

**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

- (i) MERLIN will hold a conference call with analysts and institutional investors on Friday, July 28<sup>th</sup>, 2023, at 3 p.m. Madrid/CET time, which can be followed online, through audio conference, with the following links:

Webcast: <https://streamstudio.world-television.com/1364-2525-36659/en>

Dial-in: <https://aiti.capitalaudiohub.com/merlin/reg.html>

Madrid, July 27<sup>th</sup> 2023

## Excellent first half for MERLIN Properties, with solid operating fundamentals

- Gross rents: € 237.8 million (+6.9% YoY)
- EBITDA: € 181.7 million (+9.6% YoY)
- Operating profit (FFO): € 147.4 million (+16.7% YoY PF)
- Net asset value per share: € 15.36 (-2.0% vs. FY22)
- Net earnings after valuation adjustments: -€47.5 million

- Operating profit (FFO) exceeds €147 million (€31 cents per share). We revise upward our FFO estimate for 2023 from €0.58 to €0.60 per share
- Healthy growth in all key financial and operating metrics such as occupancy (94.9% +12 bps vs. 3M23), like-for-like rents (+7.7% vs. 6M22) and FFO (+16.7% vs. 6M22 PF excluding Tree)
- The company continues to absorb the drop in asset valuations stemming from the new interest rate scenario (-1.4% LfL vs 2022), with a +28 bps six-month cap rate expansion adding to the +44 bps in 2022, for a total of +72 bps year to date
- Net asset value according to EPRA recommendations (EPRA NTA) stands at €15.36 per share, after deducting €24 cents of dividend paid in the second quarter

**Madrid, 27<sup>th</sup> July** – MERLIN Properties has reported 6M23 results, with total revenues of €243.4 million (including gross rents of €237.8 million), EBITDA of €181.7 million, FFO of €147.4 million (€31 cents per share) and negative net earnings of €47.5 million due to the valuation adjustment of its assets.

Gross asset value (GAV) of the portfolio amounts to €11,301 million, with a slight decrease on a like-for-like basis (-1.4%). Net asset value amounted to €7,216 million (€15.36 per share), down 2.0% compared to December 2022.

The loan to value ("LTV") remains low, at 33.9%, with a liquidity position of €1 billion. Furthermore, 98% of the debt is fixed rate and the average maturity is 5.3 years.

Offices

- [Business performance](#)

Good performance of the office portfolio, highlighting the significant increase in LfL rents (+7.5%), the release spread (+3.2%) and occupancy, which stood at 92.3% (+192 bps recovery since 6M22).

- [Landmark Plan](#)

Works in Plaza Ruiz Picasso are progressing well, with the asset entering the final phase of construction and almost fully pre-let to prime tenants.

### Logistics

- [Business performance](#)

Good organic growth (+4.3% LfL), with a release spread of +9.3% and very high occupancy (96.4%) at the end of the first half.

- [Best Plan II & III](#)

Strong demand for the WIP portfolio, with plans to start developing 160,000 sqm with HoTs already agreed.

### Shopping Centers

- [Business performance](#)

Good operating performance, with LfL rents of 10.5%, release spread of +10.0%, occupancy at all-time highs of 96.4%, and OCR decreasing and remaining at very low and sustainable levels (11.7%). Continued recovery in footfall and sales with increases of 0.9% and 13.8%, respectively, in 6M23 vs. the same period in 2019.

### Mega Plan (Data Centers)

Works are entering the final phase and the three assets are expected to be delivered by September 30<sup>th</sup>. Strong demand in terms of commercialization, having launched equipment orders to increase from 9 MW to 15 MW.

### Portfolio valuation

The Gross Asset Value (GAV) of MERLIN amounts to €11,301 million as of June 30<sup>th</sup>, 2023, according to valuations carried out by Savills, CBRE and JLL, which represents a decrease in comparable terms (-1.4%) to December 2022. By asset category, the logistics portfolio stands out (+4.1%) due to revaluation of developments. Offices and shopping centers fall -2.5% and -2.9% respectively. Net asset value amounted to €7,216 million, equivalent to €15.36 EPRA NTA per share.

As part of its non-core asset disposal policy, MERLIN has divested €31.6 million, including two retail assets and an industrial warehouse.

## About MERLIN Properties

MERLIN Properties SOCIMI, S.A. (MC:MRL) is the largest real estate company trading on the Spanish Stock Exchange. 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 and DJSI.

Please visit [www.merlinproperties.com](http://www.merlinproperties.com) to learn more about the company.

For further information please contact:

Nuria Salas, [nsalas@tinkle.es](mailto:nsalas@tinkle.es), +34 629 56 84 71

Sarah Estébanez, [sestebanez@tinkle.es](mailto:sestebanez@tinkle.es), +34 636 62 80 41



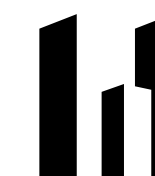
# 6M23 RESULTS PRESENTATION

28 JULY 2023



## DISCLAIMER

---



This presentation has been prepared by MERLIN 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. The information contained in this document is subject to change, verification and completion 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 affiliates, advisors or agents expressly disclaims any and all liabilities which may be based on this document, the information contained or referred to therein, any errors therein or omissions therefrom. 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. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this presentation. Additionally, certain information contained herein may be based on management accounts and estimates of the Company and may have not been audited or reviewed by the Company’s auditors. Recipients should not place undue reliance on this information. The financial information included herein may have not been reviewed for accuracy or completeness and, as such, should not be relied upon.

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.

The distribution of this presentation in some jurisdictions may also be restricted by law and persons into whose possession this presentation comes should inform themselves about and observe any such restrictions. The securities of the Company have not been and, should there be an

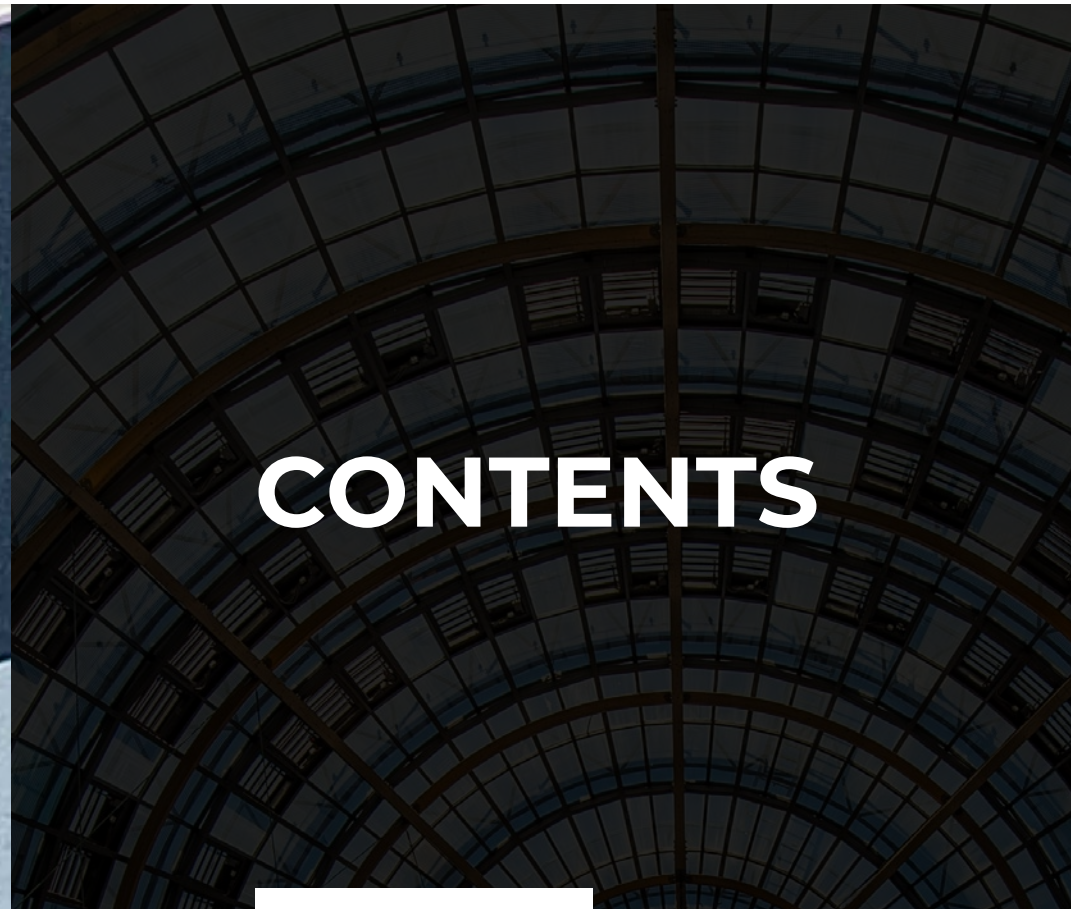
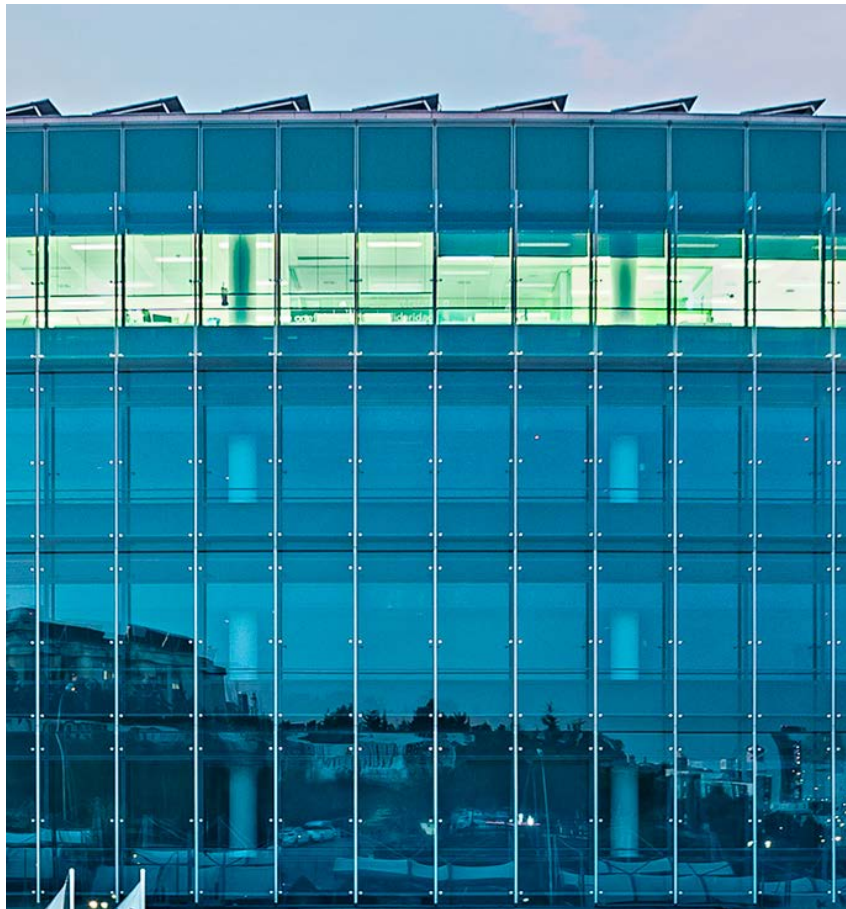
offering, will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”). Such securities may not be offered or sold in the United States except on a limited basis, if at all, to Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act) in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act. 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 NOR SHALL IT OR ANY PART OF IT FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH ANY CONTRACT OR COMMITMENT TO PURCHASE SHARES. ANY DECISION TO PURCHASE SHARES IN ANY OFFERING SHOULD BE MADE SOLELY ON THE BASIS OF PUBLICLY AVAILABLE INFORMATION ON THE COMPANY.

This presentation may include forward-looking statements. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of the Company are 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.



# CONTENTS



**ISMAEL CLEMENTE**  
CEO

**MIGUEL OLLERO**  
COO

- 6M23 Financial results
- Offices
- Logistics
- Shopping centers
- Valuation and debt position
- Sustainability
- Value creation
- Digital Infrastructure Plan
- Outlook 2023
- Closing remarks



### Operating performance

- **Strong operating performance in all three asset classes** with outstanding LfL rental growth (+7.7%) and occupancy at 94.9% (+12 bps vs. 3M23)
- **Offices** resiliently performing despite fears: +7.5% LfL rental increase, +3.2% release spread and 92.3% occupancy
- **Good dynamics in logistics** with +4.3 LfL growth, +9.3% release spread and 96.4% occupancy
- Excellent operating results in **retail**, with +10.5% LfL growth, +10.0% release spread and occupancy at record levels (96.4%)

### Financial performance

- **€ 0.31 FFO per share**, +16.7% increase PF excluding Tree
- **Slight decline in valuation across the portfolio (-1.4%)**, taking on a significant **yield expansion (28 bps)**
- Strong financial situation: low LTV, 98% interest rate fixed, no debt maturities until May 2025 and € 1.0 bn liquidity

### Value creation

- **€ 31.6m non-core disposals** including 2 shopping centers and 1 industrial asset
- **Landmark Plan:** Plaza Ruiz Picasso nearing completion and virtually fully let at prime rents
- **Mega Plan:** Delivery of the three data centers expected in September. Early access of anchor tenant in Madrid and Barcelona before end of August





# 6M23 FINANCIAL RESULTS

## 6M23 Financial results



### FFO AT € 0.31 PER SHARE

| (€ million)                  | 6M23         | 6M22         | YoY            |
|------------------------------|--------------|--------------|----------------|
| Gross rents                  | 237.8        | 222.6        | +6.9%          |
| Gross rents after incentives | <b>222.4</b> | <b>209.3</b> | <b>+6.3%</b>   |
| Net rents <sup>(1)</sup>     | 201.1        | 186.4        | +7.9%          |
| EBITDA <sup>(2)</sup>        | 181.7        | 165.8        | +9.6%          |
| Margin                       | 76.4%        | 74.5%        |                |
| FFO <sup>(3)</sup>           | <b>147.4</b> | <b>157.5</b> | <b>(6.4%)</b>  |
| Margin                       | 62.0%        | 70.7%        |                |
| AFFO                         | 140.8        | 152.8        | (7.8%)         |
| IFRS net profit              | (47.5)       | 491.6        | n.m.           |
| EPRA NTA                     | 7,215.6      | 8,034.5      | (10.2%)        |
| (€ per share)                |              |              |                |
| FFO                          | <b>0.31</b>  | <b>0.34</b>  | <b>(6.4%)</b>  |
| AFFO                         | 0.30         | 0.33         | (7.8%)         |
| EPS                          | (0.10)       | 1.05         | n.m.           |
| EPRA NTA                     | <b>15.36</b> | <b>17.10</b> | <b>(10.2%)</b> |

<sup>(1)</sup> Net of incentives

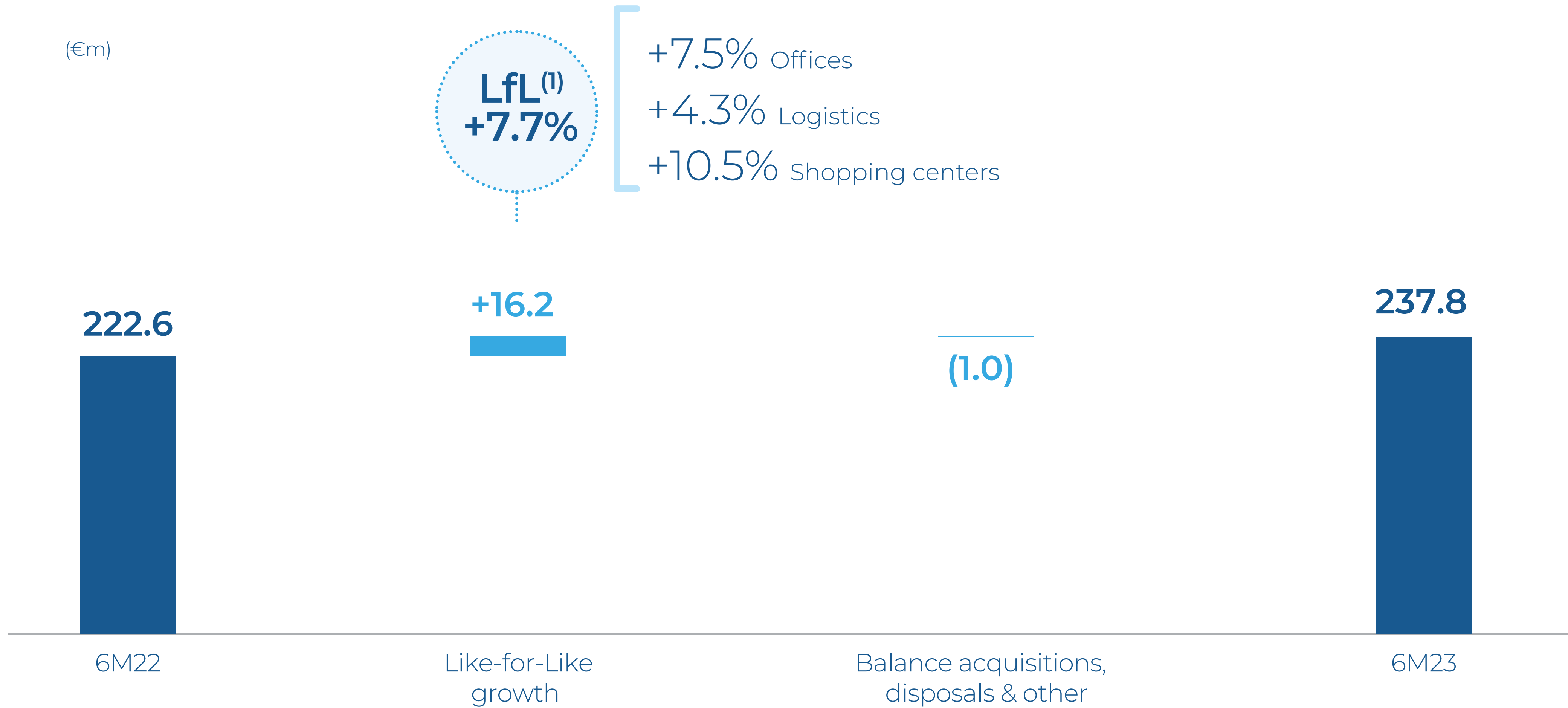
<sup>(2)</sup> Excludes non-overhead costs items (€ 0.6m) plus LTIP accrual (€ 1.4m)

<sup>(3)</sup> FFO equals EBITDA less net interest payments, less minorities, less recurring income taxes plus share in earnings of equity method

APM: definitions and reconciliation of APMs to the latest audited financial accounts can be found on page 53 of <https://ir.merlinproperties.com/wp-content/uploads/2023/07/Results-report-6M23.pdf>



OUTSTANDING LFL GROWTH IN THE PERIOD (+7.7%)

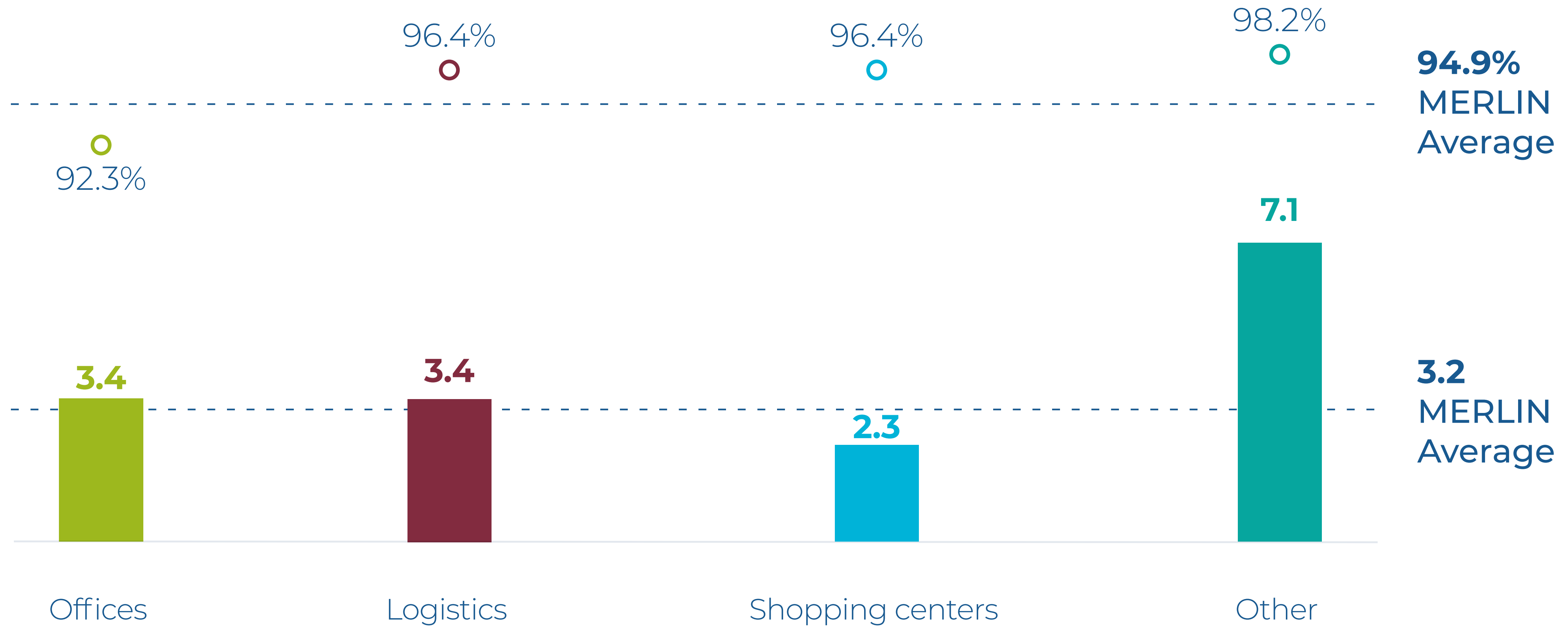


<sup>(1)</sup> Portfolio in operation for 6M22 (€ 210.3m of GRI) and for 6M23 (€ 226.5m of GRI)



OVERALL OCCUPANCY +12 BPS VS 3M23

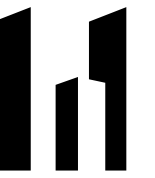
Occupancy and WAULT to first break per asset type<sup>(1)</sup>



<sup>(1)</sup> WAULT by rents means the weighted average unexpired lease term to first break, calculated as of 30<sup>th</sup> June 2023

A photograph of a modern, multi-story office building with a glass facade. The building is viewed from a low angle, showing its upper floors and balconies. In the foreground, there is a paved walkway and a fence made of vertical metal posts. A dark, semi-transparent rectangular box is overlaid on the center of the image, containing the word "OFFICES" in white, bold, uppercase letters. The sky is clear and blue.

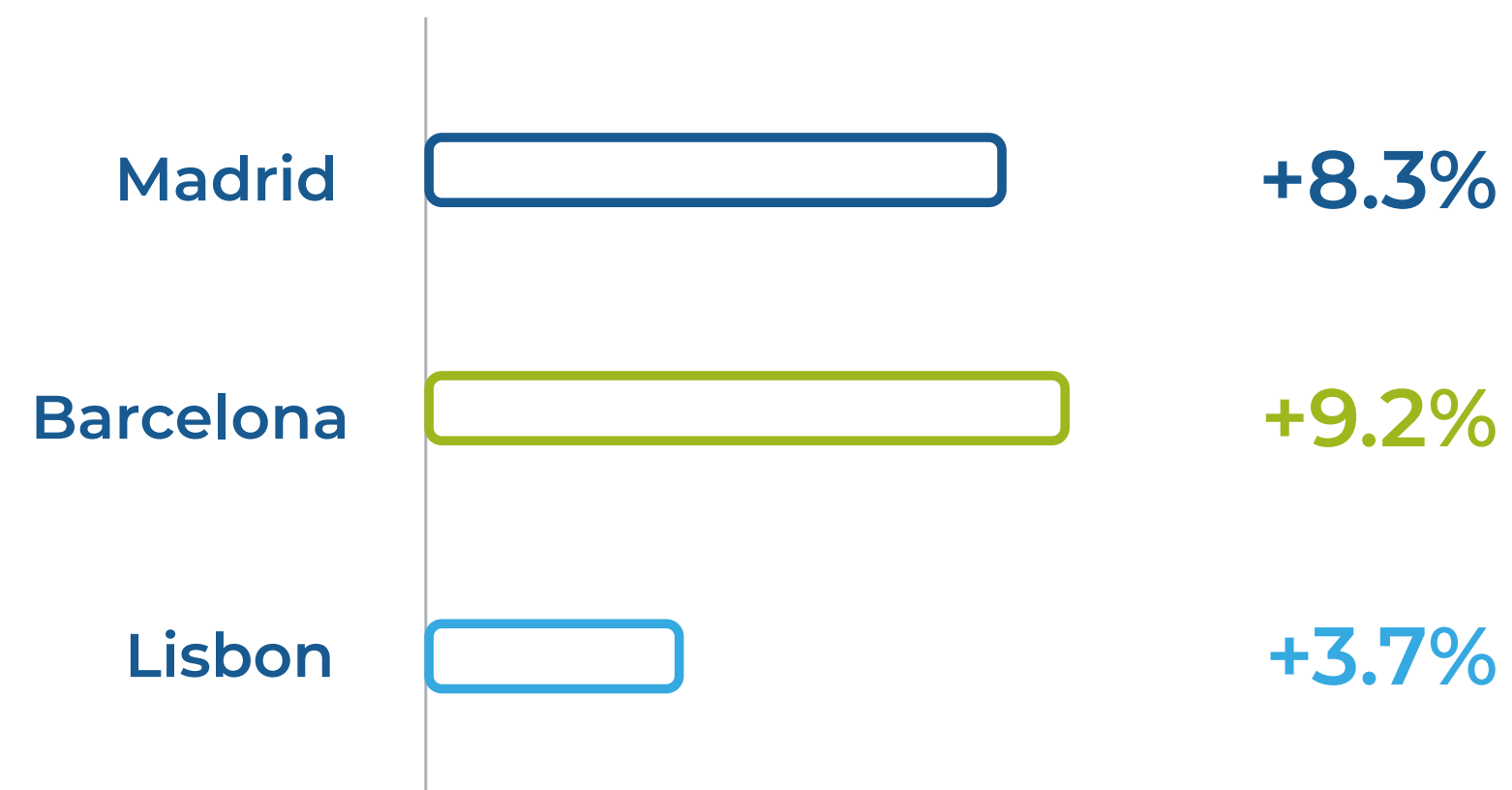
# OFFICES



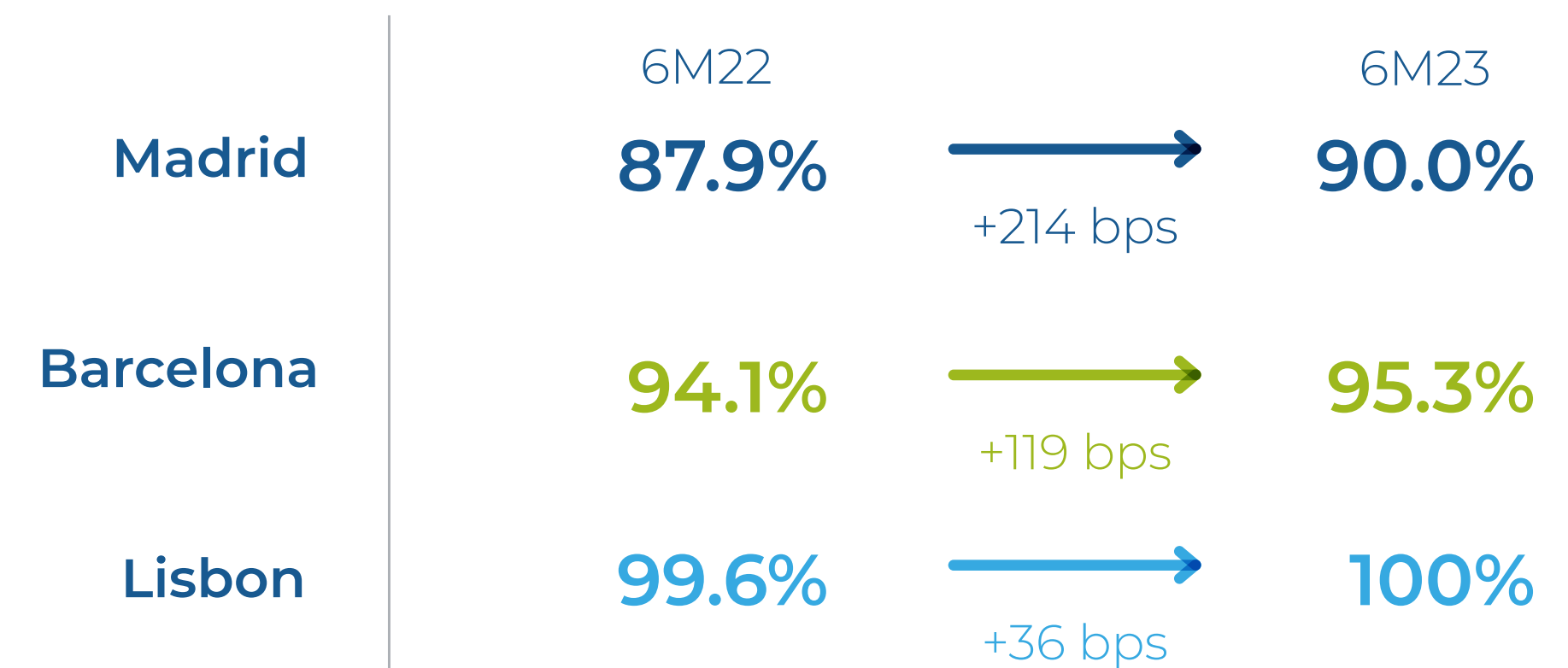
LFL RENT INCREASE (+7.5%) AND RELEASE SPREAD (+3.2%) VS 6M22



LfL growth by area

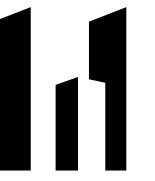


Occupancy by area



<sup>(1)</sup> Portfolio in operation for 6M22 (€ 114.1m of GRI) and for 6M23 (€ 122.6m of GRI)





1 NEW SPACE OPENED IN THE PERIOD AND 1 MORE TO COME BEFORE YEAR-END

KPIs

: 26,748 sqm

: 2,711 desks

: 85% occupancy

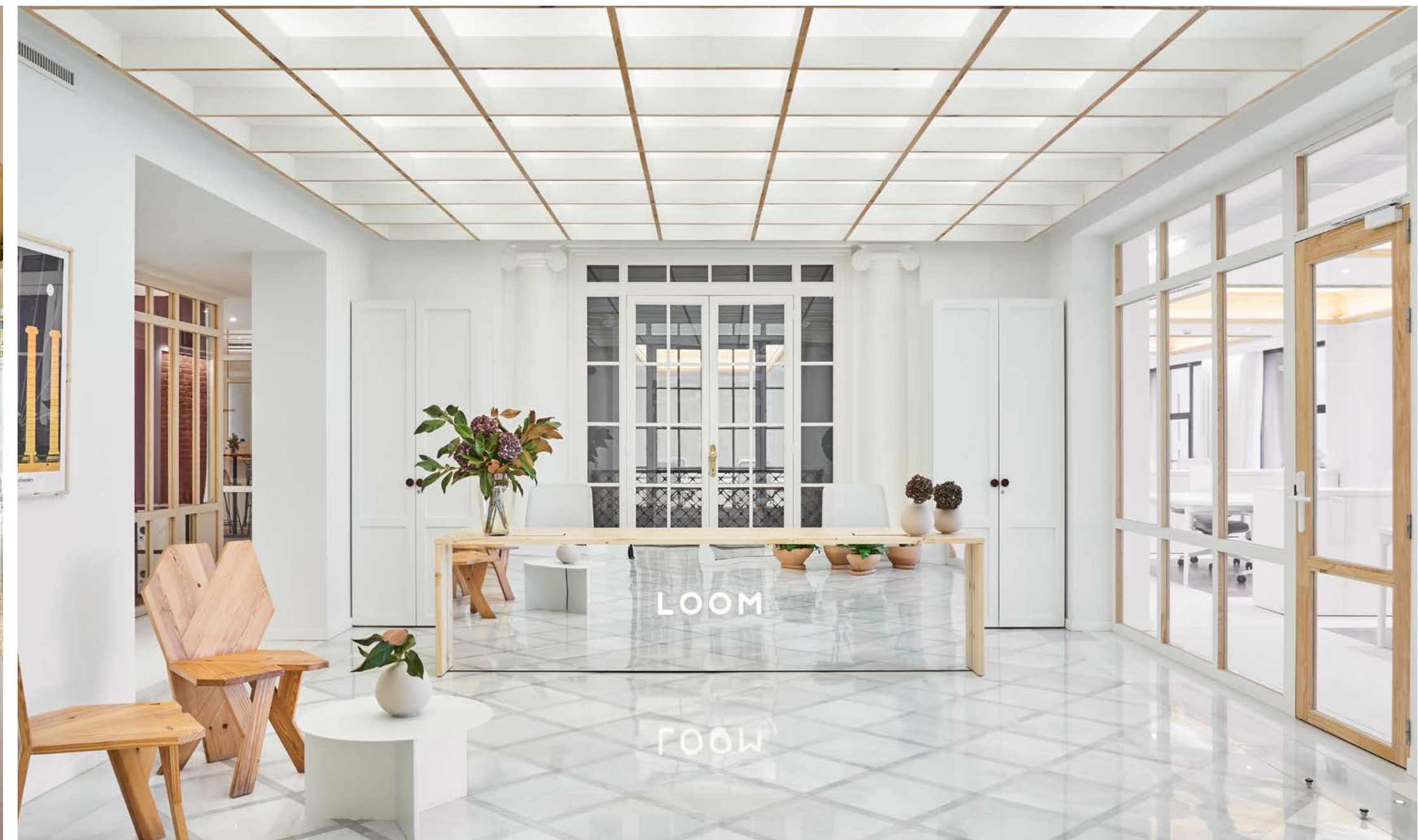
: 12 spaces

: € 380 ADR<sup>(1)</sup>

New openings 2023



**C85.** 196 desks



**Pza. Cataluña.** 80 desks (extension)

<sup>(1)</sup> ADR: Average monthly desk rate



A

LOGISTICS

007

008

009

010

011

012

013

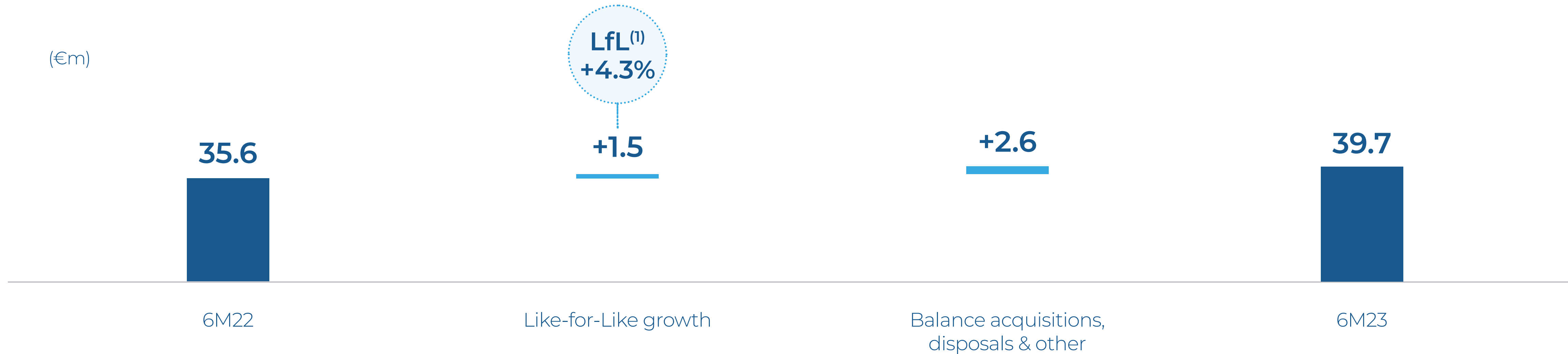
014

015

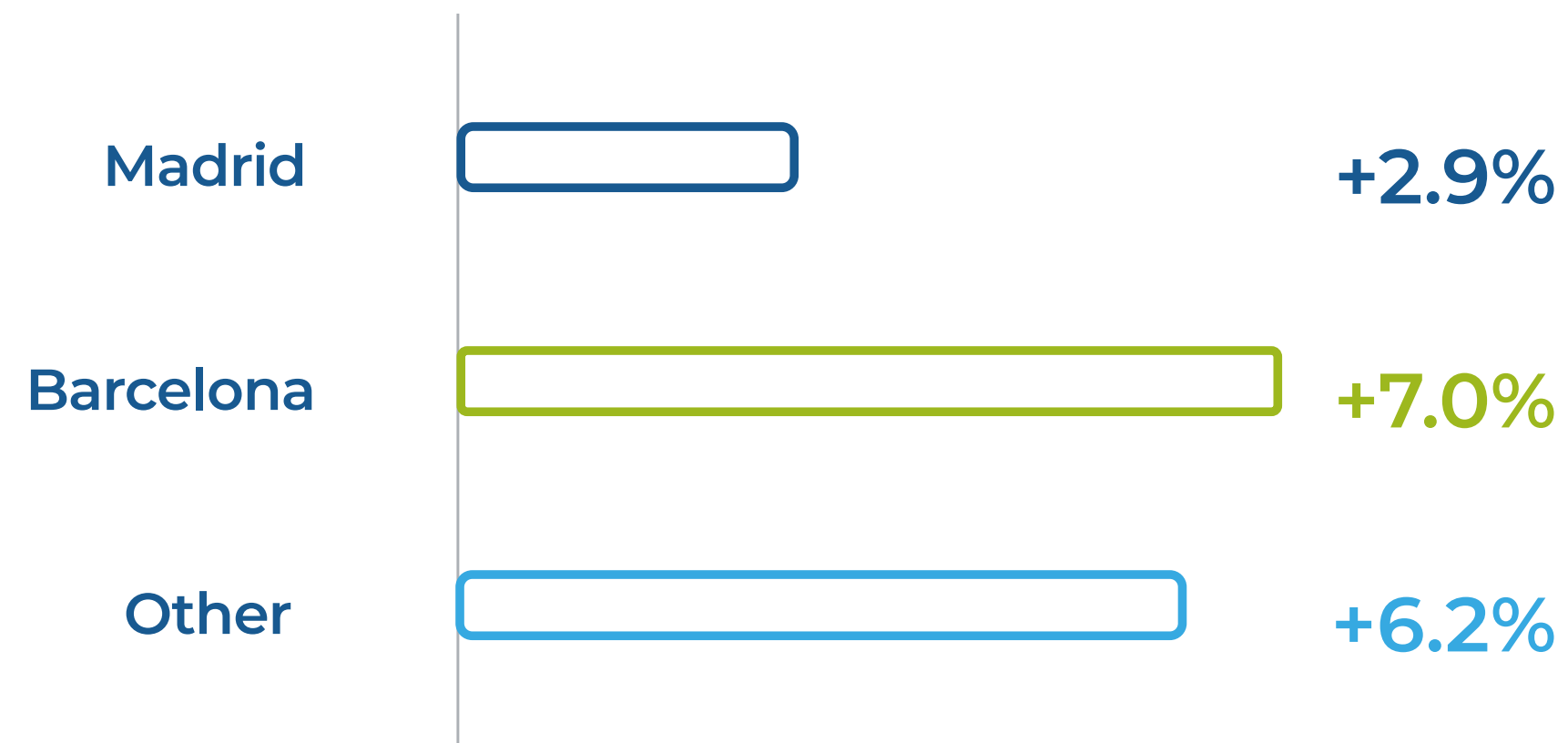




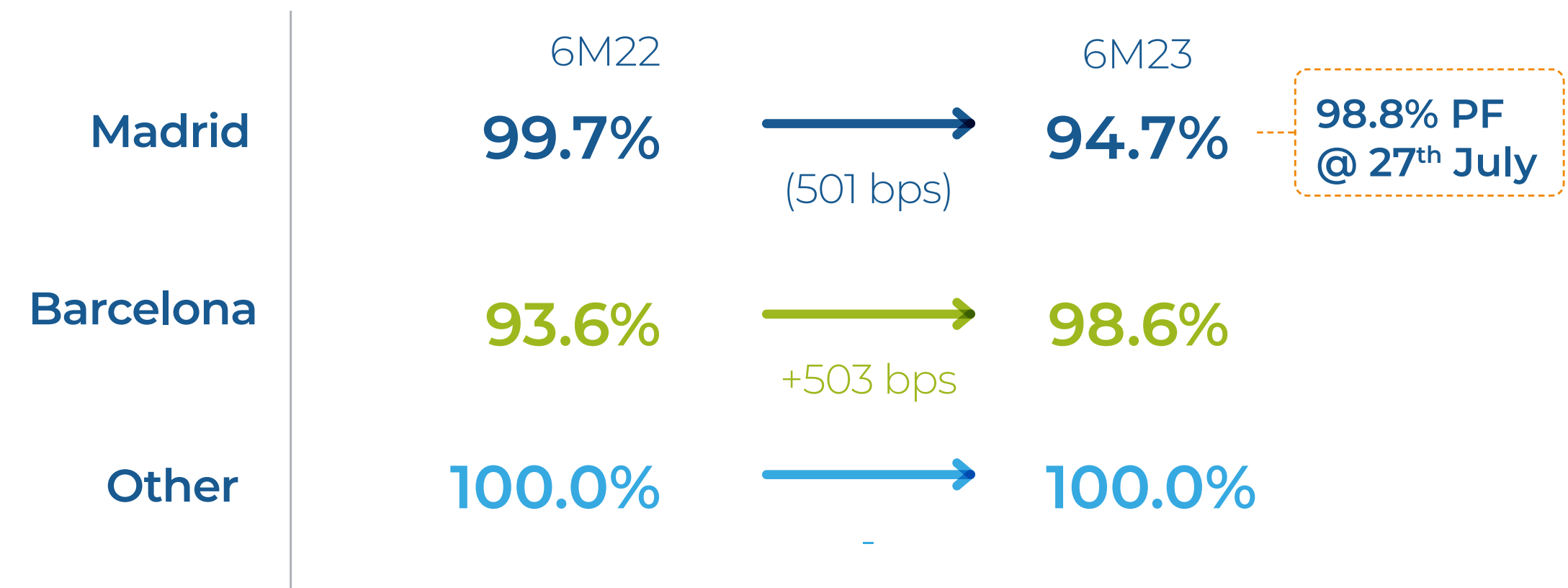
GOOD ORGANIC PERFORMANCE (+4.3% LfL) COUPLED WITH RENTAL GROWTH OFFSETTING TENANT ROTATION



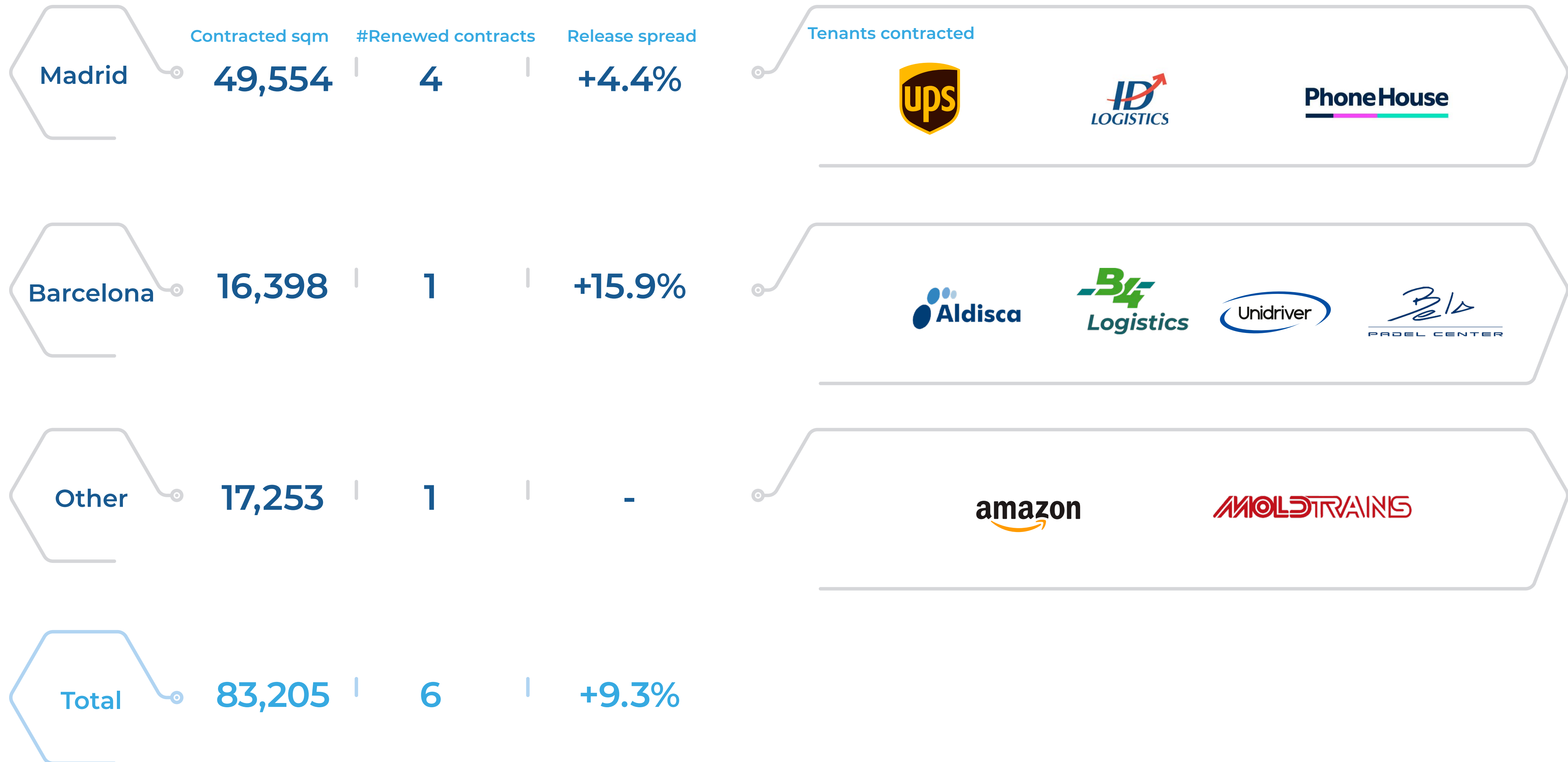
LfL growth by location

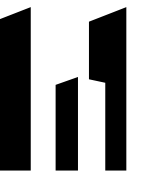


Occupancy by area



<sup>(1)</sup> Portfolio in operation for 6M22 (€ 35.5m of GRI) and for 6M23 (€ 37.0m of GRI)





STEADY PERFORMANCE OF ZAL PORT WITH HIGH OCCUPANCY LEVELS AND STRONG FFO GENERATION



Stock  
**736,217 sqm**  
 Third parties stock  
 (ground leases)  
**183,252 sqm**  
 Stock under management  
**919,636 sqm**



Contracted sqm  
**100,101** | Release spread  
**+0.7%** | # contracts  
**29**

Occupancy by area  
 6M22 **100%** — (163 bps) → 6M23 **98.4%**

Tenants



| €m                 | 6M23 | 6M22 |
|--------------------|------|------|
| Gross rents        | 37.9 | 35.9 |
| Net rents          | 37.6 | 35.4 |
| EBITDA             | 36.4 | 33.0 |
| FFO <sup>(1)</sup> | 20.0 | 20.3 |

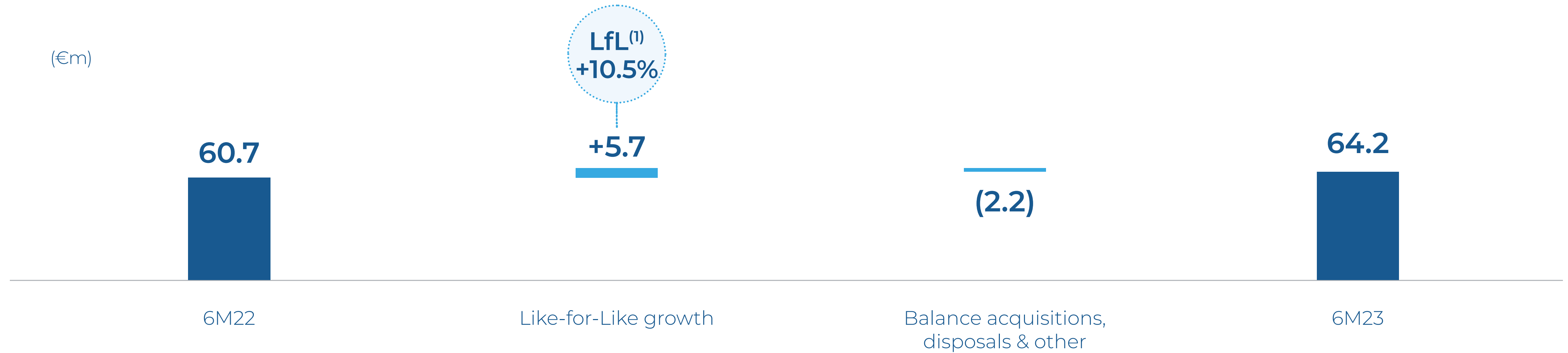
<sup>(1)</sup> After deducting leasehold concession charge



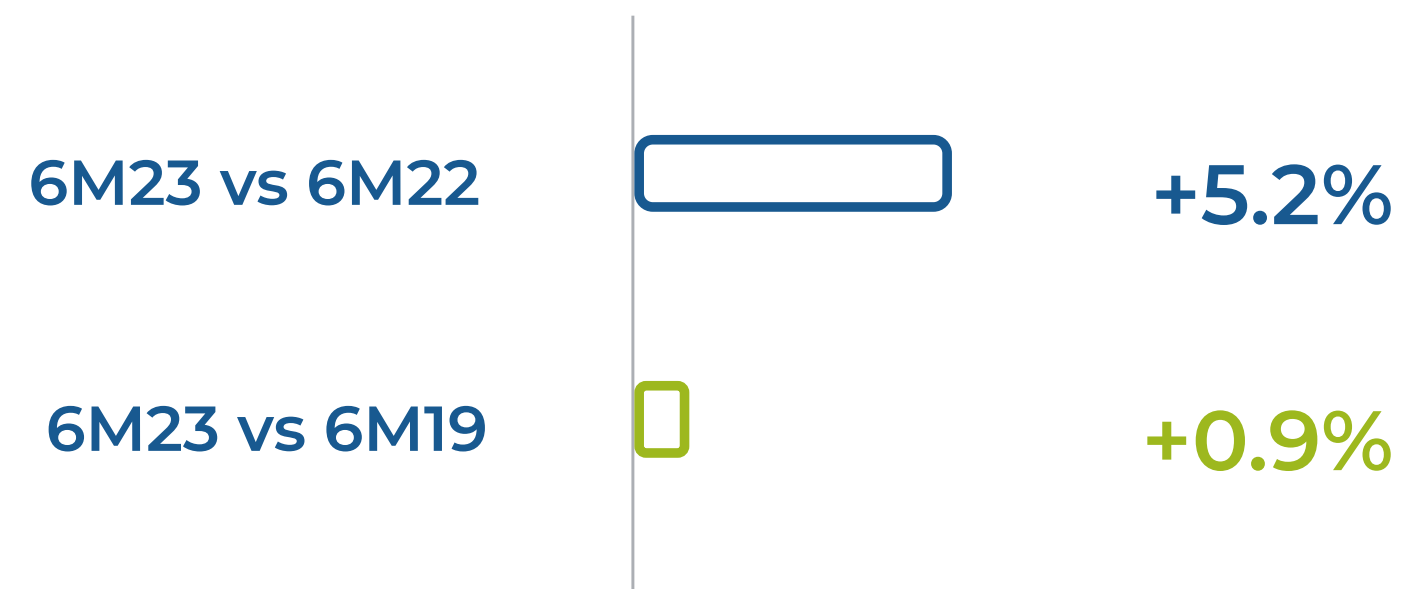
# SHOPPING CENTERS



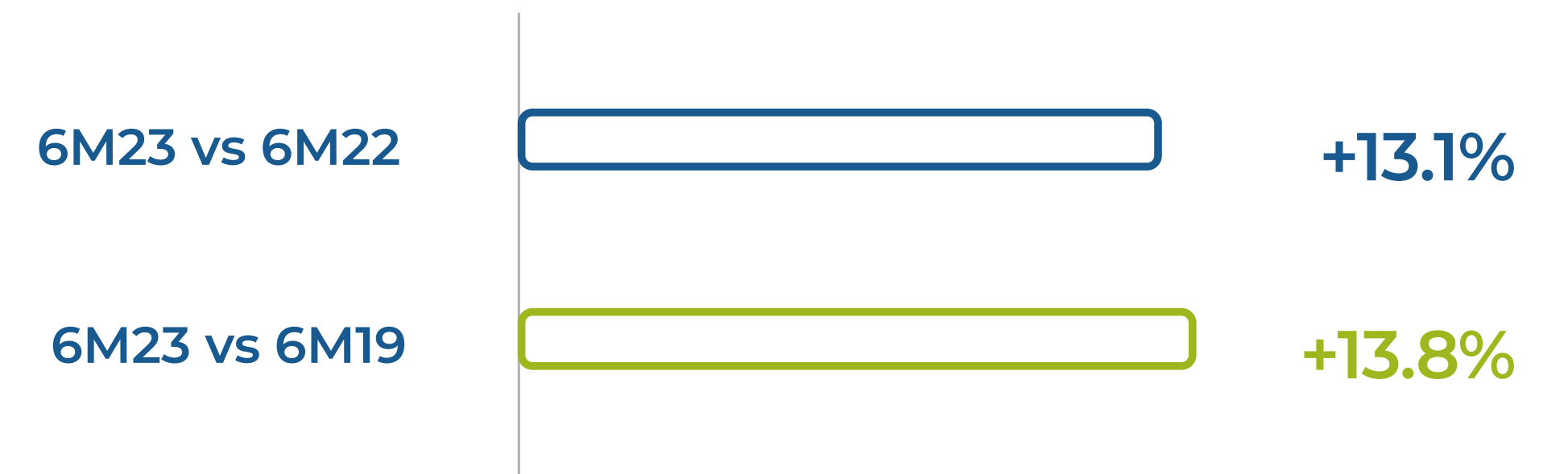
TENANT SALES SURPASSING PRE-COVID LEVELS WHILE MAINTAINING HISTORICALLY LOW **OCR** AT **11.7%**



Footfall evolution



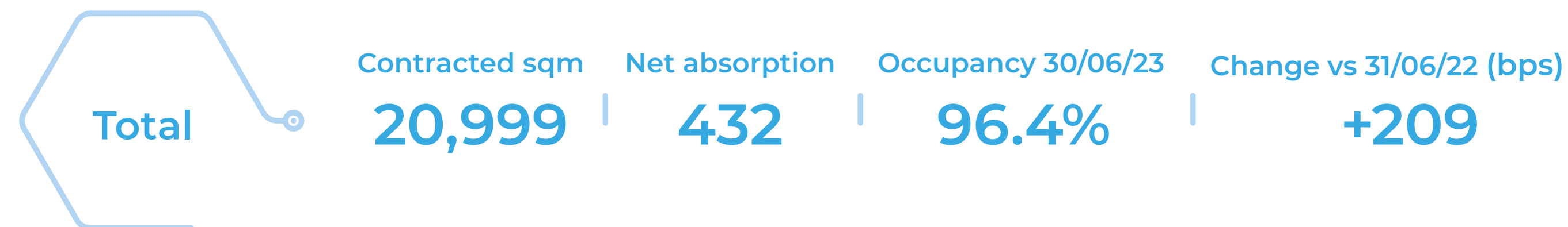
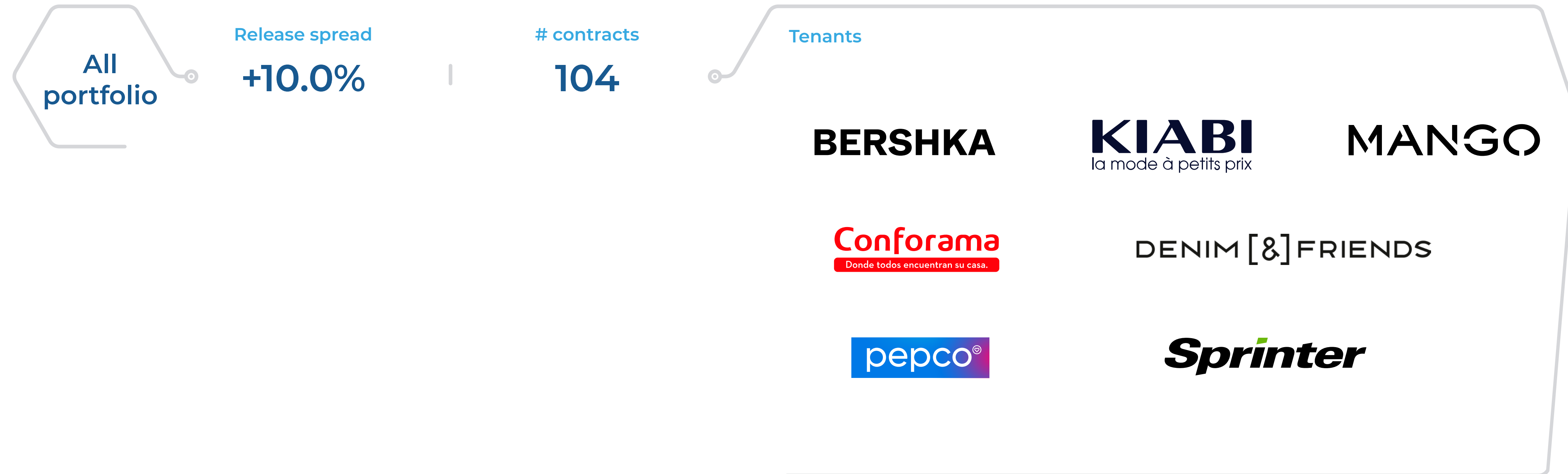
Tenant sales evolution



<sup>(1)</sup> Portfolio in operation for 6M22 (€ 54.3m of GRI) and for 6M23 (€ 60.0m of GRI)



OCCUPANCY AT RECORD-HIGH LEVELS (96.4%)



# VALUATION AND DEBT POSITION

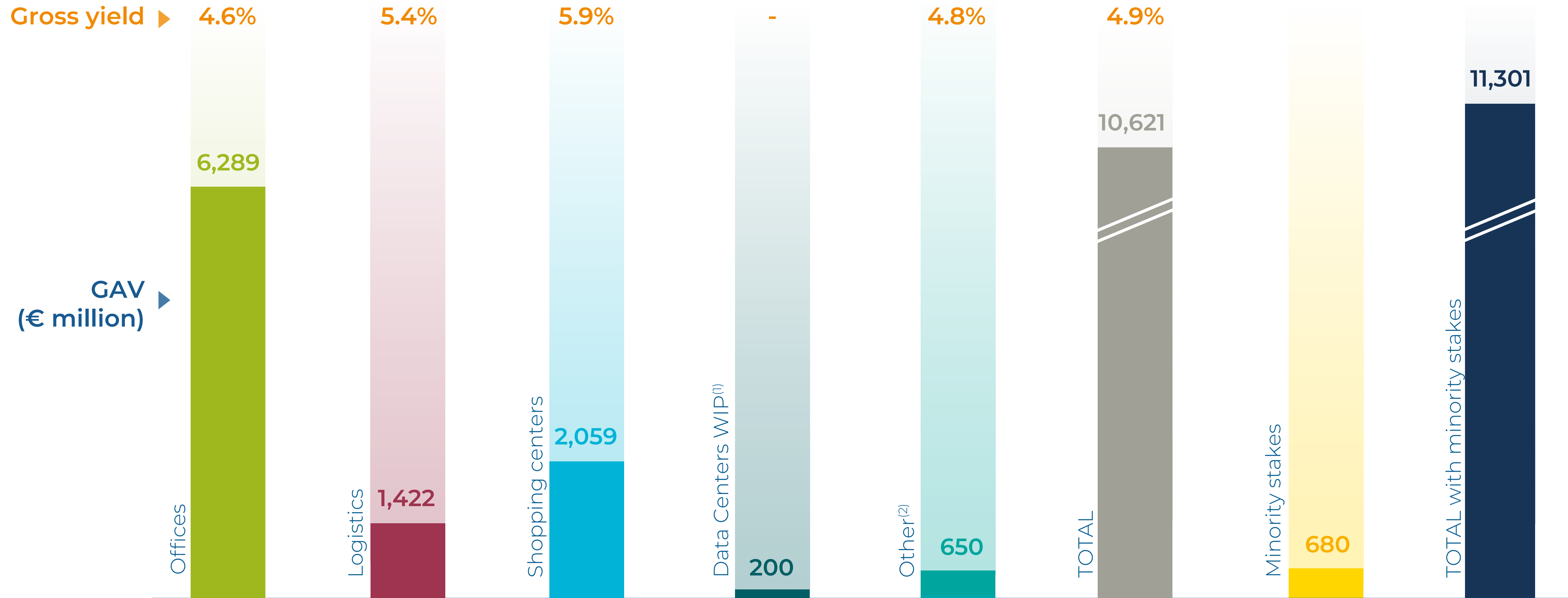
LOOM

ROOM



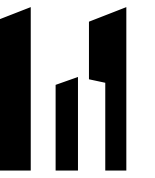


SLIGHT DECLINE IN VALUATION ACROSS THE PORTFOLIO (1.4% LFL), DESPITE STRONG OPERATING PERFORMANCE

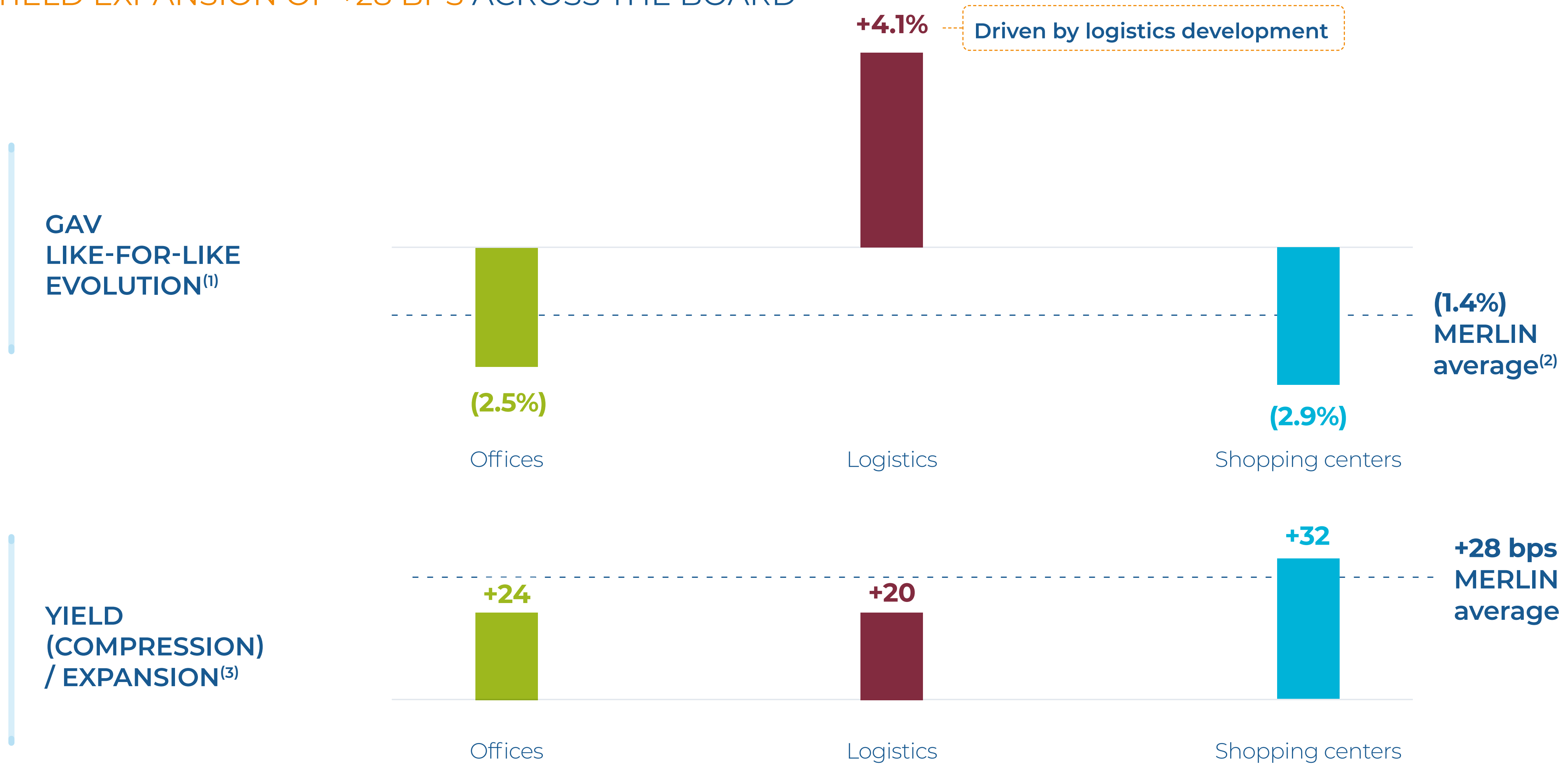


<sup>(1)</sup> Data Centers are not appraised

<sup>(2)</sup> Other includes WIP, hotels, non-core land and miscellaneous



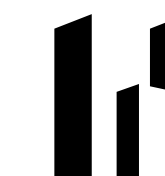
YIELD EXPANSION OF +28 BPS ACROSS THE BOARD



<sup>(1)</sup> GAV of WIP projects included under its respective asset class for LfL purposes

<sup>(2)</sup> Including equity method

<sup>(3)</sup> Based on passing rent



## LTV STANDS AT 33.9%

|                                      | 30/06/2023   | 31/12/2022   |
|--------------------------------------|--------------|--------------|
| Net debt                             | € 3,935m     | € 3,792m     |
| LTV                                  | <b>33.9%</b> | <b>32.7%</b> |
| Average cost                         | 2.26%        | 1.98%        |
| Fixed rate debt                      | 98.0%        | 99.6%        |
| Average maturity (years)             | 5.3          | 4.9          |
| Liquidity <sup>(1)</sup> (€ million) | 1,034        | 1,856        |

**S&P Global**

Rating

**BBB**

Outlook

**Positive**

MOODY'S

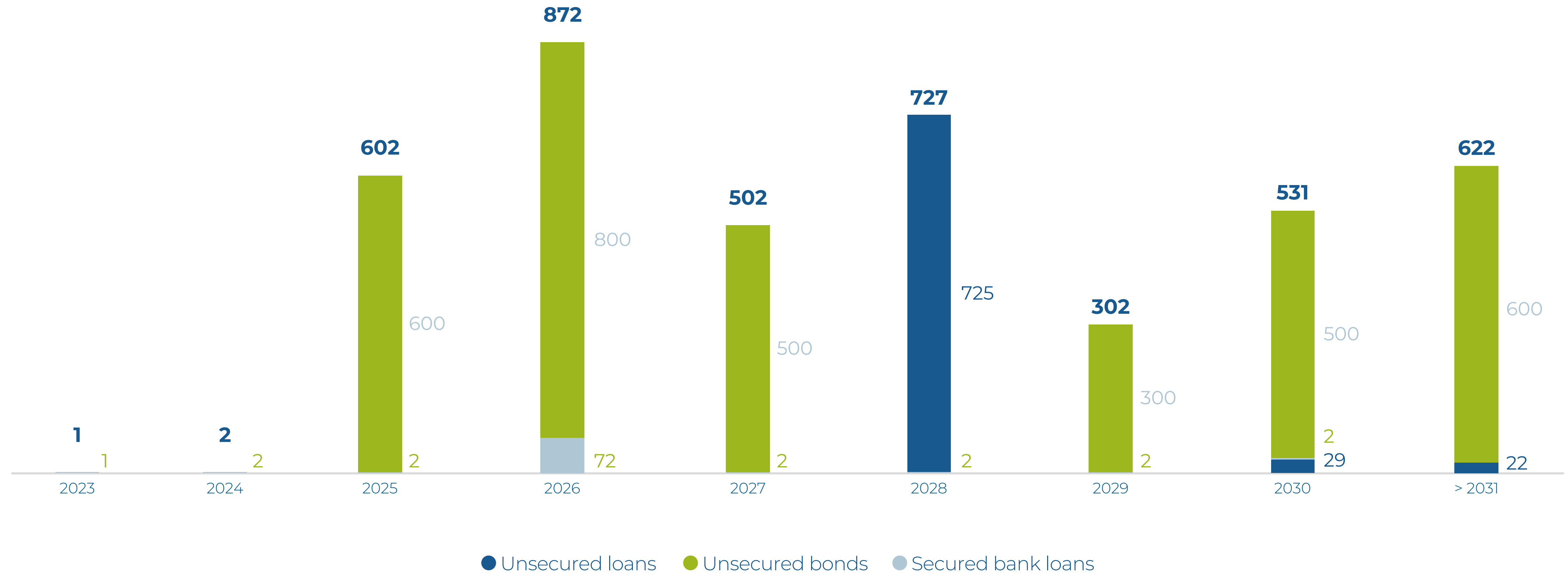
**Baa2**

**Positive**

<sup>(1)</sup> Includes cash (€ 208.9m), treasury stock (€ 15.8m) and undrawn credit facilities (€ 809.2m) in 6M23



2023 MATURITY (€ 743M) **REFINANCED AT A COMPELLING COST** (MS +126 BPS). NO FURTHER MATURITIES UNTIL MAY 2025



A photograph of a modern, multi-story building with a facade of light-colored panels and a grid of small, rounded rectangular windows. In the foreground, there is a paved courtyard with several trees planted in rectangular grass patches. A black rectangular box is overlaid on the center of the image, containing the word "SUSTAINABILITY" in white, bold, uppercase letters.

# SUSTAINABILITY



INTENSE YEAR IN TERMS OF ESG INITIATIVES



2 main milestones achieved this semester

Strong progress in our **Pathway to Net Zero**

Implementation of the **green clause**



VALUE CREATION



## Investments



- Expansion of **Marineda shopping center** (18,232 sqm)



## Non-core divestments



- 2 Shopping centers
- Industrial warehouse







VIRTUALLY FULLY LET TO TIER-1 TENANTS AT PRIME RENTS



GLA  
**36,899 sqm**  
After Refurbishment  
5,323 sqm created

Delivery  
**2023**



GLA  
**36,861 sqm**  
After Refurbishment  
**+756 sqm created**

**Delivered  
in July**

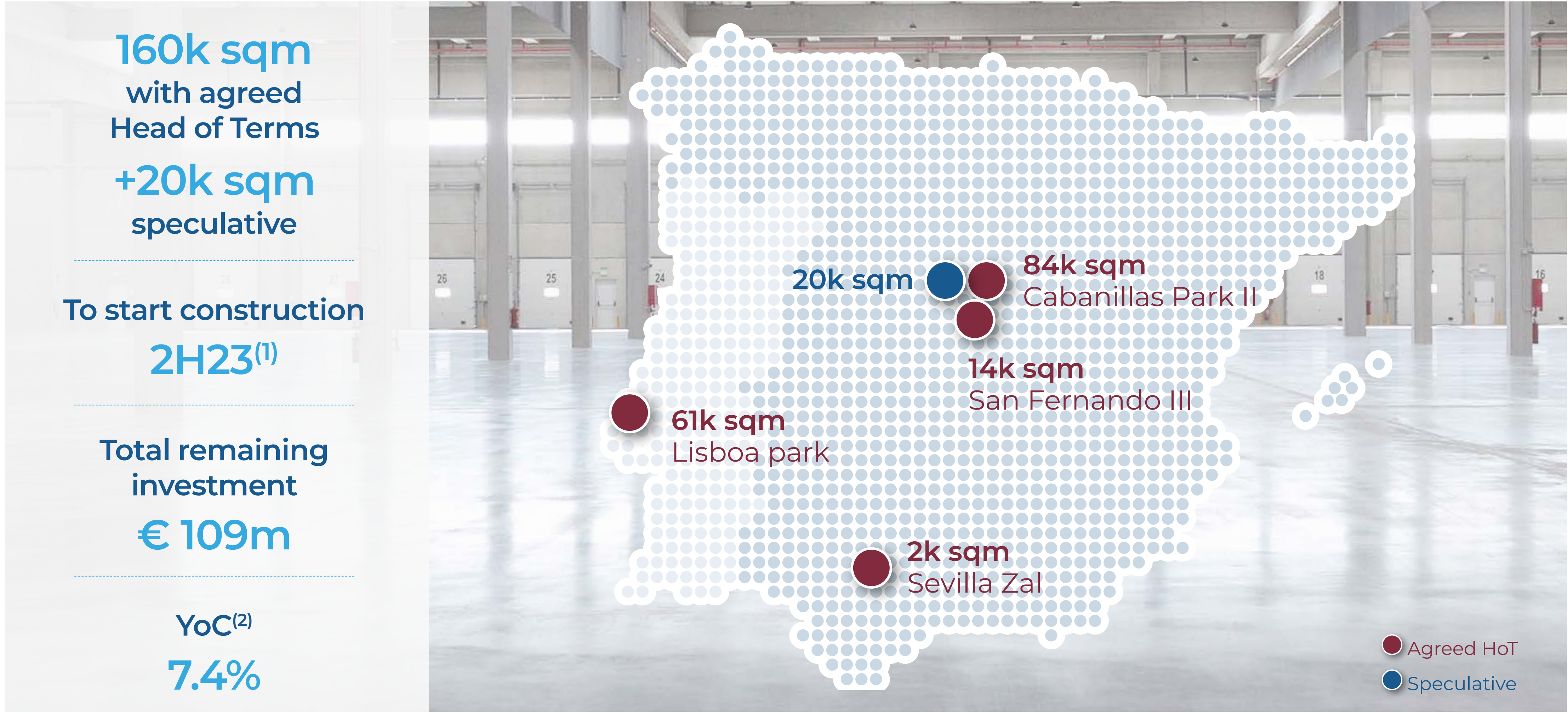
Leasing  
**I - 100% (4,338 sqm)**  
**IV - 100% (6,488 sqm)**

**FUJITSU**

**SHISEIDO**

**NETCO®**

**Greenergy**



<sup>(1)</sup> 47k sqm already under construction corresponding to Cabanillas Park II B

<sup>(2)</sup> Including land cost

An architectural rendering of a modern urban park. In the foreground, a large, winding fountain with multiple water jets is the central feature. People are seen walking, sitting on benches, and riding bicycles around the fountain. To the left, a glass-walled building with the words "PARK CAFE" is visible. In the background, a large, multi-story building with a curved glass facade and a yellowish-brown frame stands prominently. The sky is blue with scattered white clouds. A dark, semi-transparent banner is overlaid across the middle of the image, containing the text "DIGITAL INFRASTRUCTURE PLAN (MEGA)".

# DIGITAL INFRASTRUCTURE PLAN (MEGA)



## Bilbao-Arasur

### ➔ MAIN DATES

Licensing:

February 2022

Start of development:

April 2022

Early access:

15<sup>th</sup> of September 2023

Final delivery date:

29<sup>th</sup> of September 2023

### ➔ KEY MILESTONES

✓ Facade construction:

Already completed

Building construction:

90% completed

Interior offices:

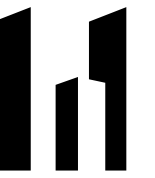
85% completed

✓ Equipment delivery:

Already completed (3 MW)

Fiber connection:

On-going



## Madrid-Getafe

### → MAIN DATES

Licensing: July 2022

Start of development: July 2022

Early access:

Already granted  
to anchor tenant

Final delivery date:

29<sup>th</sup> of September 2023

### → KEY MILESTONES

Facade construction:

95% completed.

Finishing the installation  
of the PV façade (0.5 MWp)

Building construction:

85% completed

Interior offices:

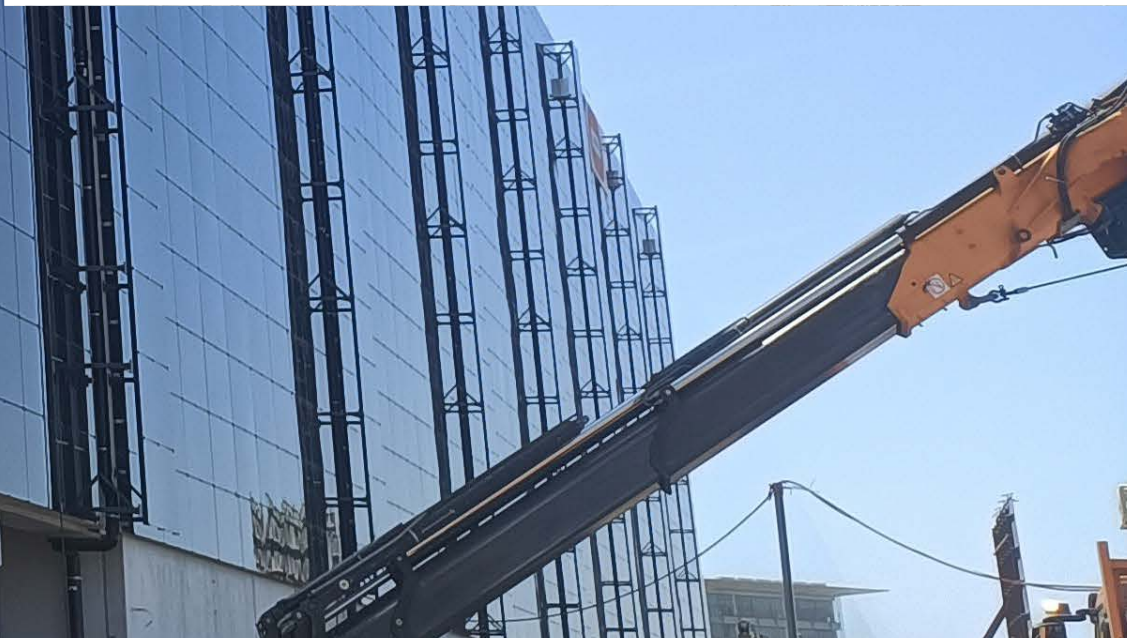
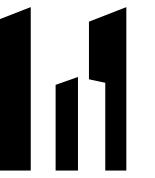
80% completed

✓ Equipment delivery:

Already completed (3 MW)

Fiber connection:

On-going



## Barcelona-PLZF

### → MAIN DATES

Licensing: July 2022

Start of development:  
August 2022

Early access:  
Already granted  
to anchor tenant

Final delivery date:  
29<sup>th</sup> of September 2023

### → KEY MILESTONES

Facade construction:  
95% completed.

Finishing the installation  
of the PV façade (0.5 MWp)

Building construction:  
85% completed

Interior offices:  
30% completed

✓ Equipment delivery:  
Already completed (3 MW)

Fiber connection:  
On-going



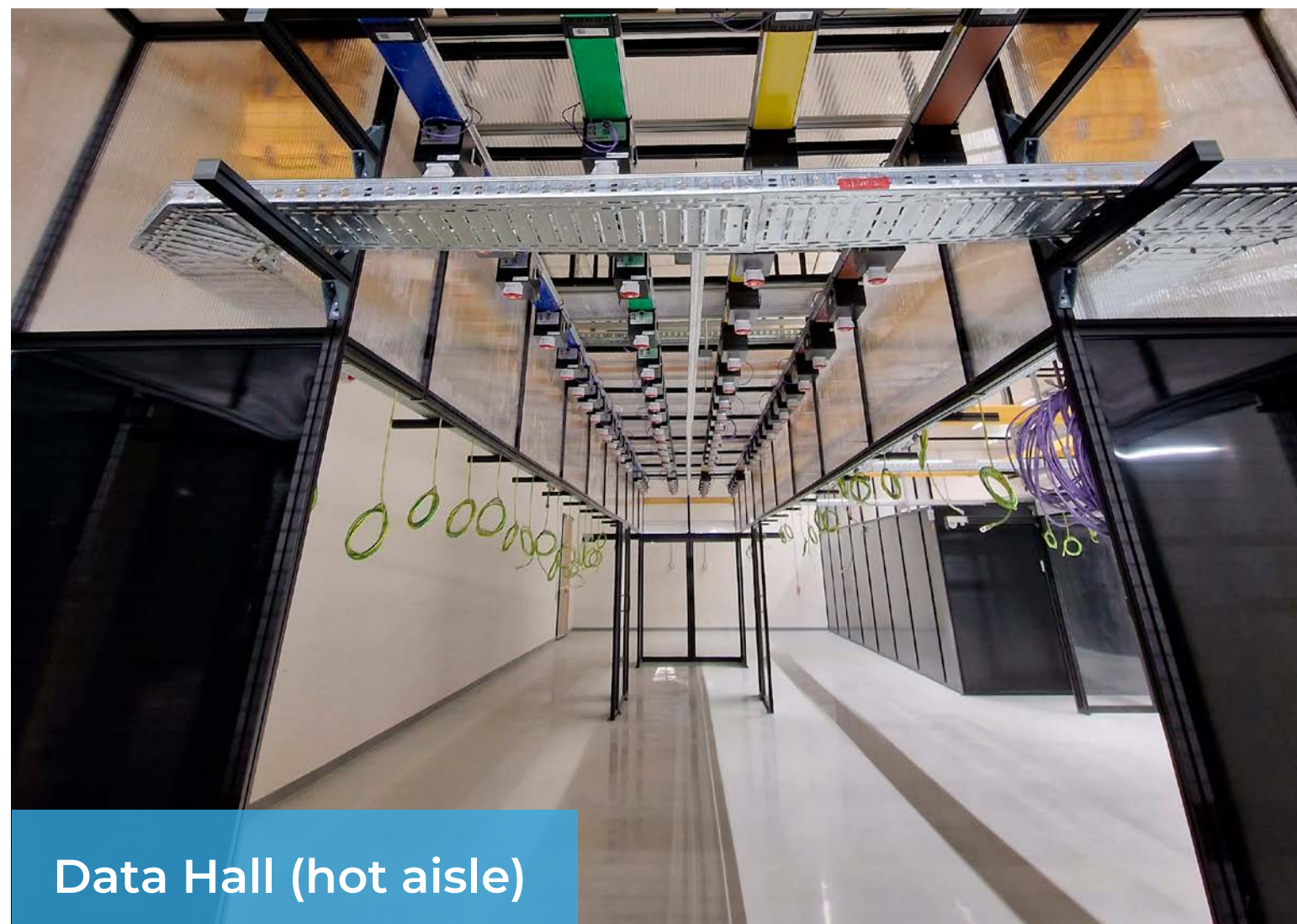
Data Hall



Cooling system (aireblocks)



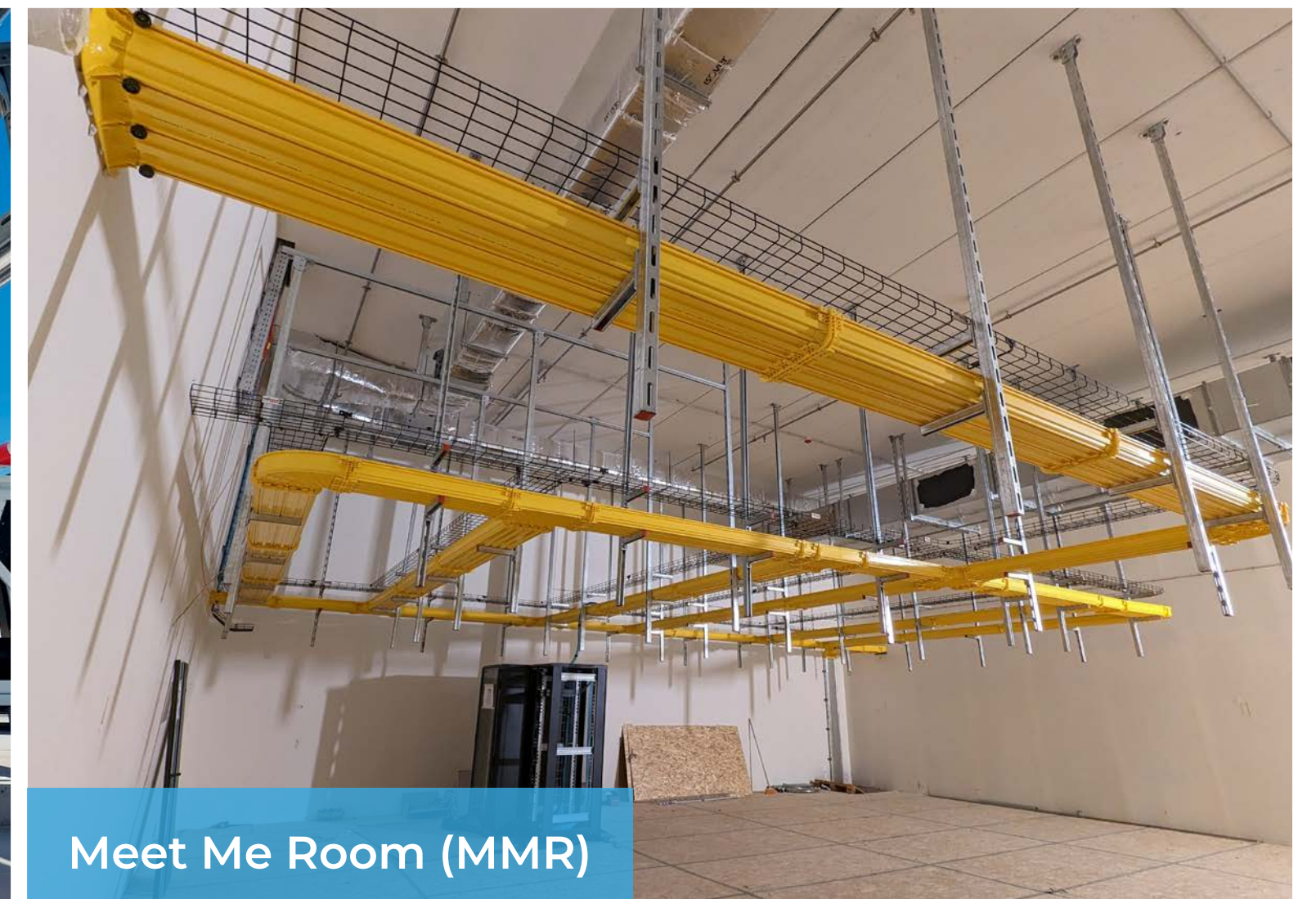
Generator sets



Data Hall (hot aisle)

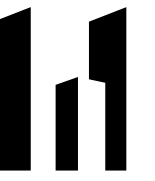


Cooling system (chillers)



Meet Me Room (MMR)





# 2023

Incurred Jun-23  
**€ 200m**

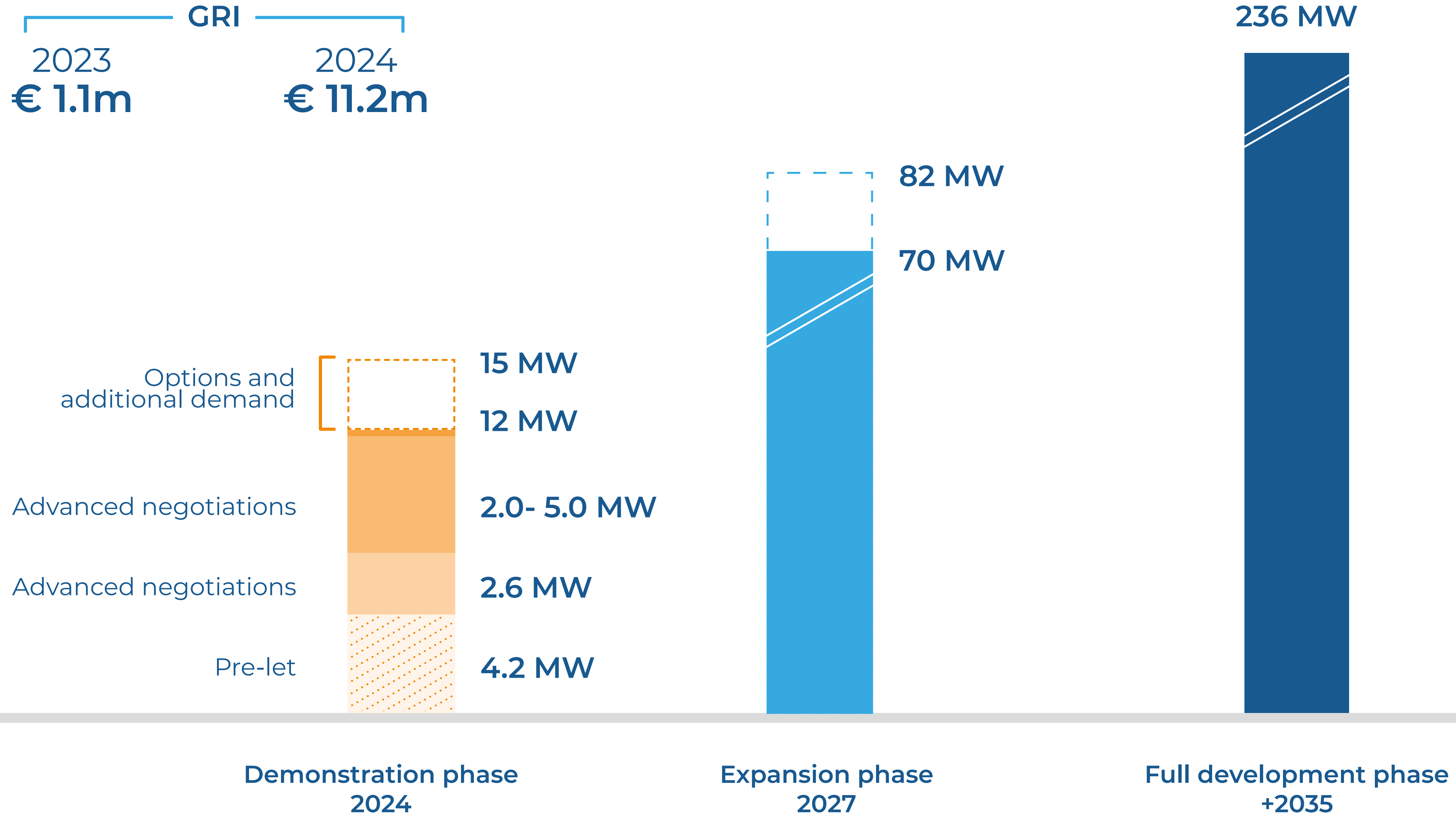
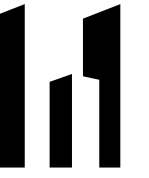
Expected Dec-23  
**€ 290m**

**3 fully built shells + 9MW**

# 2024

Additional equipment  
**+ € 102m**

**+ 24MW**



An aerial architectural rendering of a modern university building. The building is a large, white, multi-story structure with a prominent central courtyard. The courtyard is a lush green space with a circular path and several trees. The building's facade is characterized by a grid of white panels, and it features a curved glass section in the center. The building is surrounded by greenery, including trees and a lawn. In the background, there are other buildings with red roofs and a street with cars. The overall scene is bright and sunny, suggesting a clear day.

OUTLOOK 2023



FFO [ 

Old

€ 0.58 p.s.

Guidance

→

New

€ 0.60 p.s.  
(€ 0.54 p.s AFFO)

 ]

Ordinary dividend [ 

€ 0.44 p.s.

 ]



**CLOSING REMARKS**



### Operations

MERLIN has delivered **strong performance in all key operating metrics** (occupancy, LfL rental growth, release spread and FFO generation)

- **Occupancy at sound levels in all three asset classes** (+12 bps vs. 31/03/2023) with offices resilient and record-levels in logistics and shopping centers
- **Logistics** continues enjoying strong tail winds with **+160k sqm to be developed on a pre-let basis** and **occupancy reaching 98.8% as of 27<sup>th</sup> July**
- Impressive performance of **shopping centers** with **footfall (+0.9%) and sales (+13.8%)** above pre-covid levels and maintaining a stable OCR (11.7%)
- Uplifting our **FFO guidance** (€ 0.58 per share) to **€ 0.60 per share**

### Value creation

- **€ 31.6m in non-core disposals in the period** including 2 shopping centers and 1 industrial asset
- **Landmark plan** nearing completion with the delivery of Plaza Ruiz Picasso in 4Q23
- Strong progress both in **commercialization and works of Plan Mega (data centers)**

### Dividend

- **Recommendation to the BoD: € 0.44 p.s.** ordinary dividend corresponding to 2023 fiscal year



Paseo de la Castellana, 257  
28046 Madrid  
+34 91 769 19 00  
info@merlinprop.com  
**[www.merlinproperties.com](http://www.merlinproperties.com)**