

FOR INFORMATION PURPOSES. SPANISH VERSION PREVAILS

TO THE NATIONAL SECURITIES MARKET COMMISSION

MERLIN Properties, SOCIMI, S.A. (“MERLIN”), pursuant to article 228 of Legislative Royal Decree 4/2015, of October 23, 2015, approving the revised Securities Market Law, notifies the following

RELEVANT FACT

MERLIN has agreed today to issue under its *Euro Medium Term Note Programme* (EMTN) and following a bookbuilding process, unsubordinated ordinary bonds in the Euromarket (the “**Notes**”) for an aggregate principal amount of 300 million Euros (the “**Issue**”).

The Notes will be issued at 98.718% of its nominal value, with a maturity of twelve (12) years and an annual coupon of 2.375%, payable in arrears every year.

Subscription and payment for the Notes is expected on 18 September 2017, once the conditions precedent ordinarily established for this kind of issuances are met.

The terms and conditions of the Notes, as well as their representation, are subject to English law. In addition, it is expected that the Notes are admitted to listing on the Luxembourg Stock Exchange.

MERLIN will apply the Issue proceeds for repayment of mortgage loans as well as general corporate purposes.

The press release is attached.

Madrid, on 11 September 2017.

MERLIN Properties SOCIMI, S.A.

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MERLIN Properties successfully issues € 300 million 12-year unsecured bonds

- MERLIN Properties has completed today a 300 million euros unsecured bond issuance, with 12 year maturity period and a coupon of 2.375%
- The proceeds will be devoted to repay mortgage loans as well as for general corporate purposes

Madrid, 11 September.- MERLIN Properties Socimi, S.A., (MC:MRL), the largest real estate company listed on the Spanish Stock Exchange, specialising in the acquisition and management of commercial real estate assets in the Iberian region, has announced today the issuance of unsubordinated ordinary bonds in the Euromarket (the “Notes”) for an aggregate principal amount of 300 million euros (the “Issue”).

The Notes have been issued with a maturity of 12 years, at an issue price of 98.718% of nominal value, and an annual coupon of 2.375% (midswap + 150.8 bps). Subscription and payment for the Notes is expected on 18 September 2017.

The terms and conditions of the Bonds, as well as their representation, are subject to English law. In addition, it is expected that the Bonds are admitted to listing on the Luxembourg Stock Exchange.

The overall proceeds will be devoted to repay existing mortgage loans as well as for general corporate purposes.

With this financing, MERLIN Properties will further optimize its capital structure by extending the average maturity while reducing the average cost of debt at the same time.

This transaction gives evidence of the strong momentum in the debt capital markets and the excellent profile that MERLIN represents, being the first time that a Spanish real estate issuer has issued bonds with a maturity longer than 10 years. Through this issuance, MERLIN also becomes the only BBB rated real estate company in Europe to issue 12-year maturity bonds in the last year.

About MERLIN Properties

MERLIN Properties SOCIMI, S.A. (MC:MRL) is the largest real estate company trading on the Spanish Stock Exchange, with a market capitalization of approximately 5,500 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

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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.

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