

MERLIN Properties: AGM on June 17th, dividend of 15 cents per share and additional 17 cents delegated to the Board of Directors

- MERLIN Properties will hold its AGM on June 17th, where a complimentary dividend of 14.6 cents per share, payable in cash, will be proposed for approval. It will also be proposed a further remuneration to shareholders of 17.4 cents per share, payable in cash and to be distributed by way of share premium refund. This last distribution will be delegated to the Board of Directors, who will decide on its effective implementation in view of the evolution of the coronavirus pandemic.
- The Board of Directors have decided to reduce their compensation by 25% and has agreed with the CEO, General Corporate Manager and all members of the senior management team the initiative to waive all the variable compensation and stock plan corresponding to 2020.
- Following the positive reinforcement of MERLIN's rating by S&P (BBB) and Moody's (Baa2), the company has disclosed and limited its future Capex commitments to those projects currently under execution and with pre-lets in place, capable of generating additional rents in the short to medium term.
- MERLIN Properties reiterates its commitment with tenants whose stores have been forced to close and continues working towards helping, to the extent possible, in fighting the pandemic. The company and its staff have fully funded the purchase of 4 robots for PCR massive testing of coronavirus, which are now operating in the Carlos III Health Institute, and the medical centres of La Paz, in Madrid, and Vall d'Hebron and Clinic in Barcelona.

Madrid, 9 April. – The Board of Directors of MERLIN Properties, at a meeting held yesterday, has adopted, among others, the resolution to call the Annual Shareholders' Meeting of the Company, to be held on June 16 and 17, 2020, at first and second call, respectively, expecting to take place on second call. The call notice, and the other legally required documentation, will be published shortly, on the terms and within the time periods stipulated in the applicable legislation.

Among other items, the notice will include the proposal for shareholders remuneration corresponding to 2019. In October 2019, € 20 cents per share were distributed on account. The complimentary dividend proposed will amount to € 14.6 cents per share, payable in cash. Furthermore, a share premium distribution of € 17.4 cents per share will also be proposed, payable in cash, but the execution will be delegated to the Board, who will decide after analysing the impact of the Covid-19 evolution in the business.

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MERLIN has worked consistently over several years to ensure a strong and robust financial position to overcome these challenging times. The Company benefits from over € 1,100 million in cash, while not facing any debt expiries until April 2022. Leverage remains low, with LTV of 40.6% at FY2019, and the company enjoys ample headroom to debt covenants. This solid financial position has been reinforced by the two main rating agencies, who very recently reaffirmed the rating of the company, BBB in the case of S&P, and Baa2 in the case of Moody's.

The Company has reassessed future investment plans, in particular Landmark plan for offices, Flagship plan for retail and Best II & III plans for logistics, considering the current context of prudence and capital preservation. MERLIN has separated projects under execution and high level of pre-lets from those not started that may be deferred. Projects under execution and income producing in the short-term entail an aggregate investment of € 247.7 million, over the next four years, out of which € 167.4 million are expected to be disbursed this year. Future additional rents attributable to these projects (of which 65% are prelet) amount to € 37.3 million.

It is important to highlight that MERLIN Properties has worked intensively over the last weeks to find initiatives suitable to fight the coronavirus.

In this regard, MERLIN has sponsored the purchase, transport and set up of 4 robots, with the most advanced technology in PCR massive testing of coronavirus. This endeavor has been led by a group of professionals engaged in health, research, technology and public affairs activities, with all the funding needed provided by MERLIN Properties together with donations from its staff. The robots are now operating in the Carlos III Health Institute, and La Paz medical centre in Madrid, and Vall d'Hebron and Clinic, in Barcelona. The robots may morph at a later stage to integrate the systems needed for the antibodies testing. Several corporates have joined and supported this effort such as Manpower Group, Inditex, Apple, Correos, Ikea, LLYC and Telefonica, who have provided engineers, logistics, equipment and infrastructure required to set up and run the robots. The Treasury department, Home Office department, Foreign Affairs and Innovation departments have also helped to manage the whole process.

About MERLIN Properties

MERLIN Properties SOCIMI, S.A. (MC:MRL) is one of 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 to learn more about the company.

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