SUPPLEMENT DATED 18 MARCH 2019 TO THE BASE PROSPECTUS DATED 18 MAY 2018

MERLIN PROPERTIES, SOCIMI, S.A.

(Incorporated and registered in Spain under the Spanish Companies Act)

€5,000,000,000

Euro Medium Term Note Programme

This base prospectus supplement (the "**Supplement**") is supplemental to and must be read in conjunction with the Base Prospectus dated 18 May 2018 (the "**Base Prospectus**"), prepared by Merlin Properties, SOCIMI, S.A. (the "**Issuer**" or the "**Company**") in connection with the €5,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). Terms defined in the Base Prospectus have the same meaning when used in this Supplement unless the context requires otherwise.

On 18 May 2018, the Commission de Surveillance du Secteur Financier (the "**CSSF**"), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and relevant implementing measures in Luxembourg, approved the Base Prospectus as a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and in compliance with relevant implementing measures in Luxembourg for the purpose of giving information with regard to the issue of Notes issued under the Programme described in the Base Prospectus.

Application has been made to the CSSF for approval of this Supplement as a supplement to the Base Prospectus for the purposes of Article 16 of the Prospectus Directive and relevant implementing measures in Luxembourg.

This Supplement has been prepared for the purpose of supplementing the section of the Base Prospectus entitled "*Documents Incorporated By Reference*" to incorporate by reference certain financial information as of and for the year ended 31 December 2018 in respect of the Issuer as well as to supplement the sections entitled "*Risk Factors*", "*Information on the Group*", "*Taxation*" and "*General Information*".

The Issuer accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Save as disclosed in this Supplement, there has been no other significant new factor and there are no material mistakes or inaccuracies relating to information included in the Base Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Base Prospectus.

To the extent that there is any inconsistency between (i) any statement in, or incorporated by reference into the Base Prospectus by virtue of, this Supplement and (ii) any other statement in or incorporated by reference into the Base Prospectus, the statements in (i) above will prevail.

The Arranger and the Dealers have not separately verified the information contained in this Supplement. None of the Arranger or the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Supplement or the Prospectus. None of the Arranger or the Dealers accepts any liability in relation to the information contained or incorporated by reference in this Supplement or the Base Prospectus or any other information provided by the Issuer in connection with the Programme.

Copies of this Supplement will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

RISK FACTORS

The information set out below shall supplement the section of the Base Prospectus entitled "Risk Factors" on pages 8 to 34 of the Base Prospectus.

With effect from the date of this Supplement, the information appearing under the heading "Risks relating to Notes Generally" on pages 28 to 34 shall be amended in the manner described below.

By virtue of this Supplement:

*(a) the following text shall replace, in its entirety, the risk factor entitled "The proposed financial transaction tax (the "**FTT**"):*

> ***"The proposed financial transaction tax (the "EU FTT")***
>
> The European Commission published in February 2013 a proposal (the "**Commission's Proposal**") for a Directive for a common EU FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (excluding Estonia, the "participating Member States"). Estonia has since stated that it will not participate.
>
> The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.
>
> Under the Commission's Proposal the EU FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.
>
> In the ECOFIN meeting of 17 June 2016, the EU FTT was discussed between the EU Member States. It has been reiterated in this meeting that participating Member States envisage introducing an EU FTT by the so-called enhanced cooperation.
>
> On 3 December 2018, the finance ministers of France and Germany outlined a joint proposal for a limited FTT modelled on a system already in place in France. Under the new proposal, the tax would apply only to transactions involving shares issued by domestic companies with a market capitalisation of over 1 billion euros.
>
> However, the original EU FTT proposal remains subject to negotiation between participating Member States and the scope of any such tax is uncertain.. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and participating Members States may withdraw. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTTs."

*(b) the following risk factor shall be added immediately after the risk factor entitled "The proposed financial transaction tax (the "**EU FTT**"):*

> ***"The proposed Spanish financial transactions tax***
>
> On 19 October 2018, the Spanish Council of Ministers approved a draft bill (the "**Draft Bill"**), according to which, due to the delay in the EU FTT being approved, the intention is to implement a Spanish financial transactions tax (the "**Spanish FTT"**). However, the Spanish Council of Ministers stated that Spain would continue to participate in the enhanced co-operation for the approval of the EU FTT and, if finally approved, Spain would adapt the Spanish FTT to align it with the EU FTT.

According to the Draft Bill, the Spanish FTT will be aligned with the French and Italian financial transactions tax. Specifically, it is proposed that a Spanish FTT, at a rate of 0.2%, would apply to certain acquisitions of listed shares issued by Spanish companies whose market capitalisation exceeds €1 billion, regardless of the jurisdiction of residence of the parties involved in the transaction. Whilst, as currently drafted, the Spanish FTT would not apply in relation to an issue of Notes under the Programme, there can be no assurance that any such Spanish FTT would not apply to an issue of Notes in the future.

The Draft Bill was sent to parliament for debate and approval. However, early General elections have been called to take place on 28 April 2019 and given that the Spanish Parliament has been be dissolved last 6 March 2019, the Spanish FTT cannot be approved before the General elections take place.

While, as currently drafted, the Spanish FTT would not apply in relation to an issue of Notes under the Programme, there can be no assurance that any such Spanish FTT would not apply to an issue of Notes in the future. It is unclear whether the legislative process will continue after the General elections and in such case, whether the proposed measures could substantially be modified. Prospective holders of the Notes are advised to seek their own professional advice in relation to the Spanish FTT."

DOCUMENTS INCORPORATED BY REFERENCE

The documents set out below, which have been previously published and which have been filed with the CSSF, shall be deemed, via this Supplement, to be incorporated by reference into, and to form part of, the Base Prospectus. Copies of documents incorporated by reference in the Base Prospectus may be inspected, free of charge, during normal business hours at the registered office of the Issuer or obtained (without charge) from the website of the Luxembourg Stock Exchange (www.bourse.lu).

To this end, the information set out below shall supplement, by virtue of this Supplement, the section of the Base Prospectus entitled "Documents Incorporated By Reference" on pages 35 to 37 of the Base Prospectus:

"4. Audited consolidated financial statements of the Issuer as of and for the year ended 31 December 2018

Merlin Properties, SOCIMI, S.A. audited consolidated financial statements as of and for the year ended 31 December 2018

Independent Auditor's Report	Pages 2-8
Consolidated Statement of Financial Position...	Page 9
Consolidated Income Statement...	Page 10
Consolidated Statement of Changes in Equity	Page 11
Consolidated Statement of Cash Flows	Page 12
Notes..	Pages 13 - 110
Management Report	Pages 111 - 218

Note: the page numbers in the above table refer to the page numbers of the corresponding pdf file."

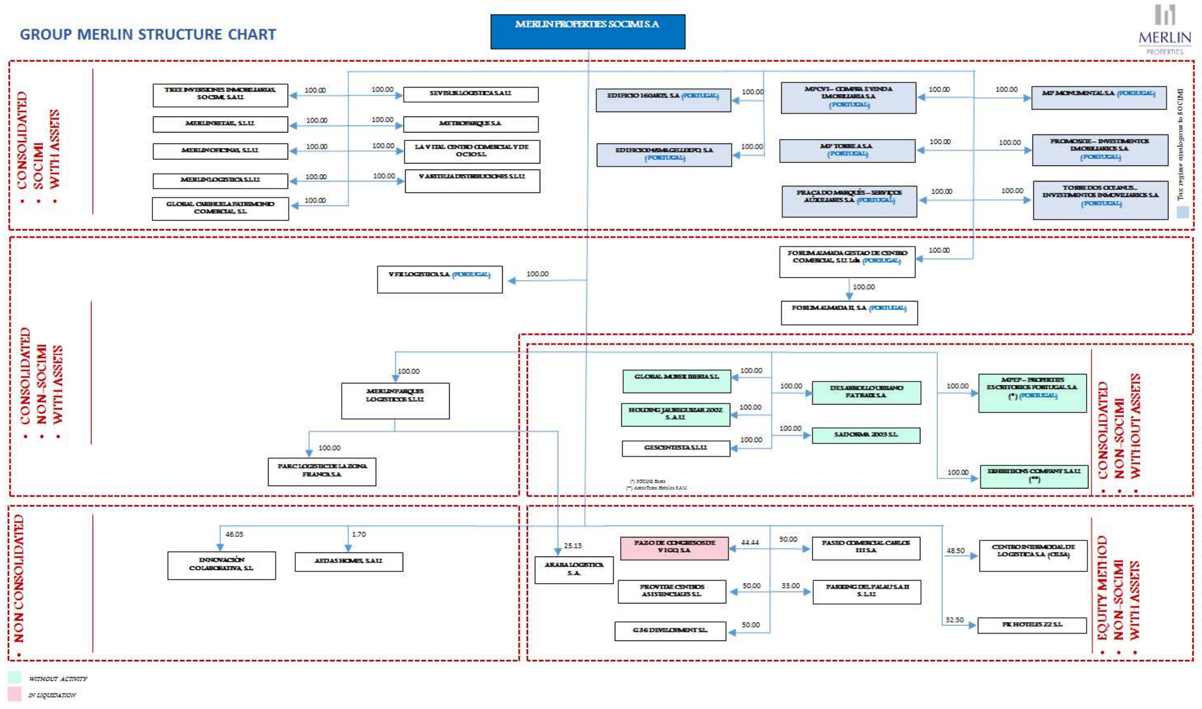
INFORMATION ON THE GROUP

The information set out below shall supplement the section of the Base Prospectus entitled "Information on the Group" on pages 85 to 95 of the Base Prospectus.

To this end, the following text shall, by virtue of this Supplement, replace, in its entirety, the sub-section entitled "Organisational Structure":

"Organisational Structure

The Company is the parent company of the Group. Set forth below is an organisational chart of the Group as at the date of this Supplement:



"

To this end, by virtue of this Supplement, the following table will be added immediately before the sub-section entitled "The Group's Business Strategy".

"The following is a table of the key performance indicators of the Group's Assets (not including minority stakes) by asset class as at 31 December 2018:

(€ million, unless otherwise indicated)		**Offices**	**High street retail**	**Shopping centres**	**Logistics**	**Others(1)**	**Total**
Number of Assets							
	% of total	140	760	18	46	31	995
GAV(2)		5,513	2,220	2,265	830	1,011	11,839
	% of total	49.7%	18.4%	19.2%	9.1%	3.6%	100%
Gross Rents		224	107	104	50	15	500
	% of total	44.9%	21.4%	20.7%	10.1%	2.9%	100.0%
"Topped Up" Net Rents(3)		203	105	88	49	13	458

	% of total	44.3%	23.0%	19.2%	10.7%	2.8%	100.0%
Net Rents[(4)]		189	104	84	45	12	434
	% of total	43.5%	24.0%	19.4%	10.4%	2.7%	100.0%
Gross Yield[(5)]		4.1%	4.3%	5.2%	6.2%	4.4%	4.6%
EPRA Net Initial Yield[(6)]		3.6%	4.2%	4.4%	5.4%	4.0%	4.0%
Total GLA (ksqm)[(7)]		1,272	396	502	1,101	108	3,379
	% of total	37.6%	11.7%	14.9%	32.6%	3.2%	100.0%
Occupancy Rate		90.0%	99.2%	91.0%	98.2%	74.0%	93.4%
WAULT by Rent Years[(8)]		3.1	17.7	2.5	4.0	3.7	5.8

Notes:

(1) Others includes WIP, hotels, land for development, non-core land and miscellaneous.

(2) GAV based on market value as at 31 December 2018, excluding minority stakes. See the appendix entitled "Alternative Measures of Performance" to the 2018 "Management Report", which is incorporated by reference in this Base Prospectus, for an explanation of this metric's components and a definition of this APM.

(3) "Topped Up" Net Rents deducts from gross rents direct property expenses non rechargeable to tenants.

(4) Net Rents deducts from gross rents incentives, collection loss and property expenses not recharged to tenants.

(5) Gross Yield is calculated dividing annualised gross rents by GAV. See the appendix entitled "Alternative Measures of Performance" to the 2018 "Management Report", which is incorporated by reference in this Base Prospectus, for a definition of this APM.

(6) EPRA Net Initial Yield is calculated by dividing the annualised rental income based on the cash passing rents less non-recoverable property operating expenses by GAV. See the appendices entitled "EPRA Metrics Calculation" and "Alternative Measures of Performance" to the 2018 "Management Report", which is incorporated by reference in this Base Prospectus, for an explanation of this metric's components and a definition of this APM.

(7) GLA above ground. Not including WIP and land.

(8) WAULT by Rent Years means the weighted average unexpired lease term, calculated as of 31 December 2018. See the appendix entitled "Alternative Measures of Performance" to the 2018 "Management Report", which is incorporated by reference in this Base Prospectus, for a definition of this APM."

SPANISH SOCIMI REGIME AND TAXATION INFORMATION

The information set out below shall supplement the section of the Base Prospectus entitled "Spanish SOCIMI Regime and Taxation Information" on pages 96 to 105 of the Base Prospectus.

To this end, the following text shall, by virtue of this Supplement, replace, in its entirety, the sub-section entitled "2.2.2 Net Wealth Tax (Impuesto sobre el Patrimonio)":

"Net Wealth Tax may be levied in Spain on resident individuals, on a worldwide basis. In particular, individuals with tax residency in Spain are subject to Net Wealth Tax to the extent that their net worth exceeds €700,000. Therefore, they should take into account the value of the Notes which they hold as at 31 December each year, the applicable rates ranging between 0.2 per cent. and 2.5 per cent.

Law 4/2008, of 23 December introduced a 100% relief (*bonificación del 100%*) on the Net Wealth Tax. However, for the years 2011 to 2017 the Spanish Central Government has repealed the 100% relief of this tax.

However, in accordance with article 3 of Royal Decree-Law 27/2018 of 28 December, from the year 2020, a full exemption on Net Wealth Tax (*bonificación del 100%*) should apply and therefore from year 2020 Spanish individual Holders should be released from formal and filing obligations in relation to this Net Wealth Tax, unless the derogation of the exemptions is extended again (which cannot be ruled out).

The collection of this tax depends on the regulations of each Autonomous Region. Therefore, in the case that the repeal 100% relief is extended again, investors should consult their tax advisers according to the particulars of their situation."

Furthermore, the following text shall, by virtue of this Supplement, replace, in its entirety, the sub-section entitled "2.4.2 Net Wealth Tax (Impuesto sobre el Patrimonio)":

"Individuals resident in a country with which Spain has entered into a double tax treaty in relation to Net Wealth Tax would generally not be subject to such tax. Otherwise, non-Spanish resident individuals whose properties and rights are located in Spain, or that can be exercised within the Spanish territory exceed €700,000 would be subject to Net Wealth Tax. In such event, they should take into account the value of the Notes which they hold as at 31 December each year, the applicable rates ranging between 0.2 per cent. and 2.5 per cent.

Holders tax resident in a State of the European Union or of the European Economic Area may be entitled to apply the specific regulation of the autonomous community where their most valuable assets are located and which trigger this Spanish Net Wealth Tax due to the fact that they are located or are to be exercised within the Spanish territory.

In accordance with article 3 of Royal Decree-Law 27/2018 of 28 December, from the year 2020, a full exemption on Net Wealth Tax (*bonificación del 100%*) should apply and therefore from year 2020 Spanish individual Holders should be released from formal and filing obligations in relation to this Net Wealth Tax, unless the derogation of the exemptions is extended again (which cannot be ruled out)."

GENERAL INFORMATION

The information set out below shall supplement the section of the Base Prospectus entitled "General Information" on pages 122 to 124 of the Base Prospectus.

To this end, the following text shall, by virtue of this Supplement, replace, in its entirety, paragraph 3 of this section:

"(3) There has been no significant change in the financial or trading position of the Issuer or of the Group since 31 December 2018, being the date of the last published annual accounts, and no material adverse change in the prospects of the Issuer or of the Group since 31 December 2018."

Furthermore, the following text shall, by virtue of this Supplement, replace, in its entirety, paragraph (11)(iv) of this section:

"(iv) the audited consolidated financial statements of the Issuer as of and for the years ended 31 December 2018, 31 December 2017 and 31 December 2016, respectively;"