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## 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, November 13<sup>th</sup>, 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=e7bc7a6ce6d02a272dc1c1f33b8bf877b>

Event number: 5149887

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France	0805101465
Germany	08007234756
Italy	800131881
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Netherlands	08000235015

Attached you will find the press release and the link to the 9M20 results:  
<https://www.merlinproperties.com/wp-content/uploads/2020/11/Executive-Summary-9M20.pdf>

Madrid, November 12<sup>th</sup> 2020.

**MERLIN Properties SOCIMI, S.A.**

## MERLIN reports solid operational numbers despite the pandemic

- Gross rents: € 380.9 million (-3.5% YoY and +1.4% LfL)
- EBITDA: € 257.7 million (-13.0% YoY)
- Operating profit (“FFO”): € 197.3 million (-16.8% YoY)
- NAV per share: €15.77 (+3.3% YoY)

- Excluding changes in the perimeter after the disposal of assets, gross rents increased +1.4% LfL.
- The Company launched a Covid-19 rent relief commercial policy to help its retail tenants overcome the Covid-19 crisis. The impact of this expense during these nine months amounts to € 39.6 million and mainly affects the EBITDA and the FFO.
- Operating profit reaches € 197.3 million (equivalent to € 42 cents per share), on track to exceed the updated guidance provided in March (equivalent to € 53 cents).
- Collection rates remain unaltered for the third consecutive quarter, with litigation at very low levels.

**Madrid, 12 November-** MERLIN Properties has released its 9M20 consolidated financial statements with total revenues of € 385.0 million (out of which € 380.9 million account for rental income), EBITDA of € 275.7 million and FFO of € 197.3 million. Consolidated net earnings in accordance with IFRS of € 111.8 million, not comparable YoY due to the non-recurring items recorded in 9M19 (assets sold and a lower revaluation of the portfolio). The occupancy in the portfolio bears the Covid-19 effect and remains at the same level as before the pandemic outbreak, reaching 94.1%, proving its quality and the robustness of its tenants.

NAV amounts to € 7,410 million (€ 15.77 per share), up +3.3% YoY. No new appraisal has been carried out this quarter as, in accordance with the Company’s policy, new appraisals of the portfolio are carried out on a semi-annual basis (June and December).

MERLIN Properties continues to actively manage their balance sheet. The issuance and repurchase of bonds carried out in July and the early repayment of mortgage loans, has resulted in a 40.9% LTV, with a liquidity position of € 1,179 million. The Company faces no debt maturities until May 2022. The average debt maturity has been extended to 6.2 years.

## Offices

- Business performance

Good performance in the quarter with a +3.0% like-for-like rent increase. 197,975 sqm have been signed. Rent renewals have been signed at prices higher than last year's, reaching a +4.0% release spread. Occupancy stands at 91.1%, in line with the one obtained before the Covid impact (91.4% in March).

- Landmark Plan I

Castellana 85 in Madrid and Monumental in Lisbon are still under full refurbishment, with expected delivery during the first quarter of 2021. These two emblematic projects already enjoy 100% and 82% of occupancy, respectively, and will generate annual rents of € 14.1 million. The refurbishment of Diagonal 605 has been completed during the third quarter. The asset is fully let and counts with quality tenants such as Credit Suisse and Everis in offices and Levi Strauss and Benetton in high street retail.

## Shopping centers

- Business performance

In March, the Company launched a commercial policy for retail tenants (affected by the compulsory shutdown); and in June, they were offered rent incentives, to help them preserve their OCR ratios. In return, the tenants have extended their contracts until 2022, securing our occupancy in the portfolio during 2020 and 2021. MERLIN has recently launched a new commercial policy for the first semester of 2021.

The occupancy rate during the third quarter has closed at 93.7% (maintaining pre-Covid levels). Since reopening, footfall and tenant sales have shown month over month improvement. However, with the second pandemic wave outbreak and its consequent compulsory restrictions, footfall and sales have been negatively affected. On average, in the last twelve months, footfall has fallen by 28% in comparison to the same period in the prior year, and sales by 26%.

- Flagship Plan

Porto Pi in Mallorca and Saler in Valencia refurbishments continue to progress. The expected delivery date for both assets will be during the first quarter of 2021, after which, all Flagship Plan projects will be delivered.

### *Logistics*

- Business performance

Very good figures in this segment, driven by the growth in e-commerce and the absolute leadership position MERLIN enjoys in the Iberian logistics market, with solid rental growth, both in like-for-like (+2.9%) and in release spread (+8.5%). Occupancy rates increase to 97.5% (+67 basis points compared to the second quarter).

- Best Plan II & III

Strong market tailwinds have allowed for all delivered projects in Best II & III and in ZAL Port Barcelona, more than 315,000 sqm up to date, to reach 100% occupancy. During the third quarter, a warehouse has been delivered to Carreras and Biogran in Seseña, Zaragoza-Plaza II has been delivered to DSV, and in ZAL Port Barcelona a new logistics center has been delivered to Caprabo.

### *Strong fundamentals and balance sheet*

Despite the surge in cases and the new restrictions imposed in many regions, towns and basic health areas in both Spain and Portugal, MERLIN Properties is on track to match or exceed the 2020 operating profit shared to the market at the beginning of the pandemic (€ 250 million or € 53 cents per share). The Company faces the short and medium term with a robust balance sheet and a liquidity position of nearly € 1,200 million. Only 9% of lease contracts mature in 2021, year in which the Company will benefit from € 20 million additional rents arising from the new contracts signed in Landmark and Best II & III, which will come into stock next year. MERLIN has designed a new commercial plan for 2021, to be detailed once agreed upon with our tenants. We estimate this new plan will have a lesser impact on results than that of 2020 and we will continue, nevertheless, trying to keep OCR rates at reasonable and sustainable levels.

## 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.

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

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