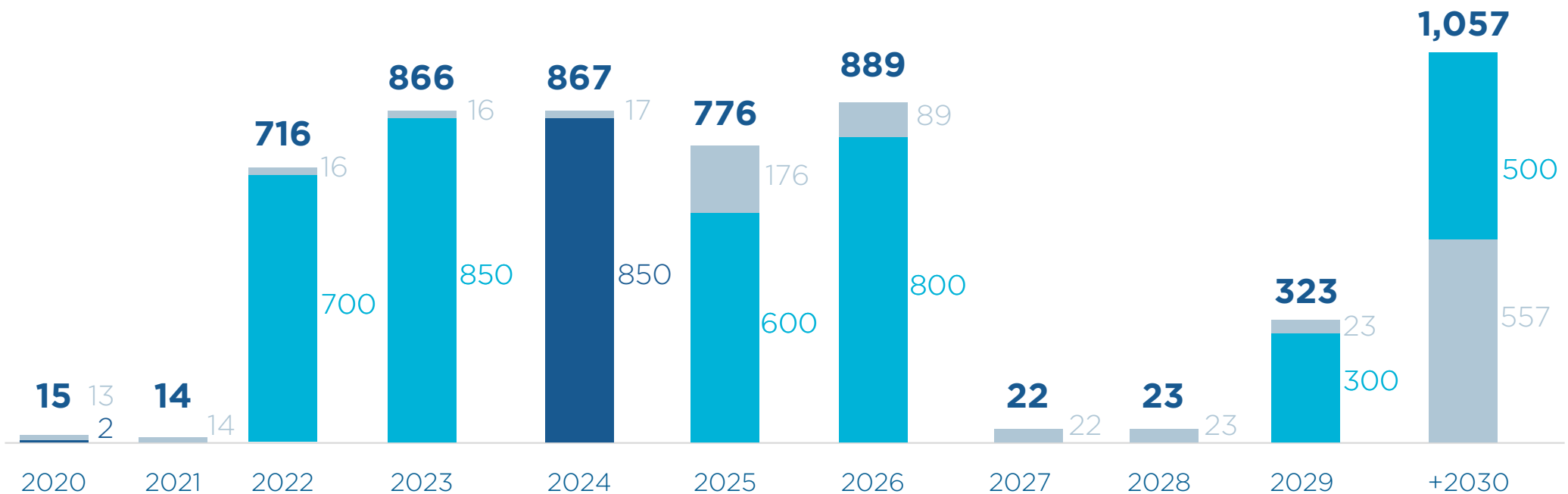


⁽¹⁾ GAV of WIP projects included under offices and logistics for LfL purposes.

⁽²⁾ Including equity method



Intense debt management further softening the maturity profile



● Unsecured loans ● Unsecured bonds ● Secured bank loans



Strengthening of MERLIN's financial profile, while maintaining a low LTV

	31/12/2019	31/12/2018	31/12/2017
Net debt	€ 5,182m ⁽¹⁾	€ 4,902m ⁽¹⁾	€ 4,904m
LTV	40.6% ⁽²⁾	40.7%	43.6%
Average cost (spot)	2.09% (1.79%)	2.13% (1.84%)	2.23%
Average maturity (years)	6.4	5.9	6.1
Unsecured debt/Total debt	82.7%	81.3%	78.5%
Fixed rate debt	99.5%	96.3%	98.6%

Source: Company

⁽¹⁾ Cash balance includes Treasury stock (€ 56.8m) and Juno's receivable (€ 70.0m)

⁽²⁾ Excluding transfer costs. If included LTV would amount to 39.5%



ESG & **Technology**



Remarkable progress in ESG

ESG Benchmarks

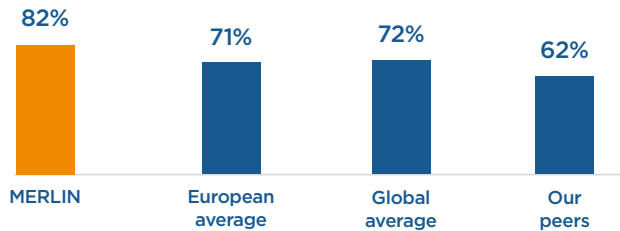
Certifications



MERLIN has obtained an excellent mark in the 2019 edition



Gold since 2017



Accessibility



100%⁽¹⁾

Shopping centers

Efficiency



Target

99% 100% 97%

Actual

75% 77% 66%

Offices Shopping centers Logistics

Social engagement

Direct contributions

• 0.1% of GRI

• 17 foundations

Matching program

• 2x $\left\{ \begin{array}{l} \text{Employee contribution} \\ \text{Volunteering hours} \end{array} \right.$

• 47 foundations

61 foundations⁽²⁾

Quality



>850k sqm certified

Connectivity



Wiredscore kicks-off in Europe with MERLIN

⁽¹⁾ Excluding WIPs and Portugal

⁽²⁾ 3 foundations are benefited both from direct contributions and matching program



MERLIN is focusing its technology efforts through 3 pillars

Deployment in our portfolio

Sensorization



Digitalization

Tenant engagement App



User experience



Mentoring

Proptech challenge



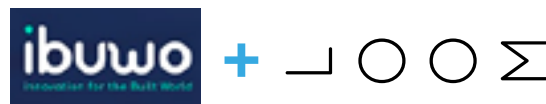
MERLIN teamed up with ISDI and Impact accelerator

The program allowed us to identify Proptech opportunities

Prized proptechs



Proptech Ecosystem



Sponsoring

MERLIN has invested in Fifth Wall, a venture capital proptech fund



Portfolio companies





Value
Creation



Art

- Located in Dom Joao II, main avenue in Parque das Nações in Lisbon
- 3 blocks in “U” shape
- Grade A specifications and 3 metres floor-to-ceiling height
- Fully let to best-in-class companies such as BNP Paribas, Huawei, Sage and DHL
- Strong reversionary potential



TFM

- Located in Dom Joao II, main avenue in Parque das Nações in Lisbon
- Fully let to shared services companies such as Webhelp and Bold International
- Strong reversionary potential



Nestlé HQ

- Located in the highly dynamic “western corridor” (A5 motorway)
- The building is divided into two wings connected by a common hall at the center
- 100% let to Nestle on a long term basis

GLA **22,150 sqm**
 ERV **€ 4.6m**
 Yield on cost **5.4%**
 ERV yield **6.1%**



GLA **7,837 sqm**
 ERV **€ 1.6m**
 Yield on cost **5.7%**
 ERV yield **6.5%**



GLA **12,260 sqm**
 GRI **€ 1.4m**
 Yield on cost **7.0%**





Cabanillas Park I ext.

- Development of 4 logistics modules, adjacent to Cabanillas Park I, with a total GLA of 92,994 sqm
- MERLIN Cabanillas Park I + extension (314,867 sqm GLA) will become the largest logistics park in Madrid
- Delivery in two phases: 2020 and 2021

GLA **92,994 sqm**
 Total investment **€ 56.0m**
 ERV **€ 3.8m**
 Yield on cost **6.9%**



22@ Ferreteria

- Located in 22@ district in Barcelona
- The asset, formerly a hardware store, enjoys a special charm, ideal for coworking
- Cluster of common services and events management together with LOOM Torre Glòries

GLA **2,018 sqm**
 ERV **€ 0.4m**
 ERV yield **6.1%**

Plaza de Cataluña 9⁽¹⁾

- Historical asset designed by the renowned modernist architect Josep Puig i Cadafalch
- Located in Plaza Cataluña, one of the most touristic and emblematic squares in Barcelona
- Spectacular terrace on the top floor

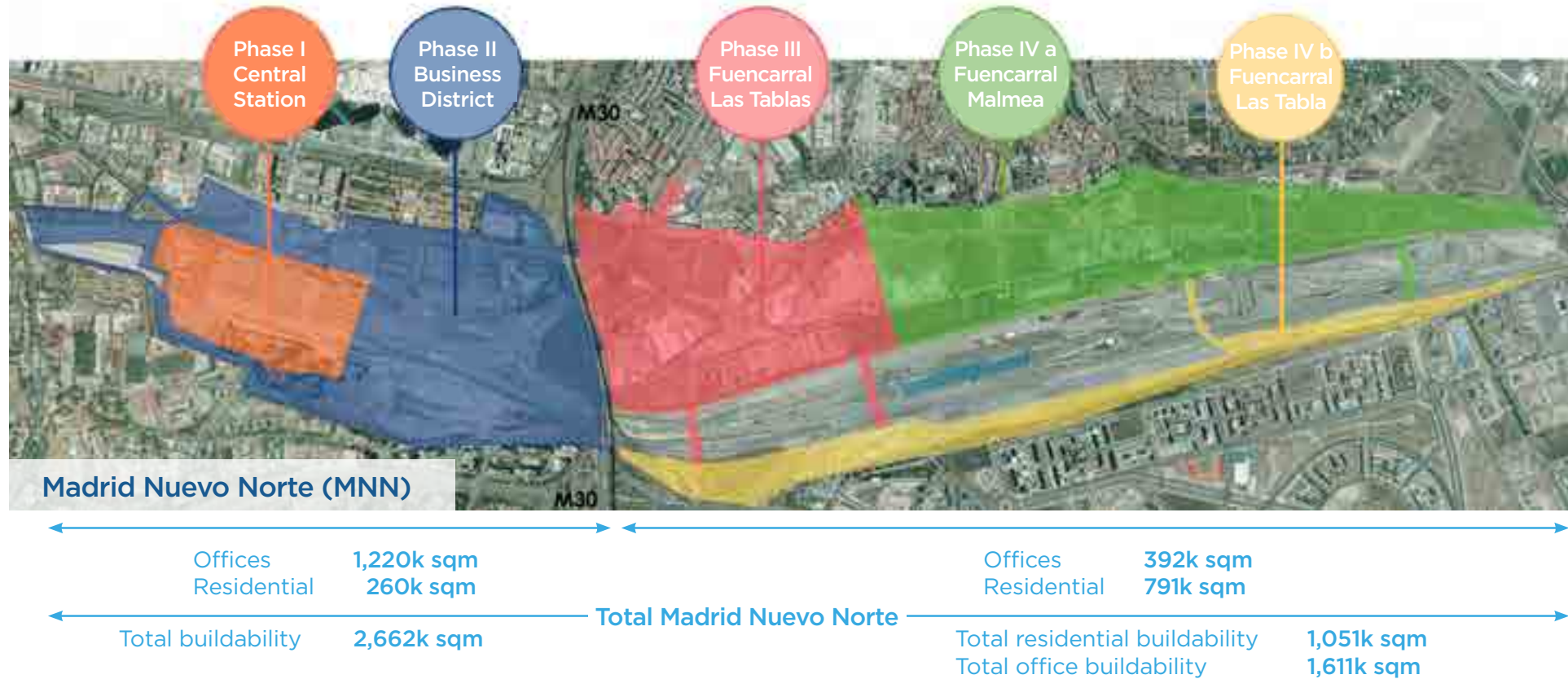
GLA **3,048 sqm**
 ERV **€ 0.8m**
 ERV yield **4.5%**



⁽¹⁾ Transaction closed on January 2020



Acquisition of a **strategic stake** in Distrito Castellana Norte, the **future of Madrid Prime CBD**



The Project

- **Largest development in Europe** with a total investment of € 6bn
- Future **Prime CBD area in Madrid** with second-to-none fast connections by air or train
- Comprises **4 independent phases**, one of which is divided in two sub-projects

Distrito Castellana Norte (DCN)

DCN is the largest owner of the development, with a total buildability of 1.2m sqm, 81% of which has office use and 19% residential

14.46% MERLIN Properties stake



The most ambitious real estate scheme in Europe



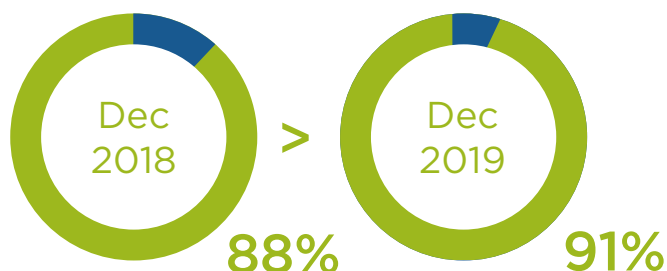


€ 281m of divestments in 2019, at an average premium of 4.3%

Offices

Exposure to Prime CBD + NBA

- Successful sale of a portfolio of **26 office buildings**, totalling **133,218 sqm** and **€ 11.8m** of gross annual rents

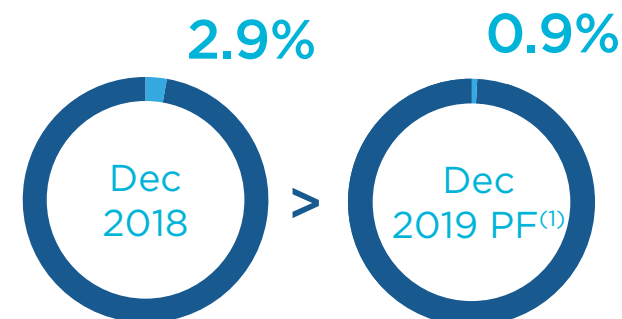
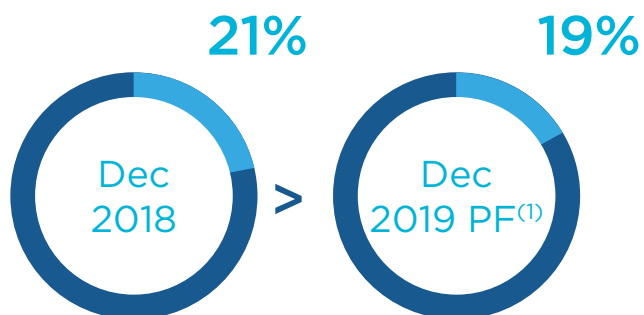


Shopping centers

Exposure to shopping centers

Exposure to secondary retail

- **Contribution of 3 secondary retail assets** (Thader, La Fira and Nassica) in exchange for 34.4% of Silicius, a multi-product vehicle. Executed on a NAV neutral basis
- **€ 175m** of disposal, out of which 50% are accounted for as true sale. The remaining 50% can be exchanged for non-retail assets of Silicius if not bought out within the next 5 years
- **Sale of 2 assets** in Bonaire Retail Park



⁽¹⁾ Pro-forma to exclude Thader, La Fira and Nassica by GAV



Torre Glòries



Torre Chamartín

Returns

- Acquisition € 142.0m
- Capex € 26.7m
- Total investment € 168.7m
- ERV € 11.8m
- Yield on cost 7.0%
(vs 6.5% underwriting)

Tenants

- 100% Let



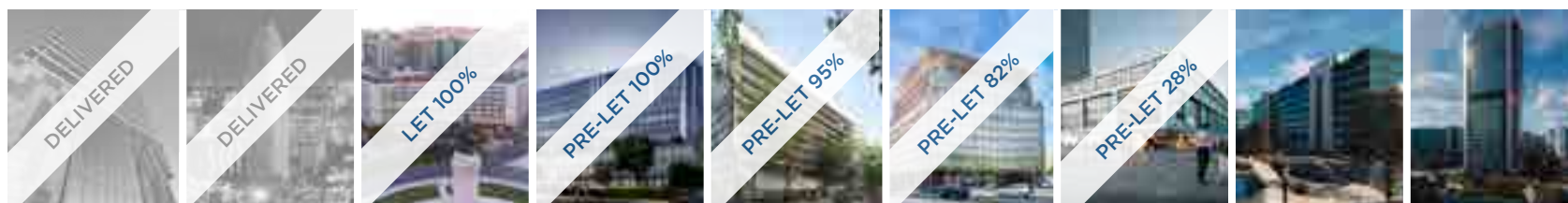
Returns

- Acquisition € 31.2m
- Capex € 38.0m
- Total investment € 69.2m
- ERV € 4.3m
- Yield on cost 6.2%
(vs 6.2% underwriting)

Tenants

- 100% Let





Torre Charmartín

Torre Glòries

Marqués de Pombal 3

Castellana 85

Diagonal 605

Monumental

Plaza Ruiz Picasso

Adequa 4

Adequa 7

	Torre Charmartín	Torre Glòries	Marqués de Pombal 3	Castellana 85	Diagonal 605	Monumental	Plaza Ruiz Picasso	Adequa 4	Adequa 7
GLA (sqm)	18,295	37,614	12,460	15,254	13,244	22,387	31,576	15,793	32,109
Acquisition (€m)	31.2	142.0	-	-	-	-	-	28.2	64.5
Capex (€m)	38.0	26.7	1.6	32.1	8.7	34.8	50.3	16.8	61.5
Rent ▲(€m)	4.3	11.8	0.2	2.6	1.3	3.3	6.3	3.6	8.3
Yield on Cost	6.2%	7.0%	9.4%	8.1%	15.5%	9.4%	12.6%	7.9%	6.6%
Delivery	2019	2019	2020	2020	2020	2021	2022	2022	2022

Total Acquisition
€ 266.0m

Total Capex
€ 270.5m

Total investment
€ 536.4m

Pending Capex
€ 175.5m

Additional Rents
€ 41.7m

Yield on Cost
7.8%

Already captured
€ 4.5m

To come
€ 37.2m



Comercialization status

We have turned the mix upside down: 70% experience / 30% retail

95%
commercialized as of February

Tenants demanding
more space



Climbing
Spanish cup



Harley
gathering



Bowling
Tournament



Spanish
freestyle cup



> 1,500
surfers



> 1.2 million visitors since opening (less than 2 months)



Larios



Tres Aguas

- Total investment **47.3m⁽¹⁾**
- ERV **€ 3.1m**
- Yield on cost **6.6%** (vs 6.4% underwriting)
- **Top-of-mind mall** for retailers in Malaga
- **Full occupancy**
- After reform the center is achieving the **highest footfall** in 6 years

- Total investment **€ 12.1m⁽²⁾**
- ERV **€ 1.4m⁽³⁾**
- Yield on cost **11.2%** (vs 15.1% underwriting)
- **Occupancy gain of + 900 bps** after the refurbishment
- After reform, the center has achieved the **highest sales** in 5 years

- **New tenants⁽³⁾**
21 contracts 15,518 sqm
- **Renewals**
11 contracts 2,885 sqm

- **Anchor tenants are upscaling and upgrading their units**
- **New tenants**



⁽¹⁾ € 19.9m GLA + € 27.5m Capex ⁽²⁾ Only including MRL 50% ⁽³⁾ Or upscaled units



	Larios	Arturo Soria Plaza	X-Madrid	Tres Aguas ⁽¹⁾	El Saler	Porto Pi	Callao 5
GLA (sqm)	41,460	7,054	47,170	67,690	47,471	58,779	11,629
GLA MERLIN (sqm)	37,957	6,069	47,170	33,845	28,861	32,963	11,629
Capex (€m)	Works: 27.5 Ad. GLA: 19.9	5.4	Works: 46.4 Investment: 10.5	12.1 ⁽¹⁾	Works: 24.0 Ad. GLA: 12.0	Works: 26.6 Ad. GLA: 15.2	20.5
Rent ▲(€m)	3.1	0.6	5.2	1.4 ⁽¹⁾	1.9	1.7	3.9
Yield on Cost	6.6%	11.3%	9.1%	11.2%	5.2%	4.2%	18.9%
Delivery	2019	2019	2019	2019	2020	2021	2021

Δ GLA + X-Mad inv.
€ 57.5m

Total Capex
€ 162.6m

Total investment
€ 220.1m

Pending Capex
€ 86.0m

Additional Rents
€ 17.7m

Yield on Cost
8.1%



⁽¹⁾ Only including MRL 50%

⁽²⁾ Equity method investments are not included in the GRI



Madrid
Pinto II B⁽¹⁾

Guadalajara
Cabanillas III

Toledo
Seseña

Guadalajara
Cabanillas F

Madrid
San Fernando II

Guadalajara
Azuqueca III

Guadalajara
Cabanillas
Park I extension

Guadalajara
Azuqueca II

Guadalajara
Cabanillas
Park II

GLA (sqm) 29,473 21,879 28,731 20,723 34,224 51,000 92,994 98,757 210,678

Capex (€m) 13.7 11.8 15.5 10.8 21.7 30.1 56.0 54.7 114.2

ERV (€m) 1.2 0.9 1.2 0.9 1.9 2.3 3.8 4.4 9.2

ERV YoC 8.6% 7.8% 7.7% 7.9% 8.9% 7.7% 6.8% 8.1% 8.1%

Delivery 2019 2019 2019 2019 2020 2020 2020/2021 2021 2021

GLA
588k sqm

Total investment
€ 328.4m

Pending Capex
€ 193.4m

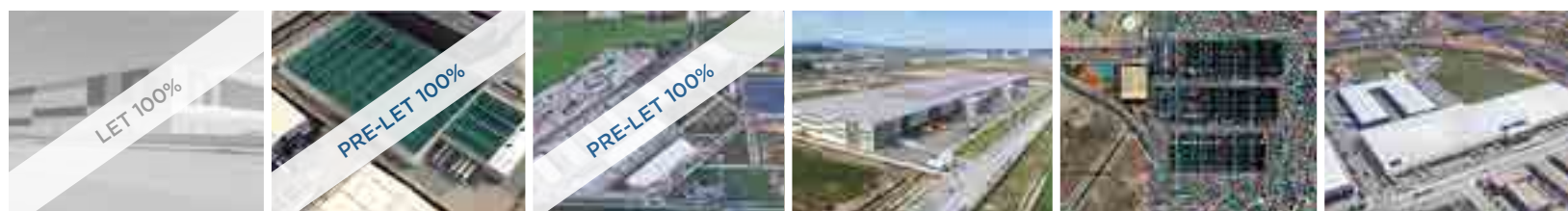


Yield on Cost
7.9%

⁽¹⁾ 2nd phase of Pinto II only



Launch of Best III to expand footprint to other areas of the Iberian Peninsula



Valencia
Ribarroja

Zaragoza
Plaza II

Sevilla⁽²⁾
ZAL WIP

Lisbon
Park

Madrid
San Fernando III

Valencia

GLA (sqm)	34,992	11,421	42,632	224,864	98,942	96,572
Capex (€m)	26.3	7.1	24.4	147.6	54.9	56.2
ERV (€m)	1.9	0.5	2.0	10.5	5.1	4.4
ERV YoC	7.2%	7.2%	8.4%	7.1%	9.3%	7.8%
Delivery	2019	2020	2019/2020	2020/2023	2022/2023	2022/2023

GLA
509k sqm

Total investment
€ 317m⁽¹⁾

Pending Capex
€ 261.2m



Yield on Cost
7.7%

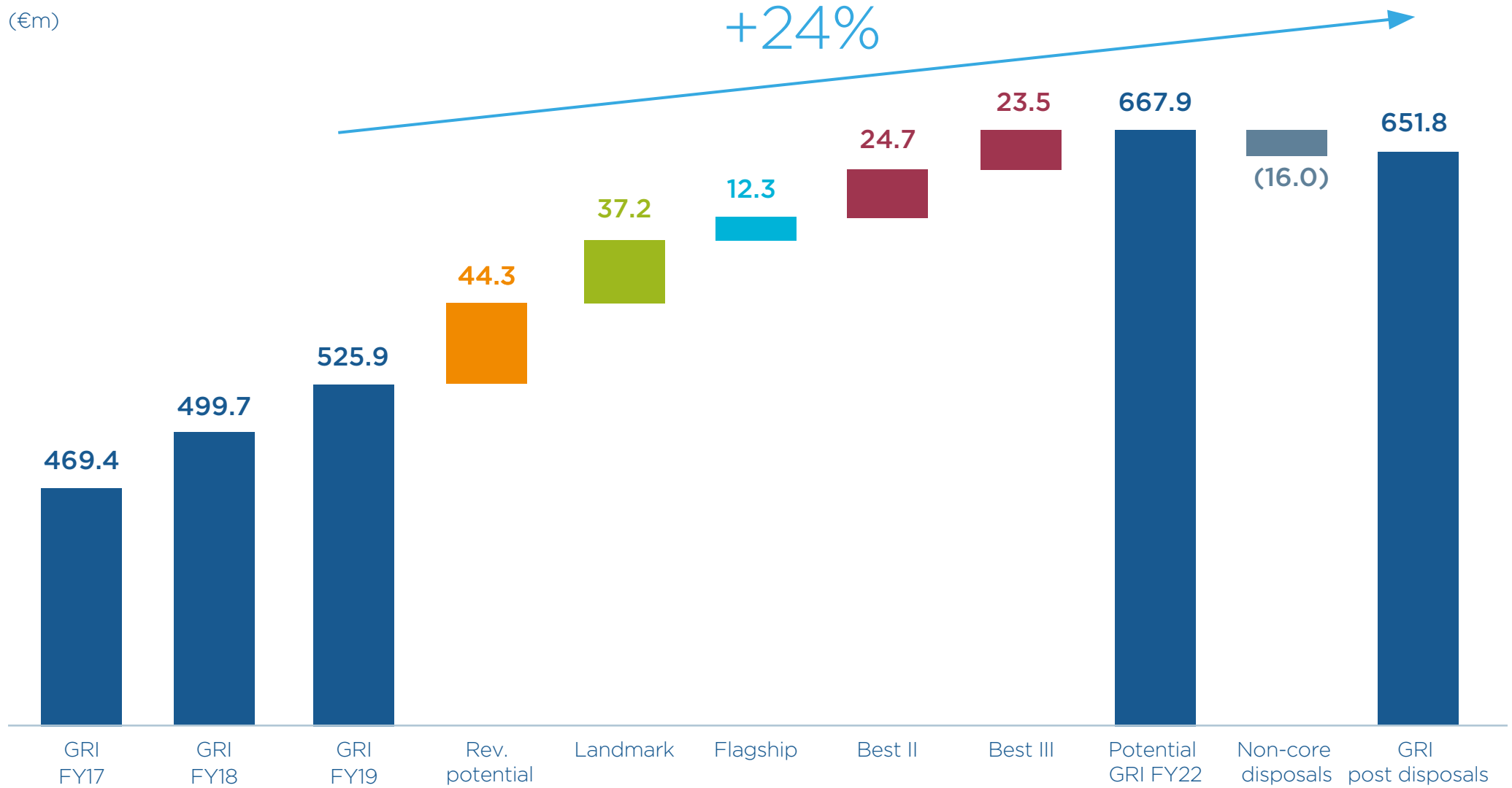
⁽¹⁾ € 163m total investment until 2022
⁽²⁾ 8.798 sqm already delivered to Amazon



Attractive growth profile with high degree of lets and pre-lets

(€m)

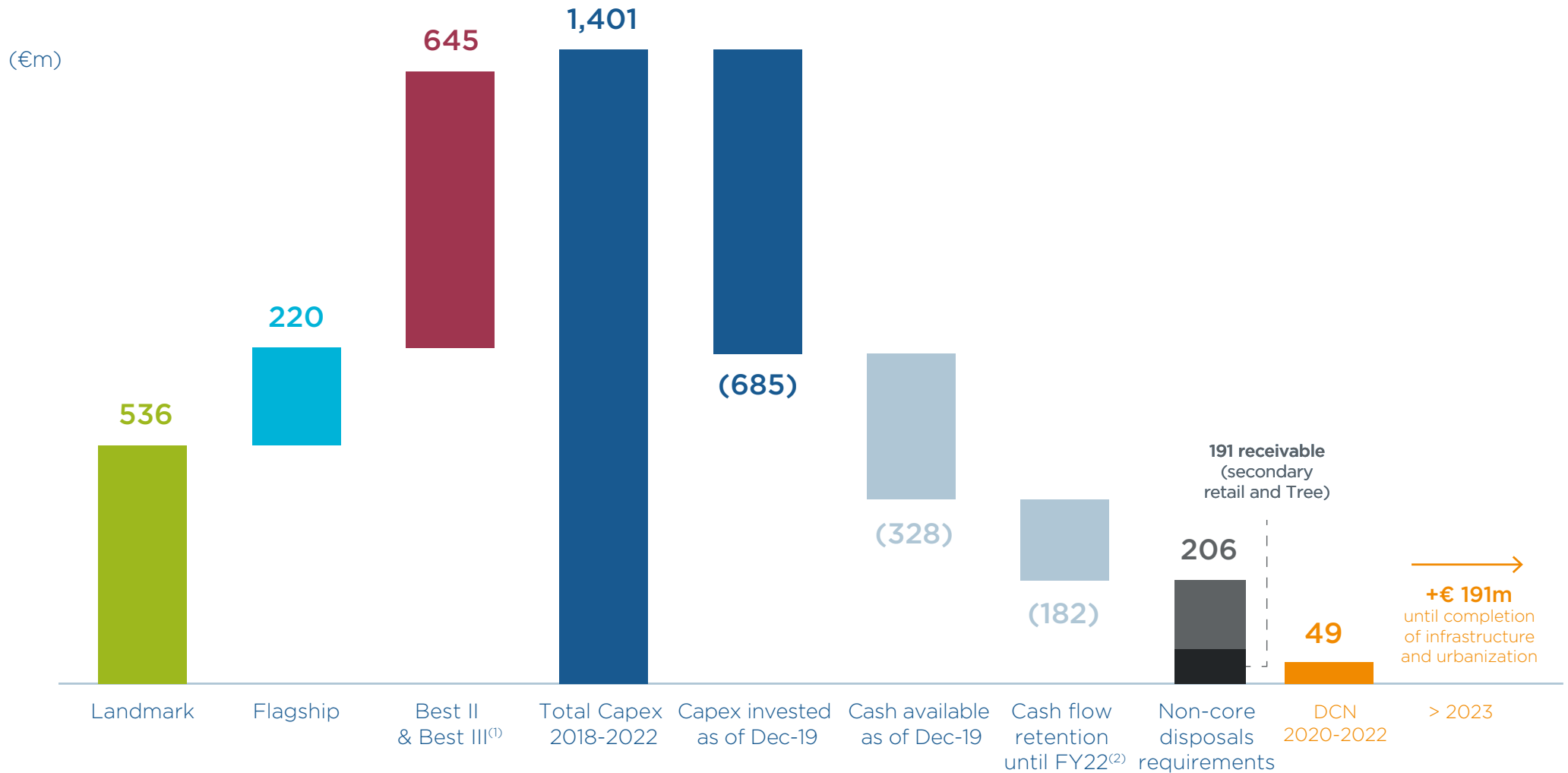
+24%





Capex program now self-funded

Cash from further non-core disposals to be used mainly for DCN and debt repayment



⁽¹⁾ Includes € 154m investments post 2022 (San Fernando III, Lisbon Park and Valencia)

⁽²⁾ 3 years cash retention based on 20% of FY19 AFFO



Outlook
2020



Execution of Capex plans translate into a net loss of FFO of approximately € 19.1m in 2020

	Assets	FFO increase	FFO decrease
Acquisitions 2019	<ul style="list-style-type: none"> • Art • TFM • Nestlé • Valencia Ribarroja 	+€ 1.5m	
Disposals 2019	<ul style="list-style-type: none"> • Juno portfolio + other • 3 secondary retail assets • Other 		(€ 11.9m)
Assets taken out from inventory	<ul style="list-style-type: none"> • Castellana 85 • Monumental • Plaza Ruiz Picasso 		(€ 13.0m)
Assets added-back to inventory	<ul style="list-style-type: none"> • Torre Glòries • Torre Chamartín • Toledo-Seseña-Madrid • X-Madrid 	+€ 4.3m	
Temporary net effect			(€ 19.1m)

FFO Guidance
€ 0.65 per share

AFFO Guidance
€ 0.62 per share

DPS
€ 0.52 per share
 € 0.50 from AFFO. € 0.02 from disposals

A photograph of a modern, multi-story glass skyscraper under a clear blue sky. The building features a prominent glass facade with dark metal framing and balconies. In the foreground, there is a landscaped area with greenery and a wooden bench. A white geometric overlay, consisting of several overlapping triangles, is positioned on the right side of the image. The text "Closing remarks" is centered within this overlay in a blue, sans-serif font.

Closing
remarks



Performance

- Remarkable year in cash flow generation, with **FFO per share growing +9.2% YoY**
- **Offices. Outstanding increase both in rents (+7.3% LfL) and occupancy (+264 bps)**
- **Shopping centers proving its resilience**, with tenant sales rising and good business behaviour
- **Logistics** continue showing **strong momentum**

Value creation

- **Landmark/Flagship/Best II & III.** Substantial deliveries in 2019, all of them at very compelling returns
- Active management of capital recycling resulting in **enhanced quality of offices and retail portfolios**, as well as strategic stake in the most ambitious real estate scheme in Europe
- **+24% growth potential in rents**, with lower risk of execution at this point

Outlook 2020

- **Positive market backdrop** underpinning fundamentals in all asset categories
- **FFO guidance of € 0.65 per share.** Temporary loss of **FFO** due to buildings vacated for the execution of works
- DPS guidance of **€ 0.52**



MERLIN

PROPERTIES

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