

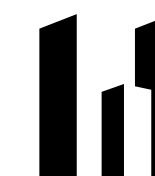


6M23 RESULTS PRESENTATION

28 JULY 2023

MERLIN
PROPERTIES

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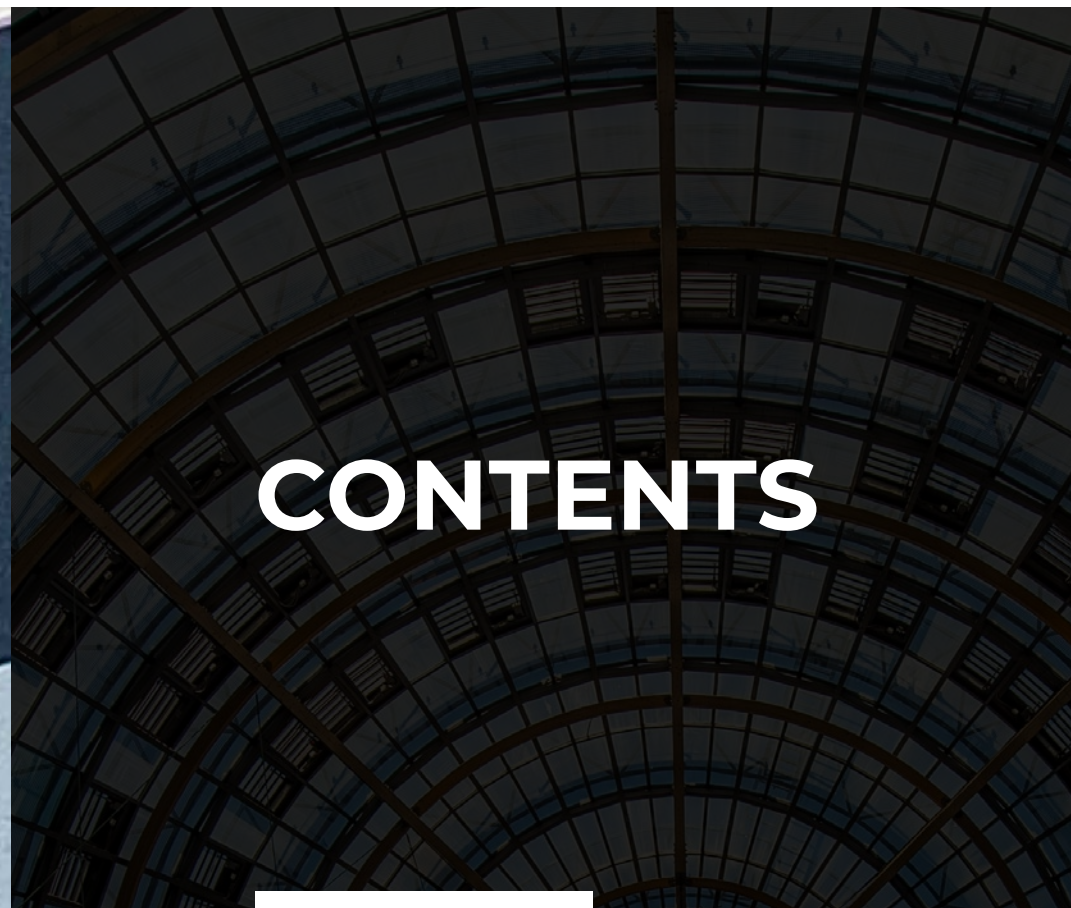
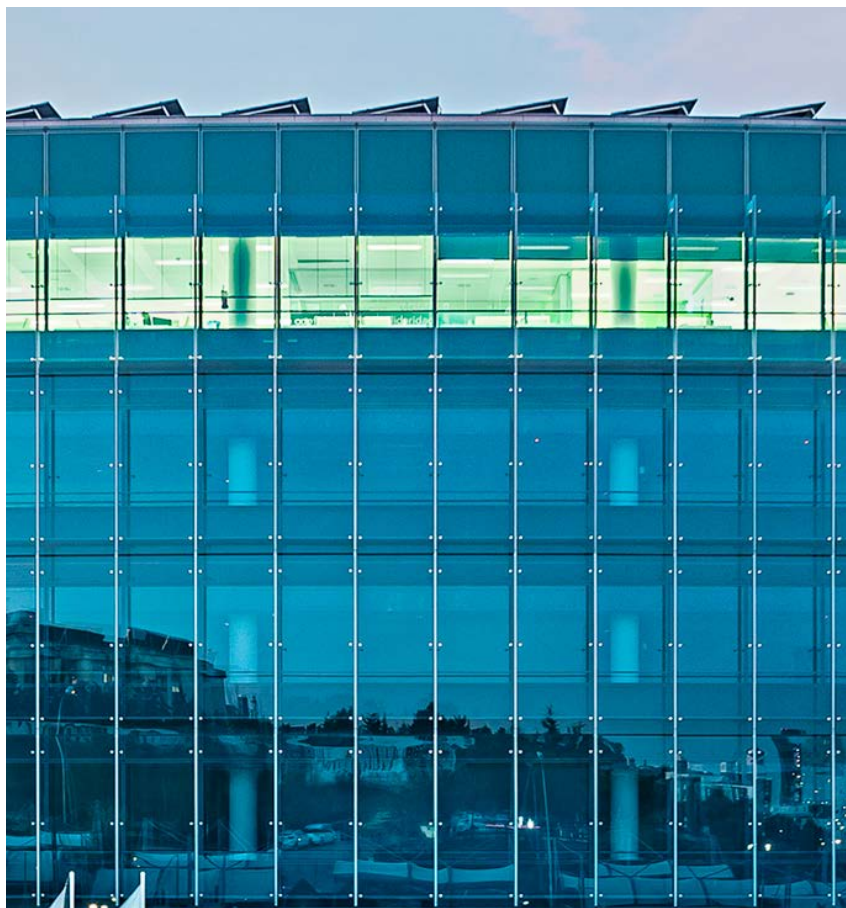
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CONTENTS

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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

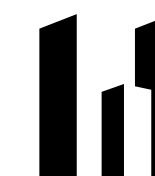
Value creation

- **€ 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

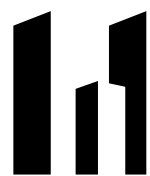
(€ million)	6M23	6M22	YoY
Gross rents	237.8	222.6	+6.9%
Gross rents after incentives	222.4	209.3	+6.3%
Net rents ⁽¹⁾	201.1	186.4	+7.9%
EBITDA ⁽²⁾	181.7	165.8	+9.6%
Margin	76.4%	74.5%	
FFO ⁽³⁾	147.4	157.5	(6.4%)
Margin	62.0%	70.7%	
AFFO	140.8	152.8	(7.8%)
IFRS net profit	(47.5)	491.6	n.m.
EPRA NTA	7,215.6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

⁽¹⁾ Net of incentives

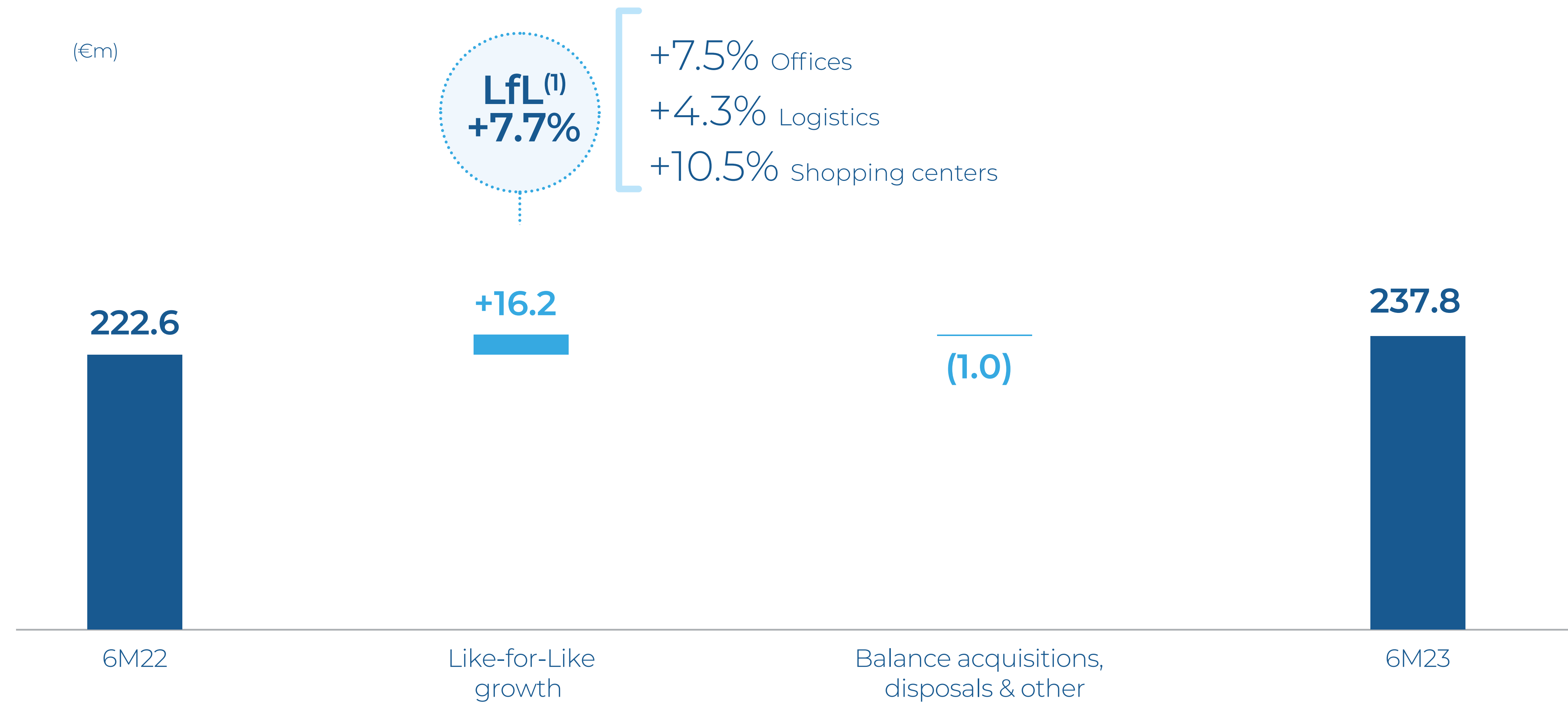
⁽²⁾ Excludes non-overhead costs items (€ 0.6m) plus LTIP accrual (€ 1.4m)

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

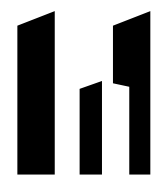
APM: definitions and reconciliation of APMs to the latest audited financial accounts can be found on page 53 of <https://ir.merlinproperties.com/wp-content/uploads/2023/07/Results-report-6M23.pdf>



OUTSTANDING LFL GROWTH IN THE PERIOD (+7.7%)

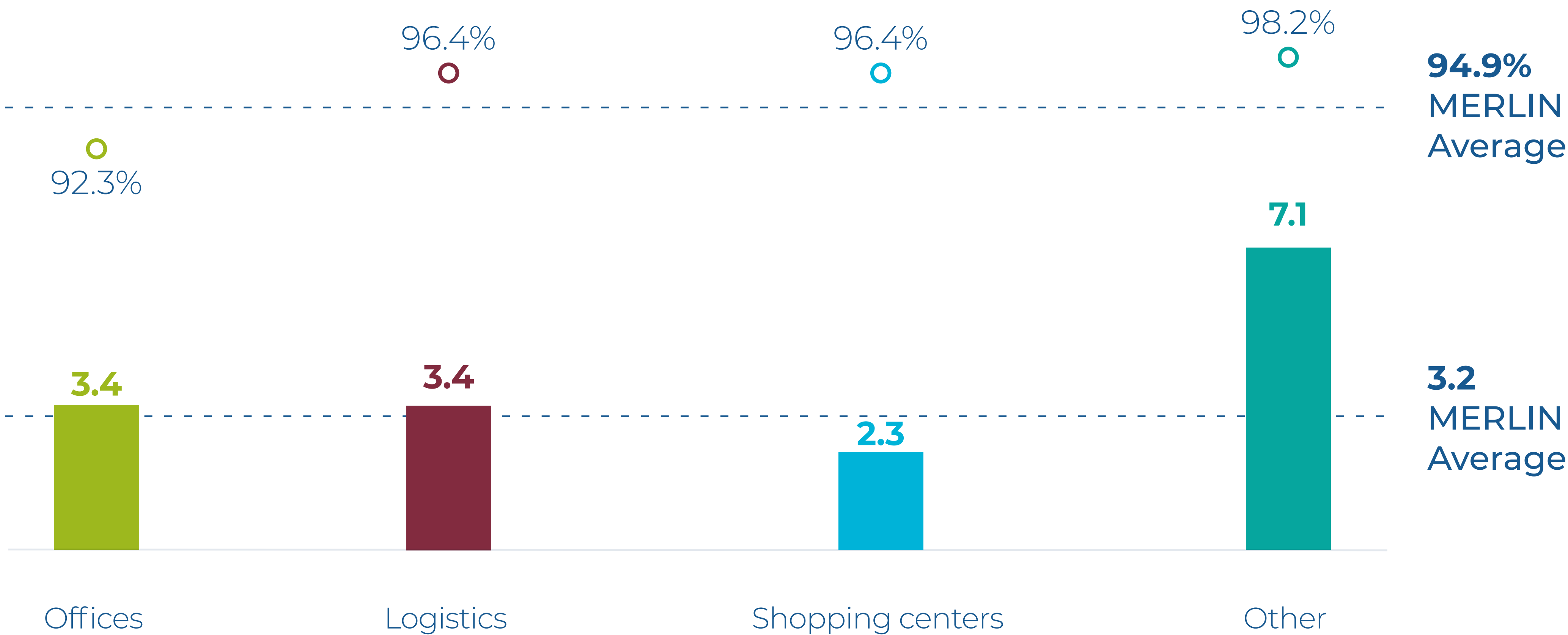


⁽¹⁾ Portfolio in operation for 6M22 (€ 210.3m of GRI) and for 6M23 (€ 226.5m of GRI)



OVERALL OCCUPANCY +12 BPS VS 3M23

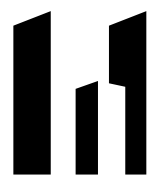
Occupancy and WAULT to first break per asset type⁽¹⁾



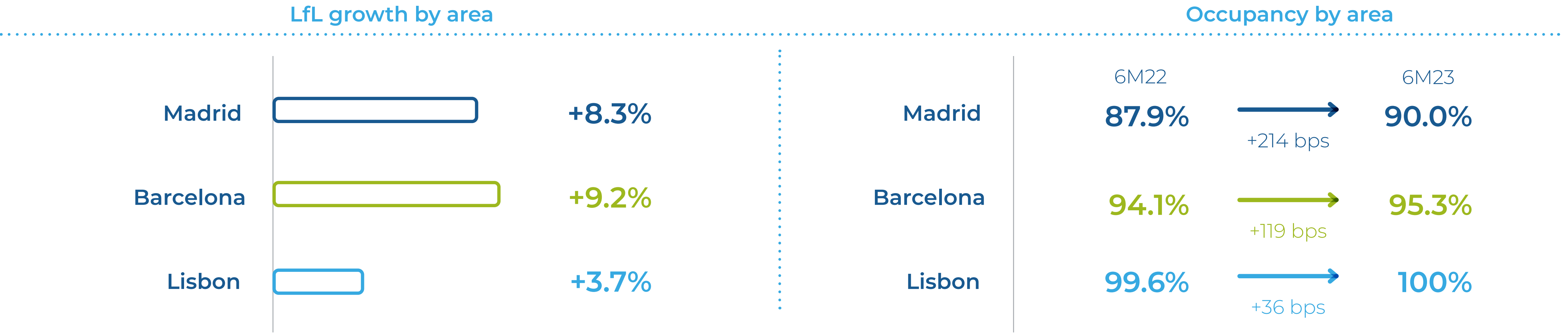
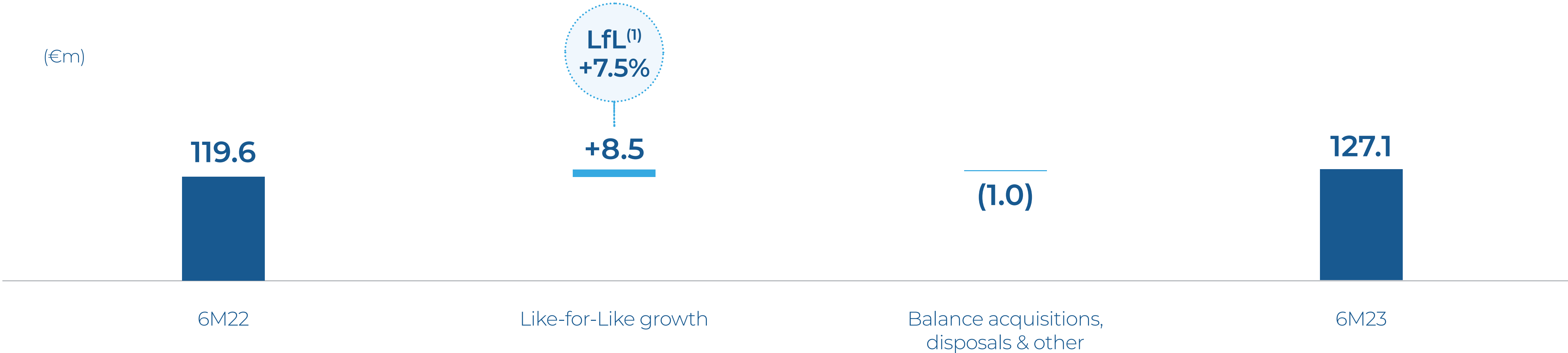
⁽¹⁾ WAULT by rents means the weighted average unexpired lease term to first break, calculated as of 30th June 2023

A photograph of a modern, multi-story office building with a glass facade. The building has several balconies with glass railings. In the foreground, there is a white fence made of vertical slats. The sky is clear and blue. The word "OFFICES" is overlaid in white text on a dark rectangular background in the center of the image.

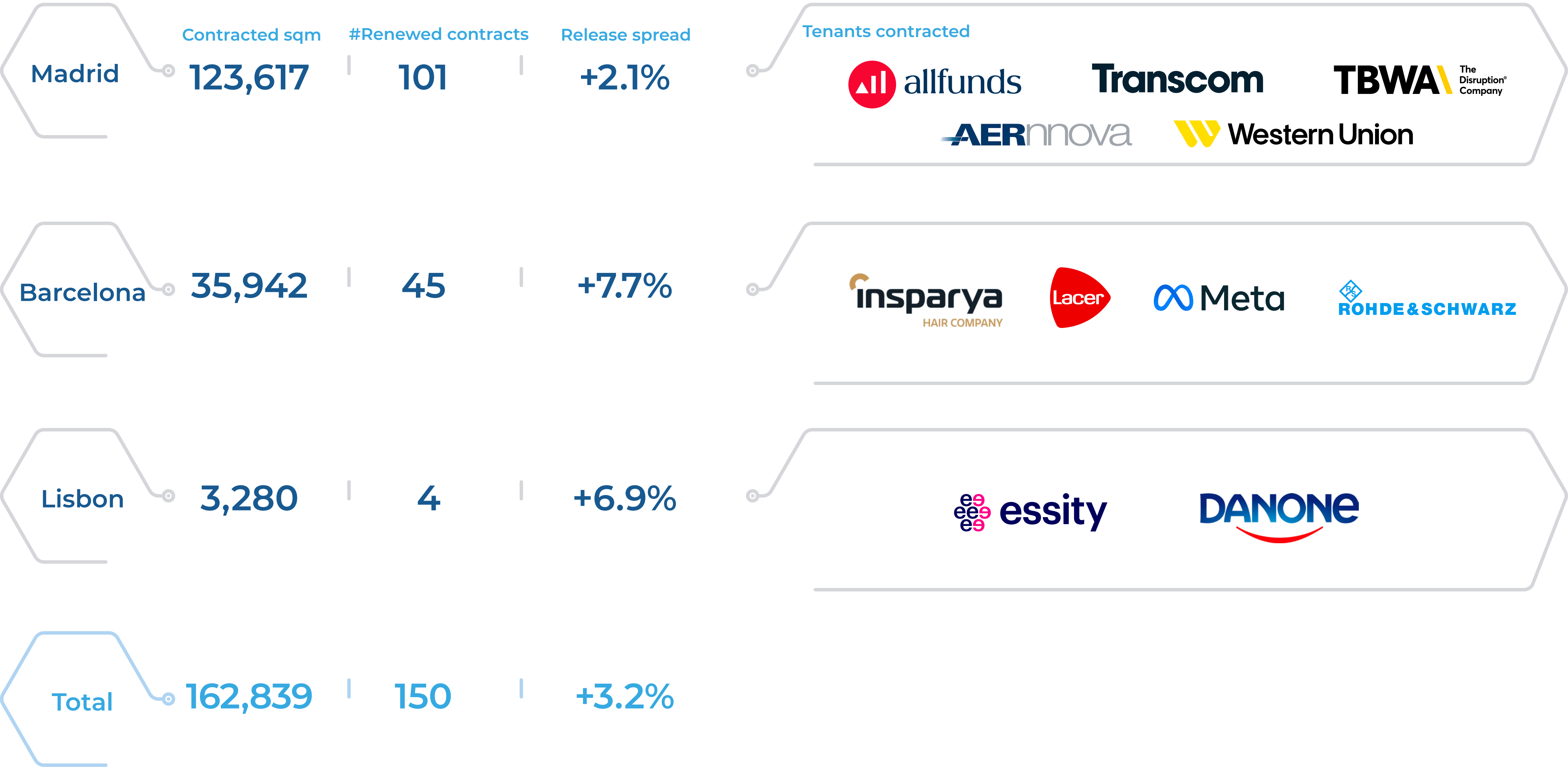
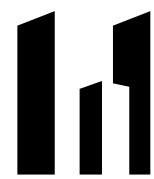
OFFICES

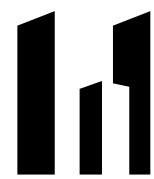


LFL RENT INCREASE (+7.5%) AND RELEASE SPREAD (+3.2%) VS 6M22



⁽¹⁾ 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 ⁽¹⁾
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New openings 2023



C85. 196 desks



Pza. Cataluña. 80 desks (extension)

⁽¹⁾ ADR: Average monthly desk rate

A

LOGISTICS

007

008

009

010

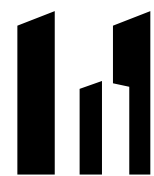
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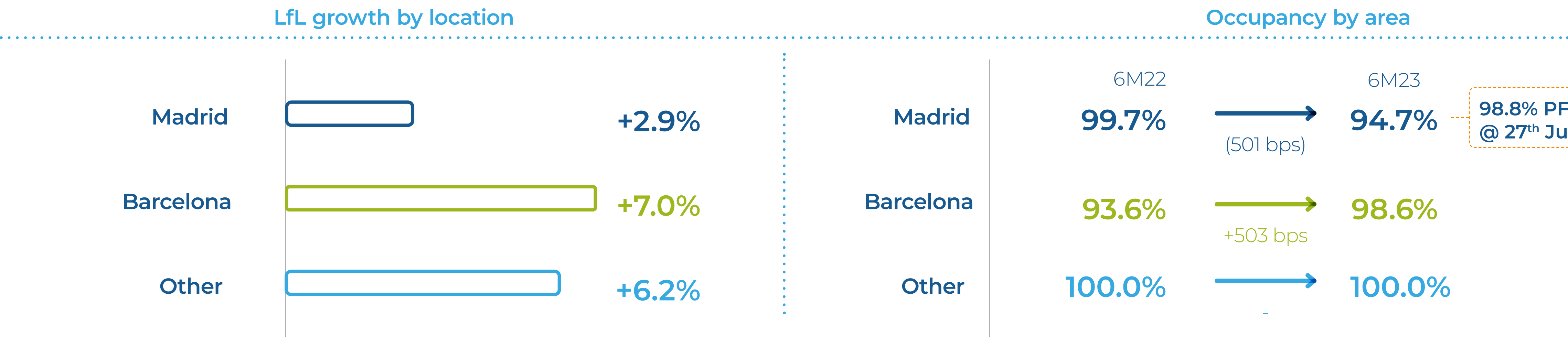
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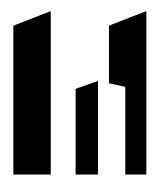
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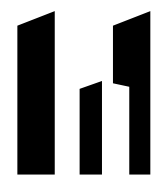
GOOD ORGANIC PERFORMANCE (+4.3% LfL) COUPLED WITH RENTAL GROWTH OFFSETTING TENANT ROTATION



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



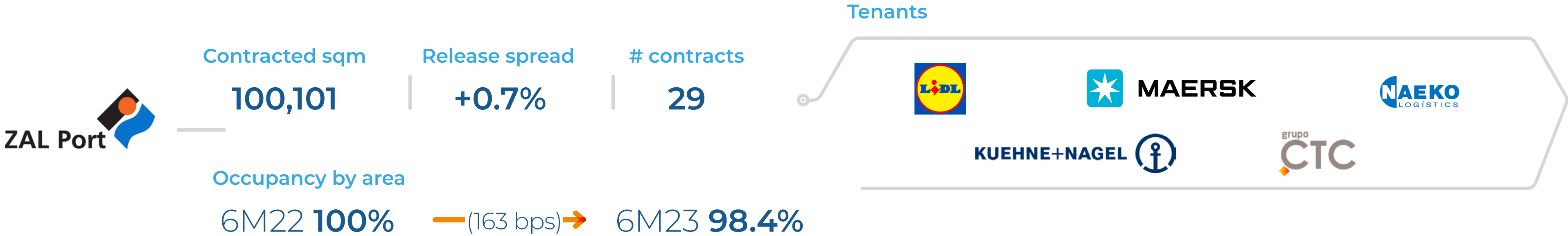
	Contracted sqm	#Renewed contracts	Release spread	Tenants contracted
Madrid	49,554	4	+4.4%	  
Barcelona	16,398	1	+15.9%	   
Other	17,253	1	-	 
Total	83,205	6	+9.3%	



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

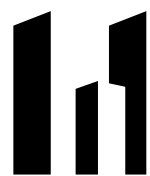


Stock
736,217 sqm
Third parties stock
(ground leases)
183,252 sqm
Stock under management
919,636 sqm

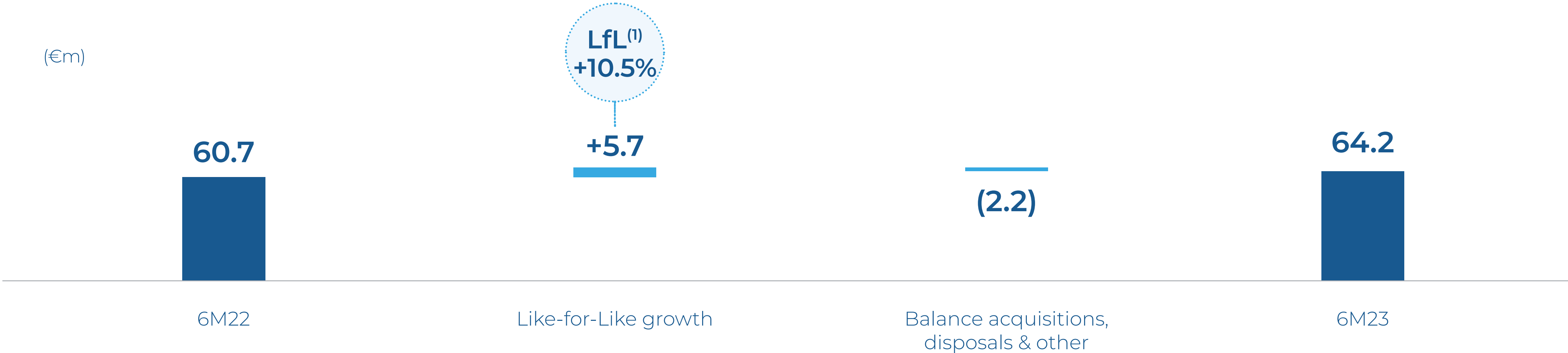




SHOPPING CENTERS

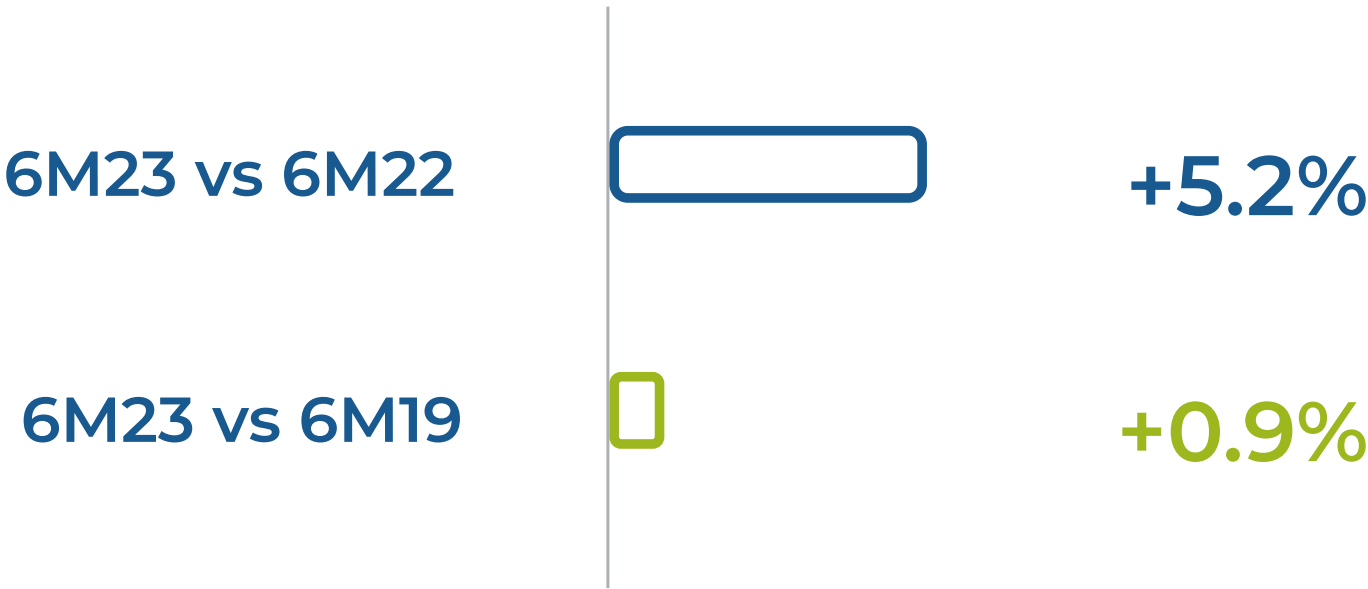


TENANT SALES SURPASSING PRE-COVID LEVELS WHILE MAINTAINING HISTORICALLY LOW **OCR AT 11.7%**

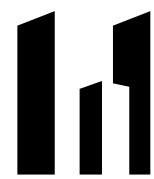


Footfall evolution

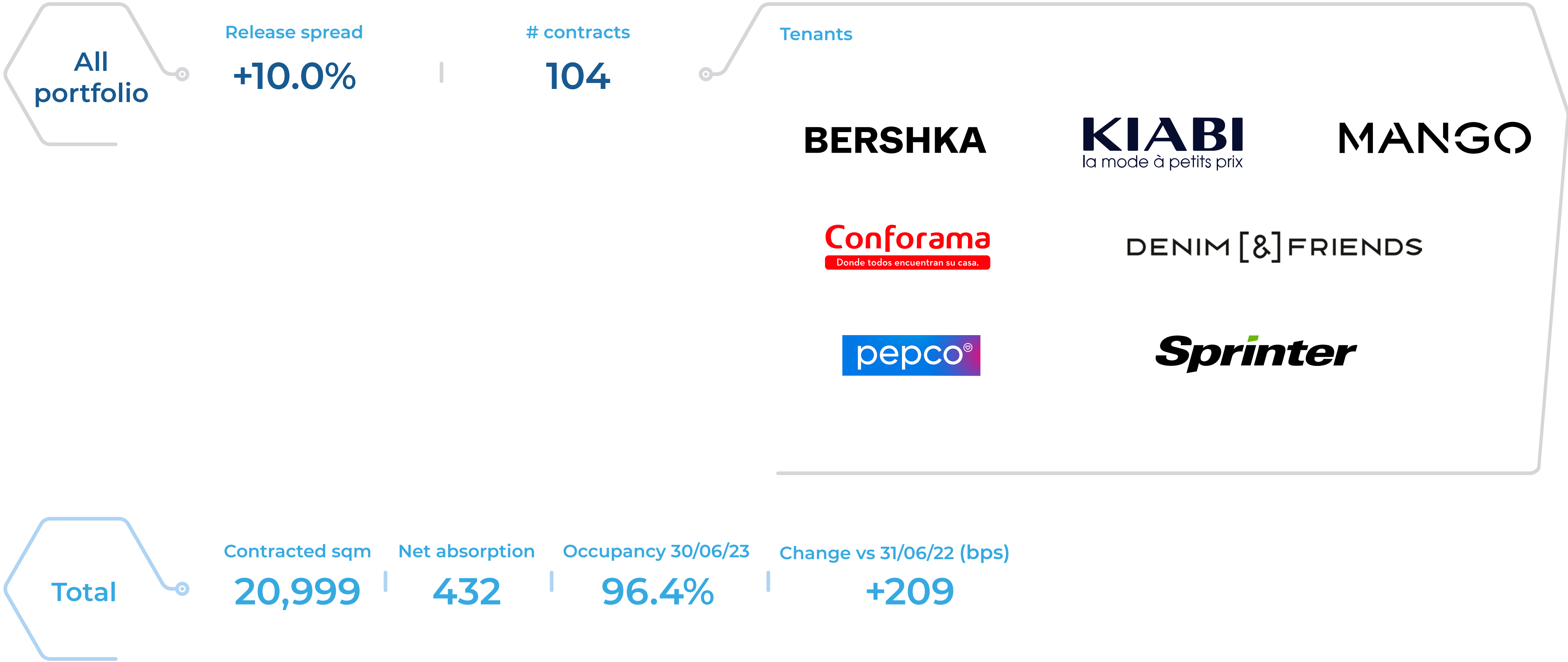
Tenant sales evolution



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



OCCUPANCY AT RECORD-HIGH LEVELS (96.4%)

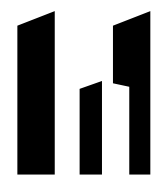




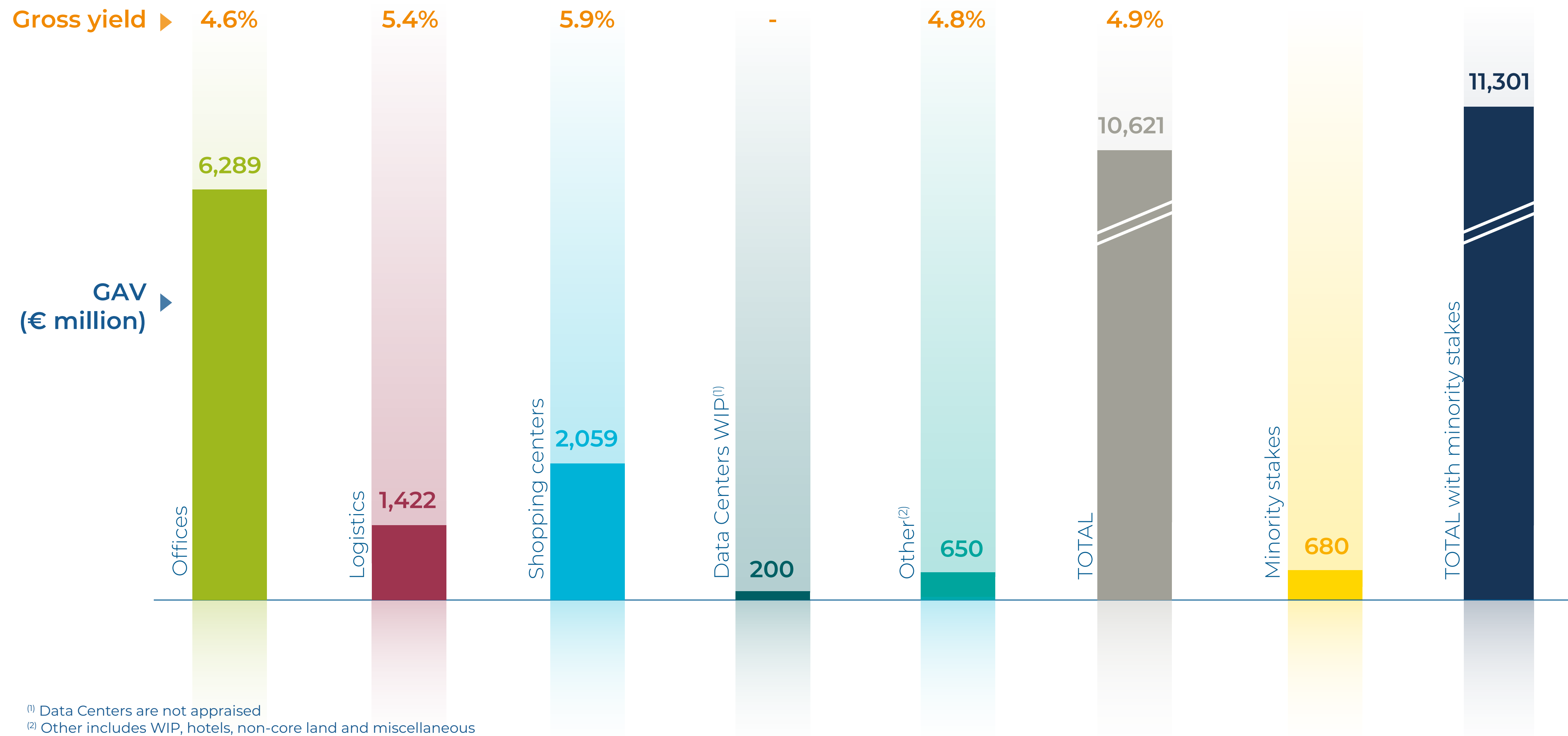
VALUATION AND DEBT POSITION

LOOM

ROOM

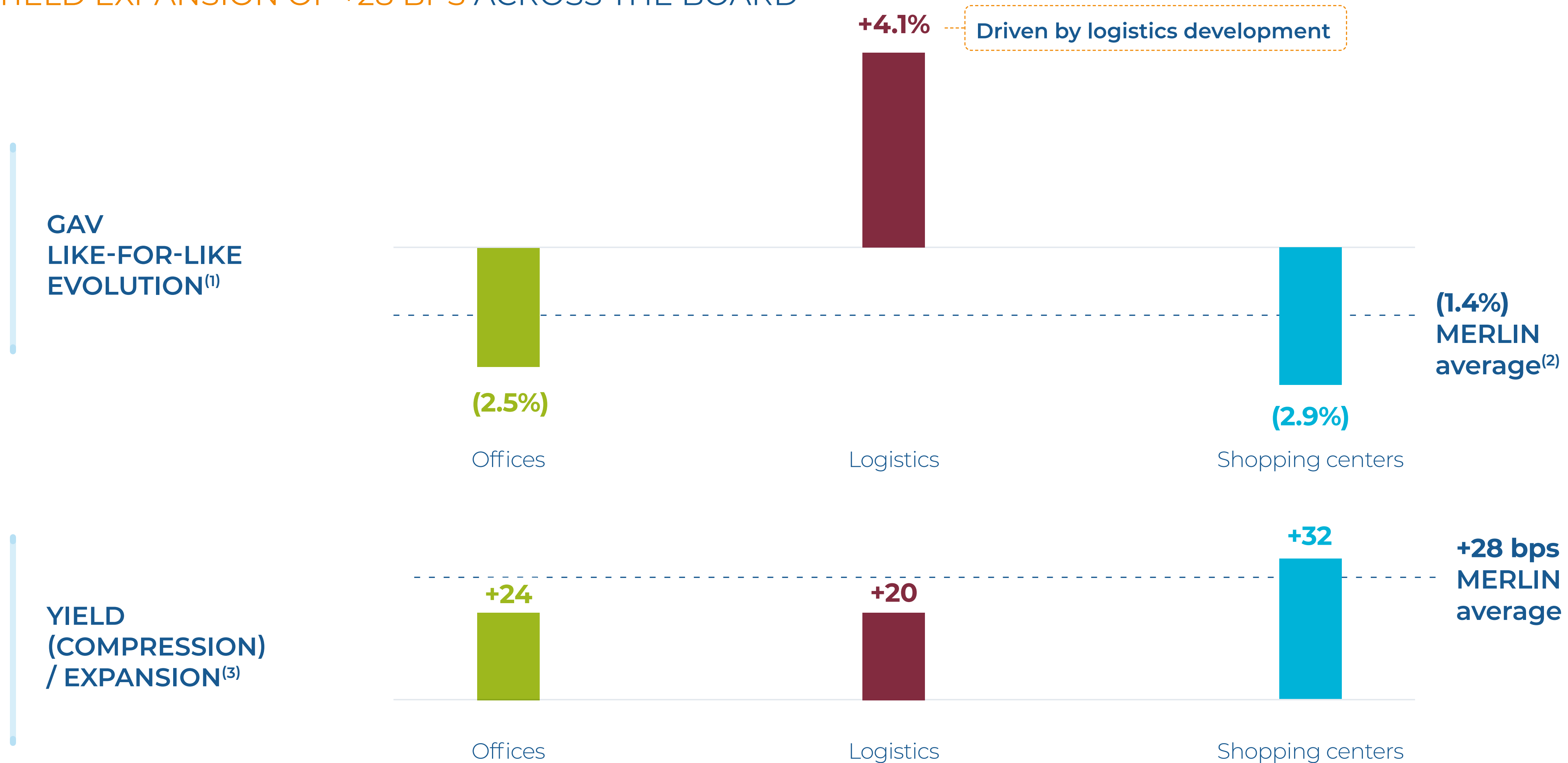


SLIGHT DECLINE IN VALUATION ACROSS THE PORTFOLIO (1.4% LFL), DESPITE STRONG OPERATING PERFORMANCE





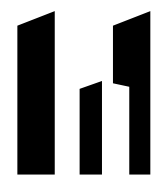
YIELD EXPANSION OF +28 BPS ACROSS THE BOARD



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

⁽²⁾ Including equity method

⁽³⁾ Based on passing rent

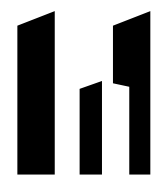


LTV STANDS AT 33.9%

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

	Rating	Outlook
S&P Global	BBB	Positive
MOODY'S	Baa2	Positive

⁽¹⁾ 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

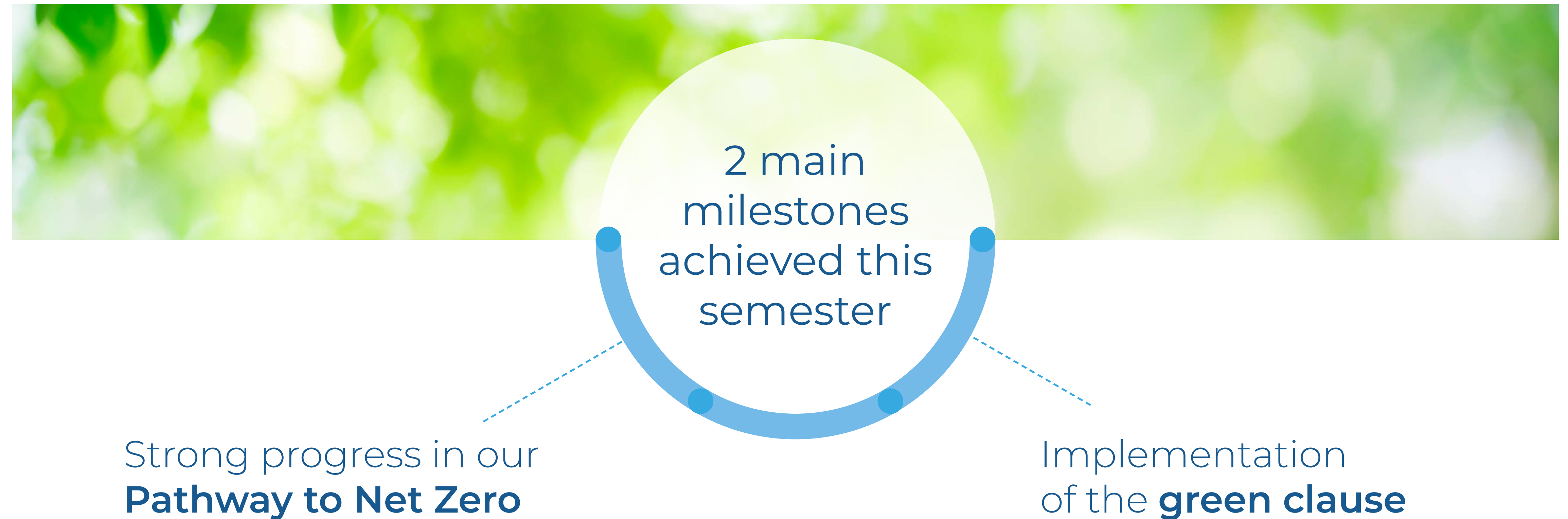


A photograph of a modern building with a light-colored, grid-like facade and numerous small, rectangular windows. In the foreground, there is a courtyard with a paved walkway, green grass, and several trees. A large, dark, semi-transparent rectangular box is overlaid in the center of the image, containing the word "SUSTAINABILITY" in white, bold, sans-serif capital letters.

SUSTAINABILITY



INTENSE YEAR IN TERMS OF ESG INITIATIVES





VALUE CREATION

Investments



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



Non-core divestments

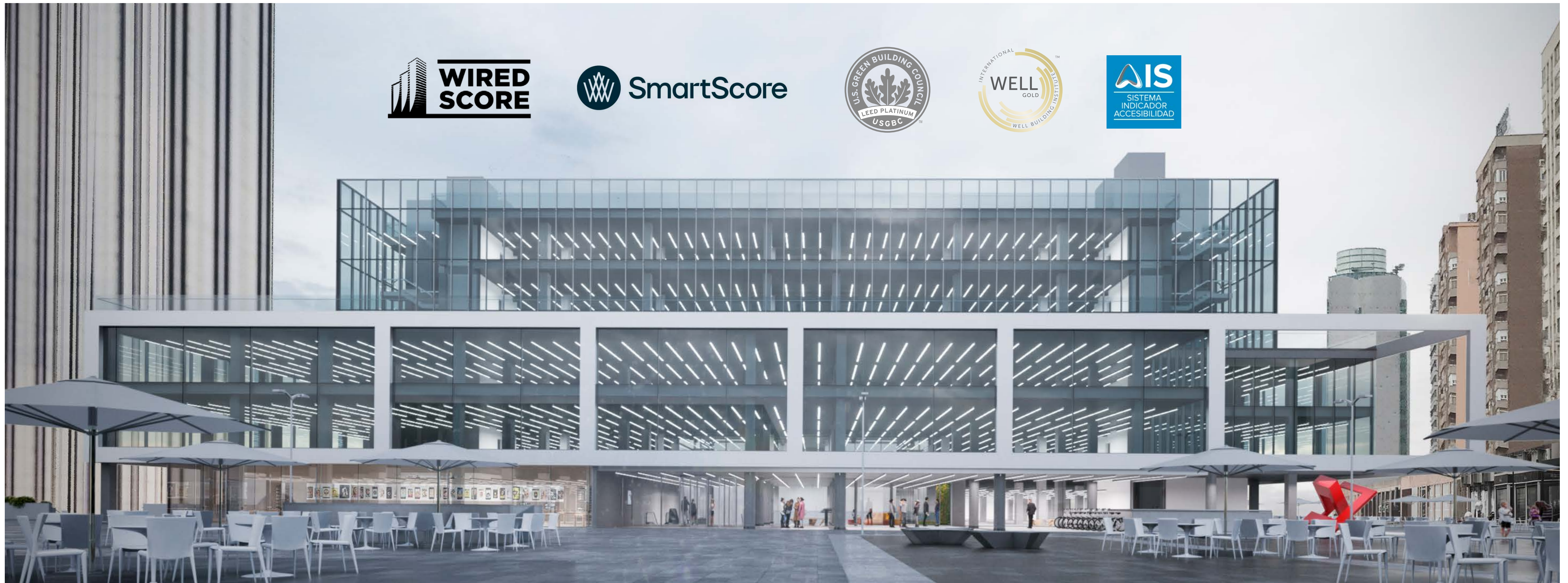


- 2 Shopping centers
- Industrial warehouse






VIRTUALLY FULLY LET TO TIER-1 TENANTS AT PRIME RENTS



GLA

36,899 sqm
After Refurbishment
5,323 sqm created

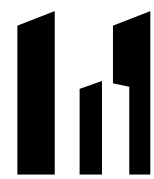


Globant 



LOOM

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 **NETCO®**
SHISEIDO **Greenergy**



160k sqm

with agreed
Head of Terms

+20k sqm

speculative

To start construction

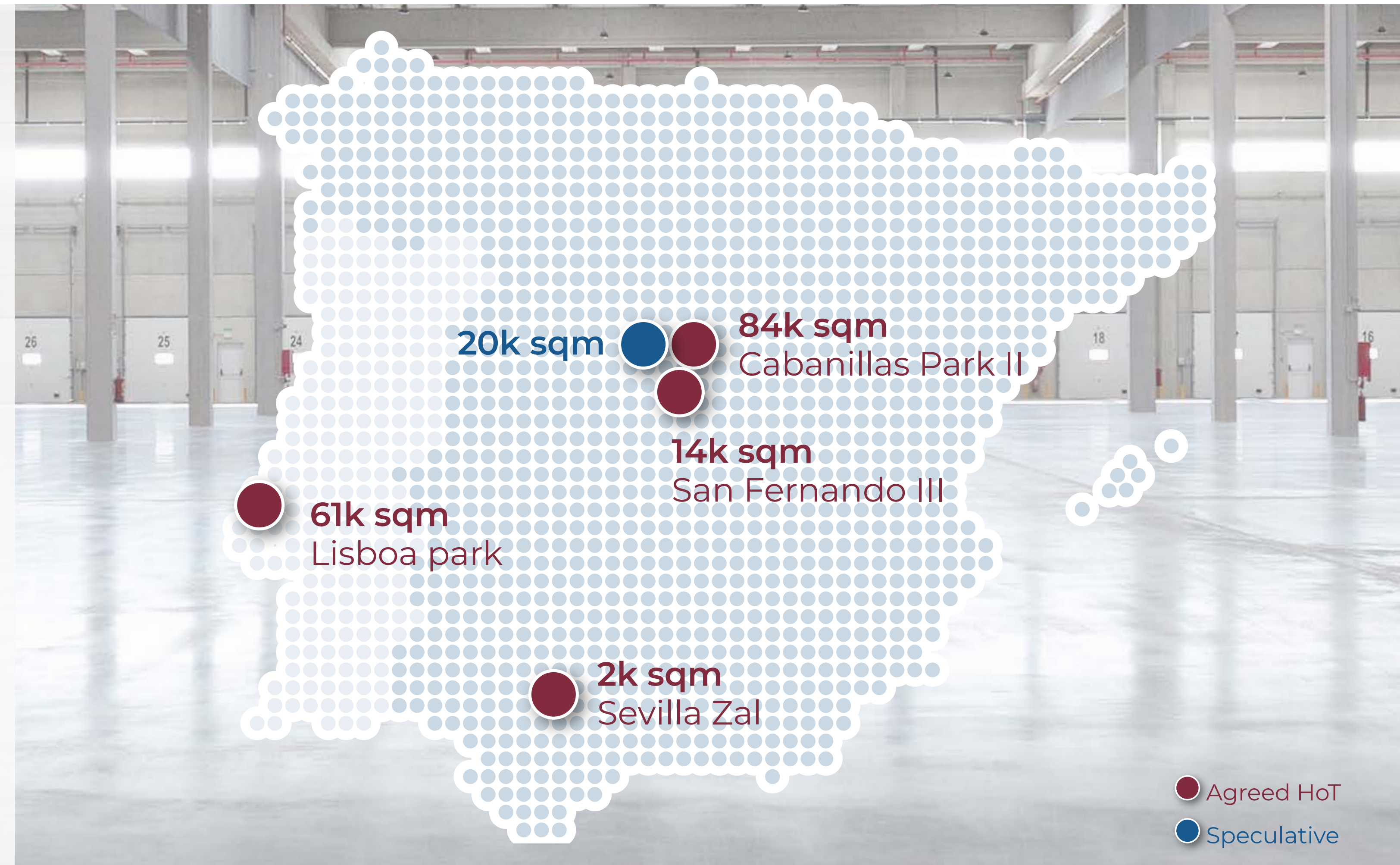
2H23⁽¹⁾

Total remaining
investment

€ 109m

YoC⁽²⁾

7.4%



⁽¹⁾ 47k sqm already under construction corresponding to Cabanillas Park II B

⁽²⁾ Including land cost



DIGITAL INFRASTRUCTURE PLAN (MEGA)



Bilbao-Arasur

→ MAIN DATES

Licensing:

February 2022

Start of development:

April 2022

Early access:

15th of September 2023

Final delivery date:

29th 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:

29th 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:

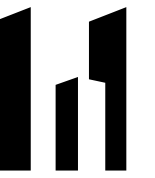
80% completed

✓ 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:
29th of September 2023

→ KEY MILESTONES

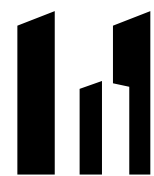
Facade construction:
95% completed.
Finishing the installation
of the PV façade (0.5 MWp)

Building construction:
85% completed

Interior offices:
30% completed

✓ Equipment delivery:
Already completed (3 MW)

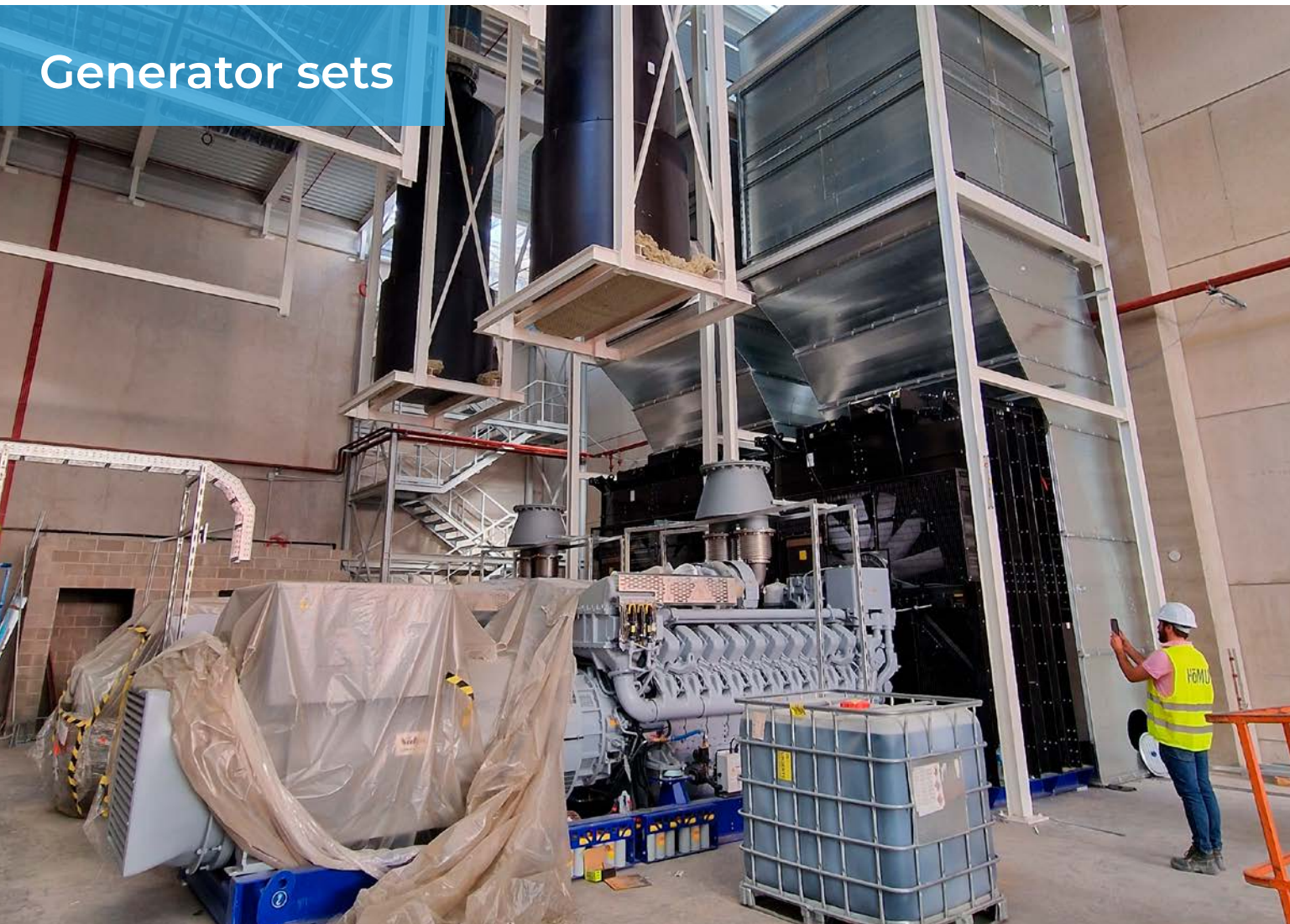
Fiber connection:
On-going



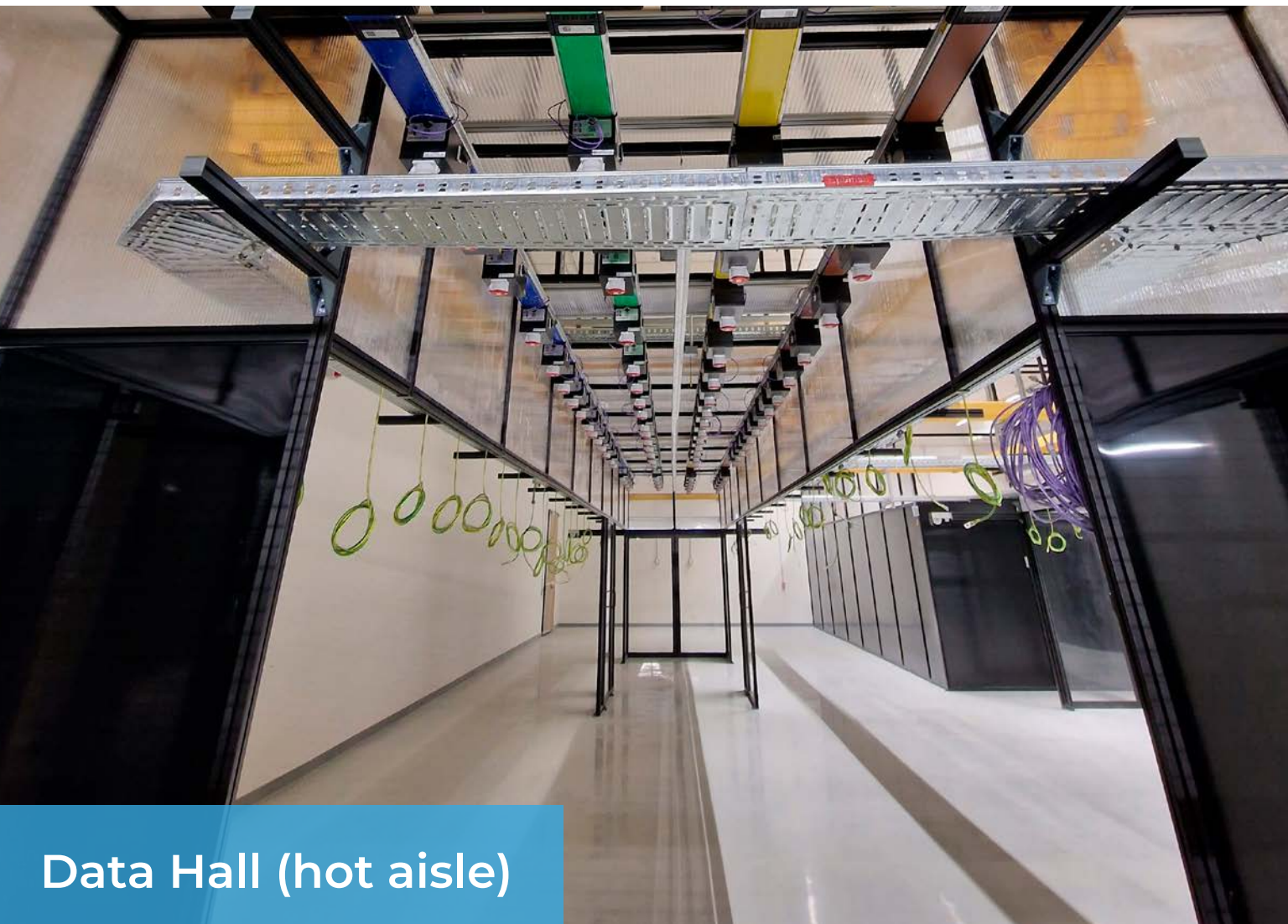
Data Hall



Cooling system (aireblocks)



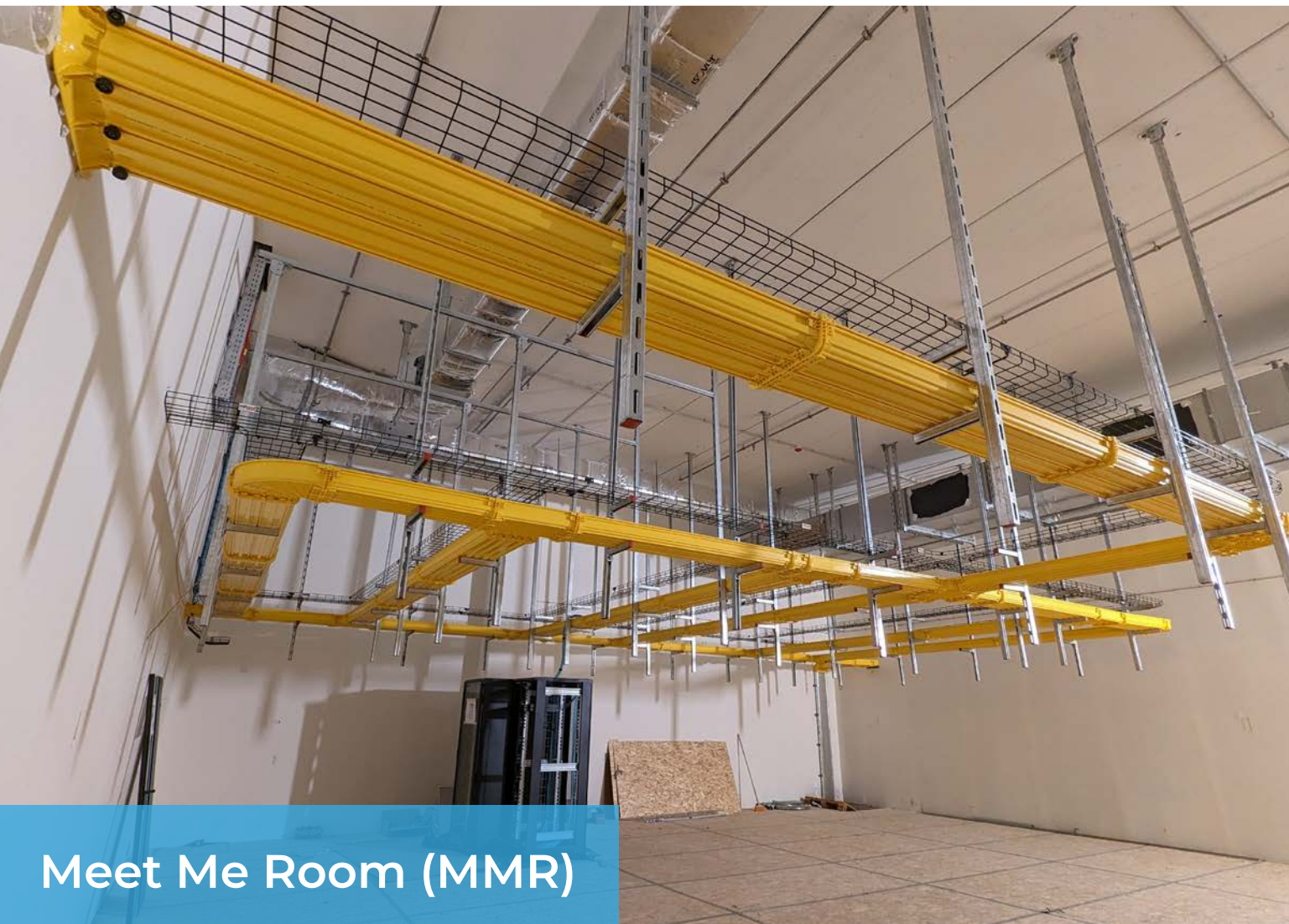
Generator sets



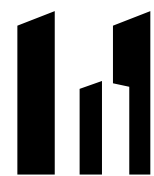
Data Hall (hot aisle)



Cooling system (chillers)



Meet Me Room (MMR)



2023

Incurred Jun-23
€ 200m

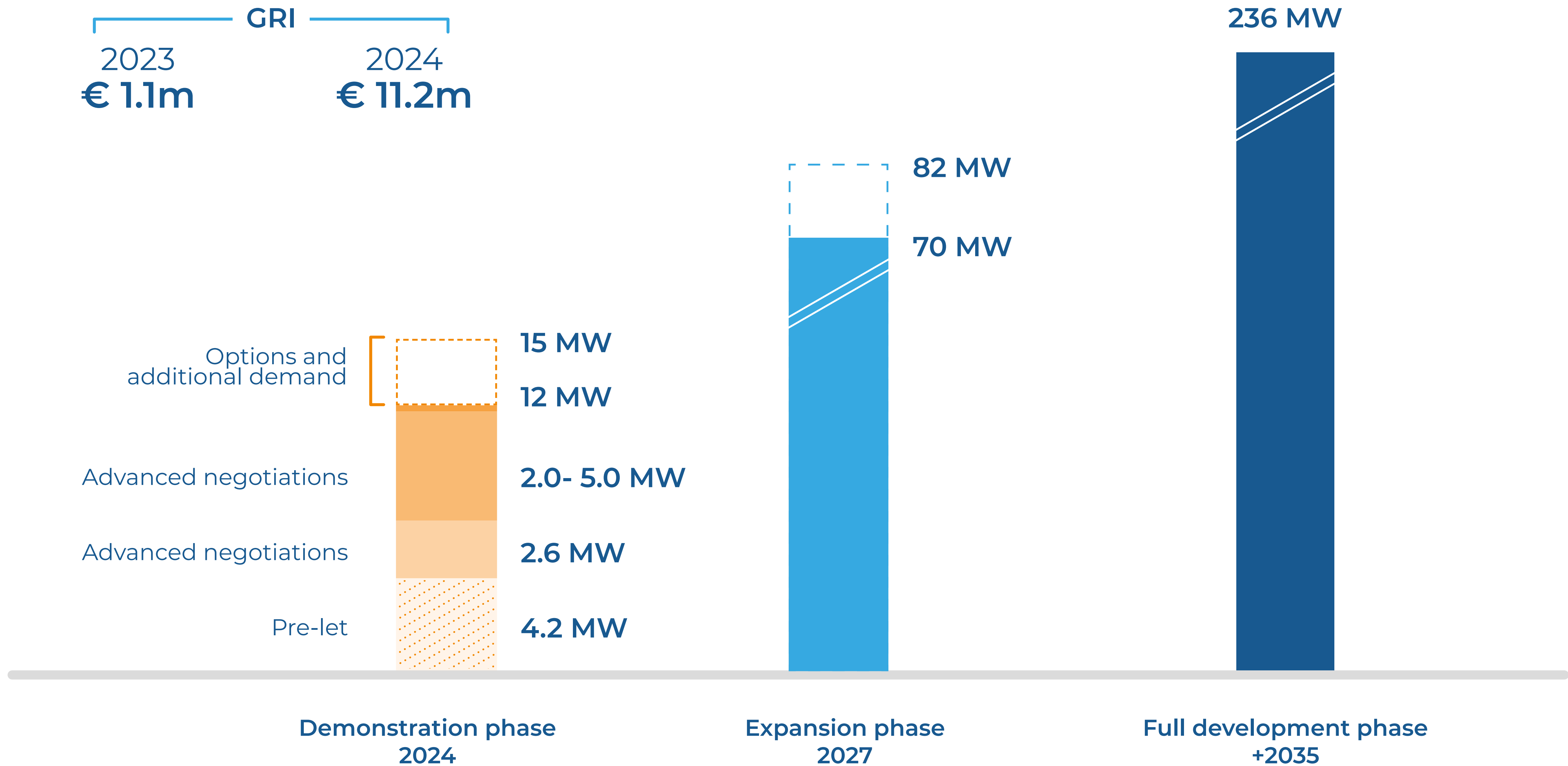
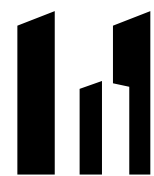
Expected Dec-23
€ 290m

3 fully built shells + 9MW

2024

Additional equipment
+ € 102m

+ 24MW





OUTLOOK 2023



FFO

Old	Guidance	New
€ 0.58 p.s.	→	€ 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 27th 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



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