6M23 RESULTS REPORT

For the period ended on
June 30, 2023

MERLIN PROPERTIES

6M23
RESULTS REPORT
For the period ended on **June 30, 2023**

MERLIN PROPERTIES

Appendix

IBEX35 STOXX® Europe 600 Global property research EPRA MSCI GRESB CDP Dow Jones Sustainability Indexes SUSTAINALYTICS

1. EXECUTIVE SUMMARY

CONSOLIDATED PERFORMANCE

+7.7%
Gross rents like-for-like YoY

(6.4%)
FFO per share YoY

+16.7%
FFO PF excl. Tree

- **Positive release spreads and good rental growth (+7.7% LfL). Occupancy up QoQ** (+12 bps)
- **Strong operating performance helps offset FFO drag of the BBVA disposal**
- **€ 31.6m non-core divestments.** Muted investment activity
- **2023 bond repaid. RCF extended to 2028**
- **Continued absorption of expanding capitalization rates (+28 bps in 6M23),** with limited valuation impact so far (-1.4% LfL in 6M23) thanks to CPI and logistics
- **NTA per share** at **€ 15.36** after a € 0.24 cash dividend paid out in 2Q

(€ million)	6M23	6M22	YoY
Total revenues	243.4	226.6	7.4%
Gross rents	237.8	222.6	6.9%
Gross rents after incentives	222.4	209.3	6.3%
Net rents after propex & collection losses	201.1	186.4	7.9%
Gross-to-net margin[1]	*90.4%*	*89.0%*	
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%)
Net earnings	(47.5)	491.6	n.m.

(€ per share)	6M23	6M22	YoY
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%)

BUSINESS PERFORMANCE

Rents like-for-like YoY

+7.5% Offices | **+4.3%** Logistics | **+10.5%** S. Centers

Release spread

+3.2% Offices | **+9.3%** Logistics | **+10.0%** S. Centers

Occupancy vs 31/03/2023

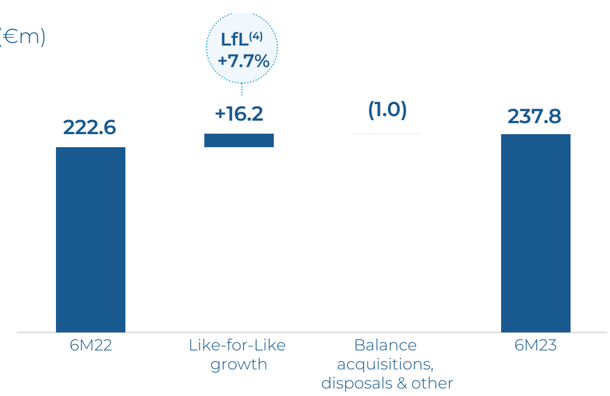
+12 bps → **94.9%**

- **Offices:** 162,839 sqm contracted. **LfL** of **+7.5%** and **release spread** of **+3.2%**
- **Logistics:** 83,205 sqm contracted. **LfL** of **+4.3%** and **release spread** of **+9.3%**
- **Shopping centers:** 20,999 sqm contracted. **LfL** of **+10.5%** and **release spread** of **+10.0%**

6M23	Contracted	Rent		Leasing activity	Occ. vs 31/03/23
	sqm	€m	Lfl change	Release spread	Bps
Offices	162,839	127.1	+7.5%	+3.2%	13
Logistics	83,205	39.7	+4.3%	+9.3%	(39)
Shopping centers	20,999	64.2	+10.5%	+10.0%	201
Other	n.a.	6.9	+6.5%	n.m.	-
Total	**267,043**	**237.8**	**+7.7%**		**12**

Gross rents bridge

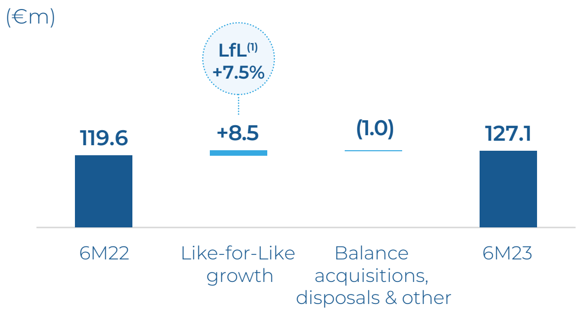
(€m)



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

OFFICES

Gross rents bridge



Rents breakdown

	Gross rents 6M23 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
Madrid	86.2	20.3	3.5
Barcelona	21.9	21.3	2.6
Lisbon	17.8	21.2	3.8
Other	1.3	11.8	6.3
Total	**127.1**	**20.4**	**3.4**

Leasing activity

- **Strong rental growth (+7.5%),** accelerating vs 3M23
- **2Q23 leasing activity highlights:**
  - 6,176 sqm renewal with All Funds in Avenida de Burgos 210, Madrid
  - 2,913 sqm new lease with Total in PE Puerta de las Naciones, Madrid
  - 2,515 sqm renewal with Transcom Worldwide in Atica 5, Madrid
  - 1,800 sqm renewal with TBWA in Juan Esplandiu 11-13, Madrid
  - 1,543 sqm new lease with Aernova Engineering in PE Alvento, Madrid
  - 1,296 sqm new lease with Essity in Central Office, Lisbon
  - 1,122 sqm new lease with Western Union in Princesa 5, Madrid

						LTM	
sqm	Contracted	Out	In	Renewals[2]	Net	Release spread	# Contracts
Madrid	123,617	(25,614)	22,436	101,181	(3,178)	+2.1%	101
Barcelona	35,942	(6,287)	8,314	27,628	2,027	+7.7%	45
Lisbon	3,280	(1,296)	1,296	1,984	-	+6.9%	4
Total	**162,839**	**(33,197)**	**32,046**	**130,793**	**(1,151)**	**+3.2%**	**150**

Occupancy

- **Resilient occupancy (+192 bps YoY, +13 bps vs 3M23)**
- By markets, **best performer this quarter has been Madrid NBA A-2**

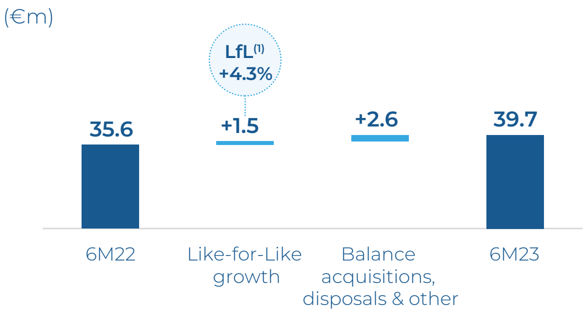
Stock	1,153,127 sqm
WIP	162,646 sqm
Stock incl. WIP	1,315,773 sqm

	Occupancy rate[3]		
	6M23	6M22	Change bps
Madrid	90.0%	87.9%	+214
Barcelona	95.3%	94.1%	+119
Lisbon	100.0%	99.6%	+36
Other	100.0%	100.0%	-
Total	**92.3%**	**90.4%**	**+192**

(1) Portfolio in operation for 6M22 (€ 114.1m of GRI) and for 6M23 (€ 122.6m of GRI)
(2) Excluding roll-overs
(3) MERLIN policy excludes buildings under complete refurbishment. Buildings excluded this period are Plaza Ruiz Picasso, Plaza Ruiz Picasso extension, Atica 1, PE Cerro Gamos, PLZFA, and Josefa Valcarcel 48

LOGISTICS

Gross rents bridge



Rents breakdown

	Gross rents 6M23 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
Madrid	25.2	4.3	3.8
Barcelona	5.7	7.5	2.9
Other	8.8	4.4	2.8
Total	**39.7**	**4.7**	**3.4**

Leasing activity

- **Good organic performance (+4.3% LfL),** with rental growth offsetting tenant rotation
- **2Q23 leasing activity highlights:**
  - 10,402 sqm new leases with B4 Logistics, Erhardt Transitarios, Unidriver Cargo and Bela Padel Center in Barcelona-PLZF
  - 8,787 sqm renewal with Amazon in Sevilla ZAL
  - 4,520 sqm new lease with Moldtrans in Sevilla ZAL

						LTM	
sqm	Contracted	Out	In	Renewals	Net	Release spread	# Contracts
Madrid	49,554	(13,306)	-	49,554	(13,306)	+4.4%	4
Barcelona	16,398	(8,964)	14,123	2,275	5,159	+15.9%	1
Other	17,253	(8,025)	8,466	8,787	441	+0.0%	1
Total	**83,205**	**(30,295)**	**22,589**	**60,616**	**(7,706)**	**+9.3%**	**6**

Occupancy

- Very high occupancy (96.4%) as of end 6M23, following the signature of an additional lease **the pro-forma occupancy stands at 98.8%**
- **Strong demand for our WIP portfolio.** Currently working on crystalizing HoTs

Stock	1,463,379 sqm
WIP(2)	604,779 sqm
Best II	214,467 sqm
Best III	390,312 sqm
Stock incl. WIP	2,068,158 sqm
ZAL Port	736,217 sqm
Stock managed	2,804,375 sqm

	Occupancy rate		
	6M23	6M22	bps
Madrid	94.7%	99.7%	(501)
Barcelona	98.6%	93.6%	503
Other	100.0%	100.0%	-
Total	**96.4%**	**99.2%**	**(283)**

(1) Portfolio in operation for 6M22 (€ 35.5m of GRI) and for 6M23 (€ 37.0m of GRI)
(2) WIP includes in progress and Landbank Best II & III

LOGISTICS (CONT.)

INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

Best II (as from 30/06/2023)

- **63% of Best II** has been delivered achieving a **7.8% YoC**
- **A2-Cabanillas Park II B** (47,342 sqm) under development
- **167,125 sqm of Landbank** remaining in the Madrid area (Cabanillas Park II and Azuqueca III), out of which 105,353 sqm will start construction in 2H23, taking the progress percentage to **92%**

Best III (as from 30/06/2023)

- **22% of Best III** has been delivered achieving a **8.0% YoC**
- **390,312 sqm of Landbank** remaining in Lisbon (Lisbon Park), Seville (Sevilla ZAL), Madrid (A2-San Fernando III) and Valencia (Valencia-Betera), out of which 77,391 sqm will start construction in 2H23, taking the progress percentage to **37%**

Pre-let status (as from 30/06/2023)

- ca. 160k sqm with HoTs agreed and 21k sqm speculative, **implying pending capex of € 109m and expected YoC of 7.4%[(1)]**
- Works to begin in 2H23, except for A2-Cabanillas Park II B, under construction
- ca. € 10.4m added rents to logistics portfolio

[(1)] Including land cost

SHOPPING CENTERS

Gross rents bridge

(€m)

Rents breakdown

	Gross rents 6M23 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
MERLIN	64.2	24.6	2.3

Footfall and tenant sales

	vs 6M22	vs 6M19
Tenant sales	+13.1%	+13.8%
Footfall	+5.2%	+0.9%
OCR	11.7%	

Leasing activity

- **Footfall (+5.2% vs 6M22) and sales (+13.1% vs 6M22) continue improving**
- **Top performing portfolio with affordable rents (11.7% OCR)**
- **2Q23 leasing activity highlights:**
  - 2,559 sqm new lease with Teatre Cupule in Arenas
  - 1,291 sqm new lease with Bershka in Larios
  - 847 sqm new lease with Kiabi in Saler
  - 844 sqm renewal with Mango in La Vital
  - 785 sqm new lease with Conforama in Marineda
  - 507 sqm renewal with Denim & Friends in Saler

						LTM	
sqm	Contracted	Out	In	Renewals	Net	Release spread	# Contracts
Total	20,999	(14,629)	15,061	5,938	432	+10.0%	104

Occupancy

- **Occupancy at 96.4% (+201 bps vs 3M23, +315 bps vs FY19), new record for MRL**
- **Homogeneous figures across the board,** all assets above 95%
- Best performer this quarter has been **Saler**

Stock[2]	432,965 sqm
Tres Aguas[3]	67,940 sqm
Stock with Tres Aguas	500,905 sqm

	Occupancy rate		
	6M23	6M22	bps
Total	96.4%	94.3%	+209

[1] Portfolio in operation for 6M22 (€ 54.3m of GRI) and for 6M23 (€ 60.0m of GRI)
[2] Including the surface under refurbishment (7,979 sqm in Callao and 18,232 sqm in Marineda)
[3] Tres Aguas at 100% allocation

BALANCE SHEET

- **LTV stands at 33.9%**
- **2023 maturity (€ 742.8m) refinanced at MS+126 bps.** No further maturities until May 2025
- **Solid financial situation:** low LTV, 98% interest rates fixed and € 1.0bn in liquidity

Ratios	30/06/2023	31/12/2022
LTV (Inc. TC)	33.9%	32.7%
Av. Interest rate	2.26%	1.98%
Av. Maturity (years)	5.3	4.9
Unsecured debt to total debt	98.0%	98.0%
Interest rate fixed	98.0%	99.6%
Liquidity position (€m)[1]	1,034	1,856

Corporate rating		Outlook
S&P Global	BBB	Positive
Moody's	Baa2	Positive

	€ million
GAV	11,301.4
Gross financial debt	4,160
Cash and equivalents[2]	(225)
Net financial debt	3,935
NTA	7,216

VALUATION

- **€ 11,301m of GAV, (1.4%) LfL** as compared to December 2022
- **Slight decline in valuation accross the board** driven by strong cap rate expansion, partially offset by CPI and revaluation of logistics
- **Data Centers still valued at cost**
- **Yields expanded by 28 bps** during 6M23, taking total expansion to 72 bps in 18 months

	GAV (€ m)	LfL Growth	Gross yield	Yield expansion /(compression)[3]
Offices	6,289	(2.5%)	4.6%	+24
Logistics	1,422	4.1%	5.4%	+20
Shopping centers	2,059	(2.9%)	5.9%	+32
Data Centers WIP	200	n.a.	n.a.	n.a.
Logistics WIP & land	284	n.a.	n.a.	n.a.
Other	366	(10.1%)	4.8%	+87
Equity method	680	8.4%	n.a.	
Total	**11,301**	**(1.4%)**	**4.9%**	**+28**

(1) Includes cash (€ 208.9m) and treasury stock (€ 15.8m) and undrawn credit facilities (€ 809m) in 6M23
(2) Includes cash (€ 208.9m) and treasury stock (€ 15.8m)
(3) Bps based on passing rent

INVESTMENTS, DIVESTMENTS AND CAPEX

- **€ 31.6m in non-core disposals in 6M23** including 2 secondary shopping centers and 1 industrial asset
- **Muted acquisitions during 6M23.** Acquisition of the Marineda department store, with a view to expand our mall by 18,232 sqm. Retrofitting works to start in late 2023 upon exit of current tenant. Expected delivery 1H25
- Capex efforts continue focused on **Best II & III and Digital Infrastructure Plan (Mega)**

	Offices	Retail	Logistics	Data Centers	€ million
Acquisitions		Marineda extension	Valencia-Betera		15.8
Development			A2-Cabanillas Park II A2-Cabanillas Park I J Lisboa-Park	Bilbao Arasur (Data Center) Madrid-Getafe (Data Center) Barcelona PLZF (Data Center)	105.3
Investment properties	Plaza Ruiz Picasso PE Cerro Gamos PLZFA Diagonal 605		A4-Pinto II A2-Cabanillas I		51.7
Like-for-like portfolio (Defensive Capex)[1]					8.9
Total					**181.7**

POST CLOSING

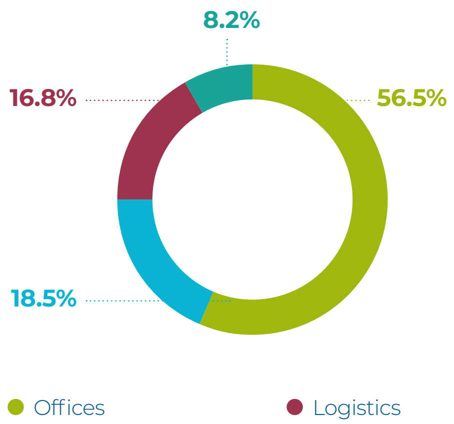
- In July MERLIN signed a new RCF, replacing the facility currently in place. As a result, the credit limit has been increased to € 740m and the maturity extended until 2028 (plus 2 annual extensions)

[1] € 6.6m are capitalized in balance sheet and € 2.3m are expensed in P&L

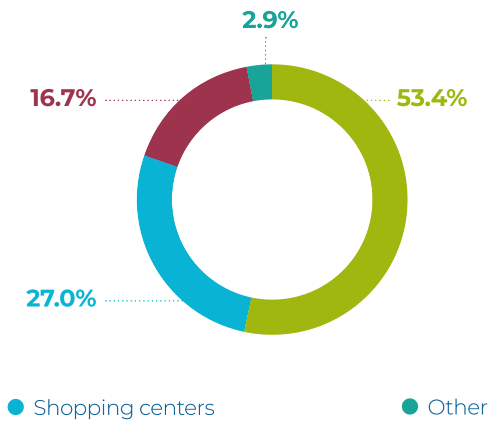
2. BUSINESS PERFORMANCE

Business performance

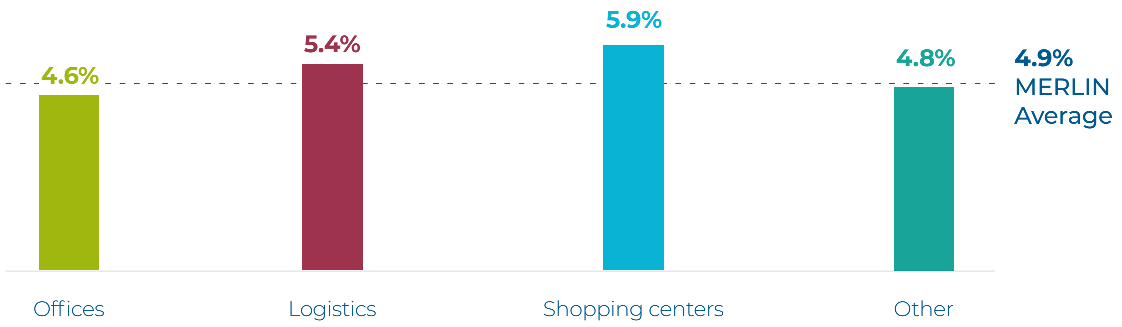
GAV PER ASSET CLASS[1]



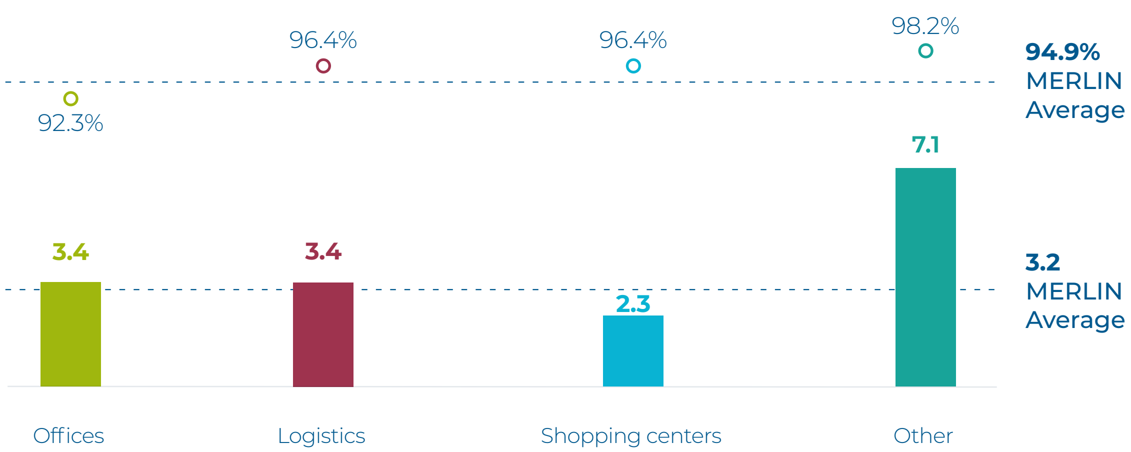
GROSS RENTS PER ASSET CLASS[2]



GROSS YIELD PER ASSET CLASS



OCCUPANCY AND WAULT (YEARS) PER ASSET CLASS



[1] GAV of land under development and NTA of equity method included in its respective category (offices, shopping centers and logistics)
[2] Gross annualized rent on full consolidated assets

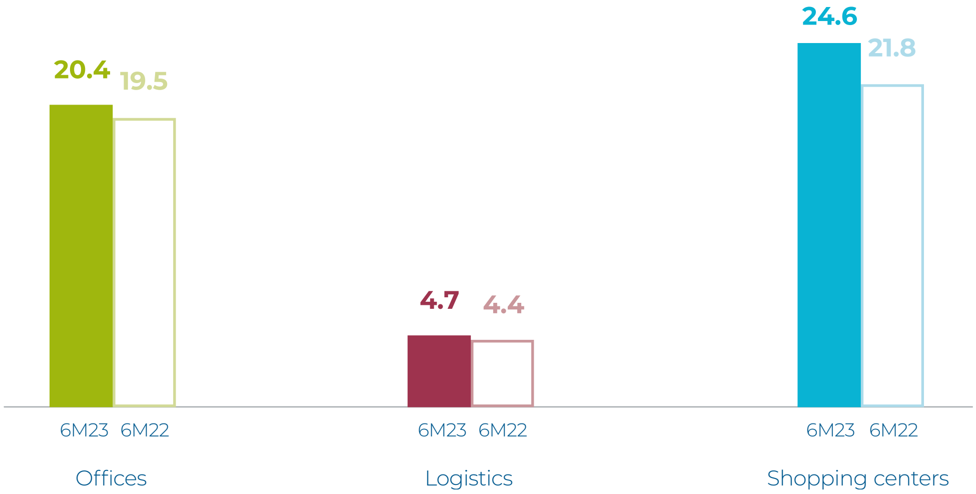
RENTS

Gross rents in the period amount to € 237,811 thousand with respect to € 222,556 thousand in 6M22

GROSS RENTS BREAKDOWN

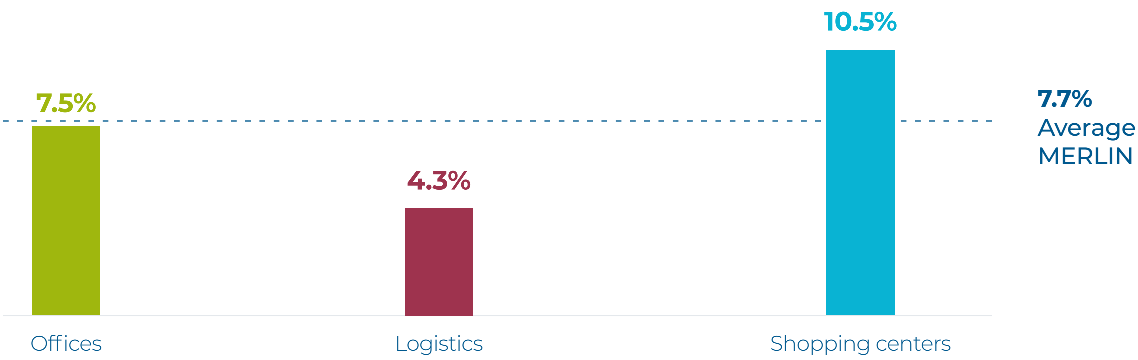
	6M23	6M22	YoY
Offices	127,075	119,639	6.2%
Logistics	39,674	35,618	11.4%
Shopping centers	64,184	60,720	5.7%
Other	6,878	6,579	4.5%
Total	**237,811**	**222,556**	**6.9%**

AVERAGE PASSING RENT (€/SQM/MONTH)



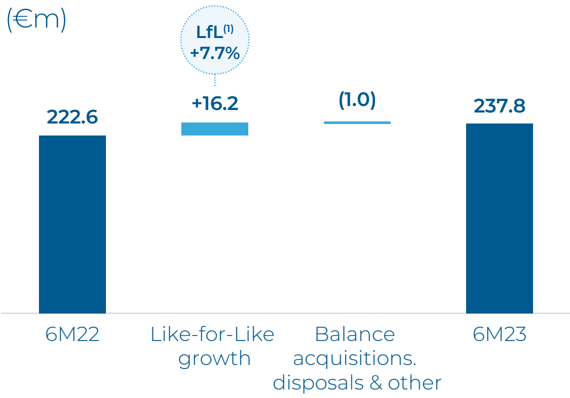
LIKE-FOR-LIKE INCREASE

Aggregate gross rents have increased by 7.7% on a like-for-like basis

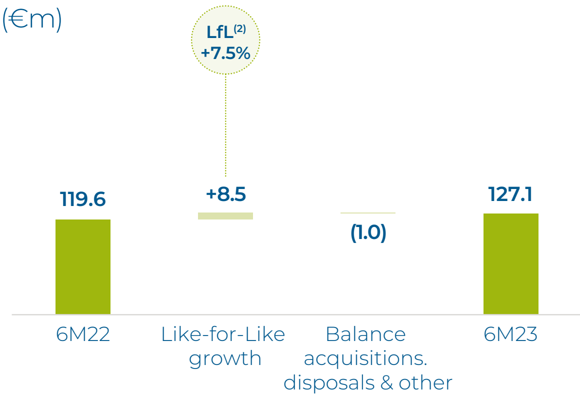


Bridge of 6M22 gross rents to 6M23, for MERLIN and by asset category:

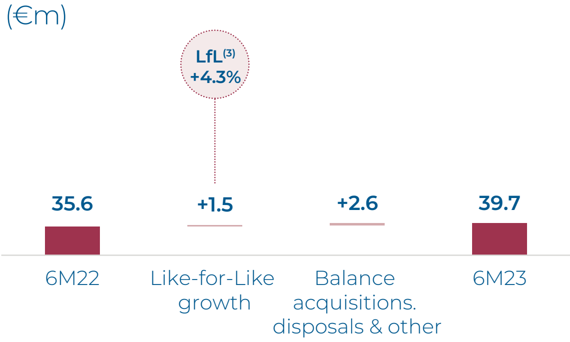
MERLIN
(€m)



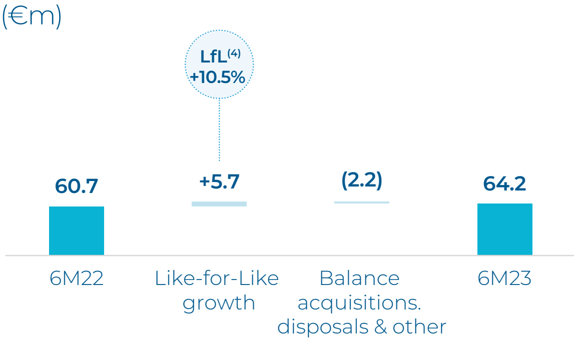
Offices
(€m)



Logistics
(€m)



Shopping centers
(€m)



(1) Portfolio in operation for 6M22 (€ 210.3m of GRI) and for 6M23 (€ 226.5m of GRI)
(2) Portfolio in operation for 6M22 (€ 114.1m of GRI) and for 6M23 (€ 122.6m of GRI)
(3) Portfolio in operation for 6M22 (€ 35.5m of GRI) and for 6M23 (€ 37.0m of GRI)
(4) Portfolio in operation for 6M22 (€ 54.3m of GRI) and for 6M23 (€ 60.0m of GRI)

OCCUPANCY

Stock G.L.A. of MERLIN as of 30th June 2023 amounts to 3,114,115 sqm. Stock as of 31st December 2022 amounted to 3,182,582 sqm, resulting in a net decrease of the stock during the period of 68,467 sqm. Occupancy rate as of 30th June 2023 is 94.9%[1]

	30/06/2023	31/12/2022	Change YTD Bps
Offices			
Total G.L.A. (sqm)[1]	1,153,127	1,172,874	
G.L.A. occupied (sqm)	1,064,251	1,085,294	
Occupancy rate (%)	92.3%	92.5%	(24)
Logistics			
Total G.L.A. (sqm)[2]	1,463,379	1,483,786	
G.L.A. occupied (sqm)	1,410,319	1,438,789	
Occupancy rate (%)	96.4%	97.0%	(59)
Shopping centers			
Total G.L.A. (sqm)	432,965	461,394	
G.L.A. occupied (sqm)	392,234	436,341	
Occupancy rate (%)[3]	96.4%	95.0%	+142
Other			
Total G.L.A. (sqm)	64,645	64,527	
G.L.A. occupied (sqm)	63,459	62,796	
Occupancy rate (%)	98.2%	97.3%	+85
MERLIN			
Total G.L.A. (sqm)	**3,114,115**	**3,182,582**	
G.L.A. occupied (sqm)	**2,930,262**	**3,023,220**	
Occupancy rate (%)[2]	**94.9%**	**95.1%**	**(16)**

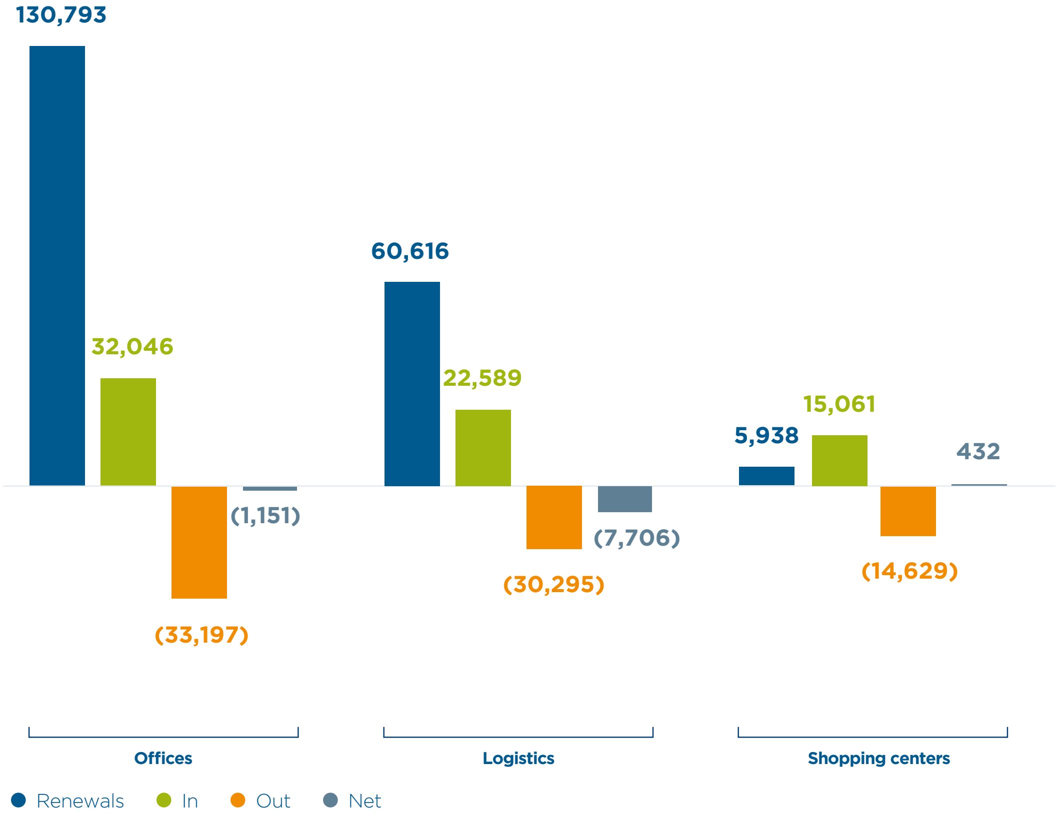
[1] MERLIN policy excludes buildings under complete refurbishment. Buildings excluded this period are Plaza Ruiz Picasso, Plaza Ruiz Picasso extension, Atica 1, PE Cerro Gamo, PLZFA and Josefa Valcárcel 48

[2] Not including ZAL Port (48.5%) stake

[3] Excluding vacant units acquired under refurbishment (26,221 sqm in 6M23 and 2,226 sqm in 6M22)

LEASING ACTIVITY

Since the beginning of 2023, or since the acquisition date for the assets acquired during the year, until 30th June 2023, MERLIN has signed lease agreements amounting to 267,043 sqm, out of which 69,696 sqm corresponds to new leases and 197,347 sqm to renewals






OFFICES

Total take-up amounts to 162,839 sqm out of which 32,046 sqm correspond to new contracts and 130,793 sqm to renewals. Exits amounted to 33,197 sqm, and therefore the net take up is negative by 1,151 sqm. Main contracts signed in 6M23 are the following:

Asset	Tenant	G.L.A. (sqm)
Castellana 278	ICEX	11,262
Avenida de Burgos 210	Allfunds	6,176
PE Atica	Paradigma Digital	5,664
PE Via Norte	Acuntia	3,695
PE Puerta de las Naciones	Total	2,913
Atica 5	Transcom Worldwide	2,515
Juan Esplandiu 11-13	TBWA	1,800
PE Alvento	Aernova Enginiering	1,543
Avenida de Bruselas 24	Lyntia Networks	1,456
Santiago de Compostela 94	Testa	1,353
Central Office	Essity	1,296
Princesa 5	Western Union	1,122
San Cugat II	Servei Català de la Salut	1,112

The release spread achieved in the contracts renewed or relet in the period amounts to 3.2%

	Release spread	# contracts
Madrid	+2.1%	101
Barcelona	+7.7%	45
Lisbon	+6.9%	4
Total	**+3.2%**	**150**


LOGISTICS

Total take-up amounts to 83,205 sqm, out of which 22,589 sqm correspond to new contracts and 60,616 sqm to renewals. Exits amounted 30,295 sqm, therefore net take-up amounts to negative 7,706 sqm. Main contracts signed in 6M23 are the following:

Asset	Tenant	G.L.A. (sqm)
A2-Alovera	IDL	38,763
Barcelona-PLZF	B4 Logistics, Erhardt Transitarios, Luis Simoes, Unidriver Cargo and Bela Padel Center	14,123
A2-Coslada Complex	UPS and The Phone House	10,791
Sevilla ZAL	Amazon	8,787
Sevilla ZAL	Moldtrans	4,520
Valencia-Almussafes	Truck and Wheel	3,946

The release spread achieved in the contracts renewed or relet in the period amount to 9.3%

	Release spread	# contracts
Madrid	+4.4%	4
Barcelona	+15.9%	1
Other	+0.0%	1
Total	**+9.3%**	**6**

SHOPPING CENTERS

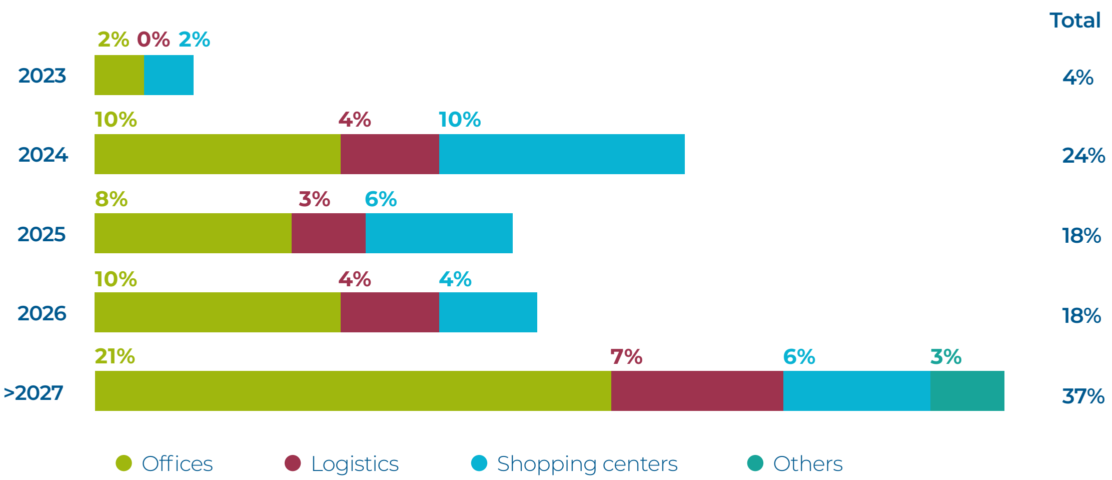
Total take-up amounts to 20,999 sqm out of which 15,061 sqm correspond to new contracts and 5,938 sqm renewals. Exits amounted to 14,629 sqm, and therefore the net take-up is positive by 432 sqm. Main contracts signed in 6M23 are the following:

Asset	Tenant	G.L.A. (sqm)
Arenas	Teatre Cupula	2,559
Arenas	Mercadona	1,916
Larios	Bershka	1,291
Saler	Kiabi	847
La Vital	Mango	844
Almada	New Yorker	805
Marineda	Conforama	785
Artea	Pull&Bear	718
X-Madrid	Runni Pandora	633
Saler	Denim & Friends	507
Marineda	Casa del Libro	405
Larios	VIPS	314

The release spread achieved in the contracts renewed or relet in the period amounts to 10.0%

LEASE MATURITY PROFILE

The chart of lease contracts maturity (next break) shows a balanced profile. In aggregated terms, in the following three years, the gross rents that have a break option amount to 4% in 2023, 24% in 2024 and 18% in 2025.

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2022
MADRID

3. INVESTMENTS, DIVESTMENTS AND CAPEX

Investments, divestments and Capex

During 6M23, investment activity has been as follows:

- **€ 31.6m in non-core disposals in 6M23** including 2 secondary shopping centers and 1 industrial asset
- **Muted acquisitions during 6M23.** Acquisition of the Marineda department store, with a view to expand our mall by 18,232 sqm. Retrofitting works to start in late 2023 upon exit of current tenant. Expected delivery 1H25
- Capex efforts continue focused on **Best II & III and Digital Infrastructure Plan (Mega)**

	Offices	Retail	Logistics	Data Centers	€ million
Acquisitions		Marineda extension	Valencia-Betera		15.8
Development			A2-Cabanillas Park II A2-Cabanillas Park I J Lisboa-Park	Bilbao Arasur (Data Center) Madrid-Getafe (Data Center) Barcelona PLZF (Data Center)	105.3
Investment properties	Plaza Ruiz Picasso PE Cerro Gamos PLZFA Diagonal 605		A4-Pinto II A2-Cabanillas I		51.7
Incremental lettable space[1]					19.4
Non incremental lettable space					32.3
Tenant incentives					-
Other material non-allocated types of expenditure					-
Like-for-like portfolio (Defensive Capex)[2]					8.9
Capitalised interest (interest if applicable)					-
Total					**181.7**

[1] Where expenditure is spent on both existing and incremental space, MERLIN classifies an expenditure as "incremental lettable space" where available lettable space is increased by at least 10% compared to the total lettable area of the asset. In 6M23, only Plaza Ruiz Picasso is included within this category

[2] € 6.6m are capitalized in balance sheet and € 2.3m are expensed in P&L

DEVELOPMENTS / WORK IN PROGRESS (WIP)

BEST II & III PLANS (LOGISTICS)

MERLIN continues expanding its logistics footprint trough the developments / WIP program in logistics. As of 30 June 2023, the main KPIs of the Best II and III plans are the following:

Best II (as from 30/06/2023)

- **63% of Best II** has been delivered achieving a **7.8% YoC**
- **A2-Cabanillas Park II B** (47,342 sqm) under development
- **167,125 sqm of Landbank** remaining in the Madrid area (Cabanillas Park II and Azuqueca III), out of which 105,353 sqm will start construction in 2H23, taking the progress percentage to **92%**

Best III (as from 30/06/2023)

- **22% of Best III** has been delivered achieving a **8.0% YoC**
- **390,312 sqm of Landbank** remaining in Lisbon (Lisbon Park), Seville (Sevilla ZAL), Madrid (A2-San Fernando III) and Valencia (Valencia-Betera), out of which 77,391 sqm will start construction in 2H23, taking the progress percentage to **37%**

Pre-let status (as from 30/06/2023)

- ca. 160k sqm with HoTs agreed and 21k sqm speculative, implying **pending capex of € 109m and expected YoC of 7.4%**[1]
- Works to begin in 2H23, except for A2-Cabanillas Park II B, under construction
- ca. € 10.4m added rents to logistics portfolio

Plan Mega (as from 30/06/2023)

- Bilbao- Arasur, Madrid and Barcelona Data Centers in construction with expected delivery in 2H23
- Lisboa Data Center license is expected in 2024

[1] Including land cost


BZ.1
ZAL Port - Ciutat

4. PORTFOLIO VALUATION

Portfolio valuation

MERLIN portfolio has been appraised by CBRE, Savills and JLL, for a total GAV of € 11,301m.
GAV breakdown is the following:

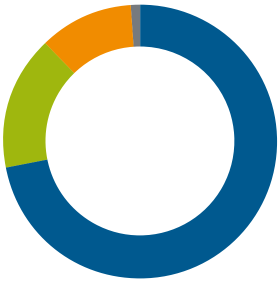
	GAV (€ m)	LfL Growth	Gross yield	Yield expansion/(compression)[1]
Offices	6,289	(2.5%)	4.6%	+24
Logistics	1,422	4.1%	5.4%	+20
Shopping centers	2,059	(2.9%)	5.9%	+32
Data Centers WIP	200	n.a.	n.a.	n.a.
Logistics WIP & land	284	n.a.	n.a.	n.a.
Other	366	(10.1%)	4.8%	+87
Equity method	680	8.4%	n.a.	
Total	**11,301**	**(1.4%)**	**4.9%**	**+28**

[1] Bps based on passing rent

A broader analysis of the asset portfolio by valuation in the different categories is shown below:

OFFICES (BY GAV)

By geography



- Madrid **72%**
- Barcelona **16%**
- Lisbon **11%**
- Other Spain **1%**

By location

- Prime + CBD **57%**
- NBA **35%**
- Periphery **8%**

By product

- Multi tenant **71%**
- Single tenant **29%**

LOGISTICS (BY GAV)

By geography

- Madrid **58%**
- Catalonia **23%**
- Seville **5%**
- Basque Country **4%**
- Other **7%**

By reach

- National **48%**
- Ports **31%**
- Regional **18%**
- Production related **3%**

By tenant type

- 3PL mono-client **39%**
- 3PL multi-client **37%**
- End user **24%**

SHOPPING CENTERS (BY GAV)

By geography

- Madrid **22%**
- Lisbon **22%**
- Galicia **15%**
- Valencia **11%**
- Catalonia **8%**
- Andalusia **8%**
- Other **14%**

By type

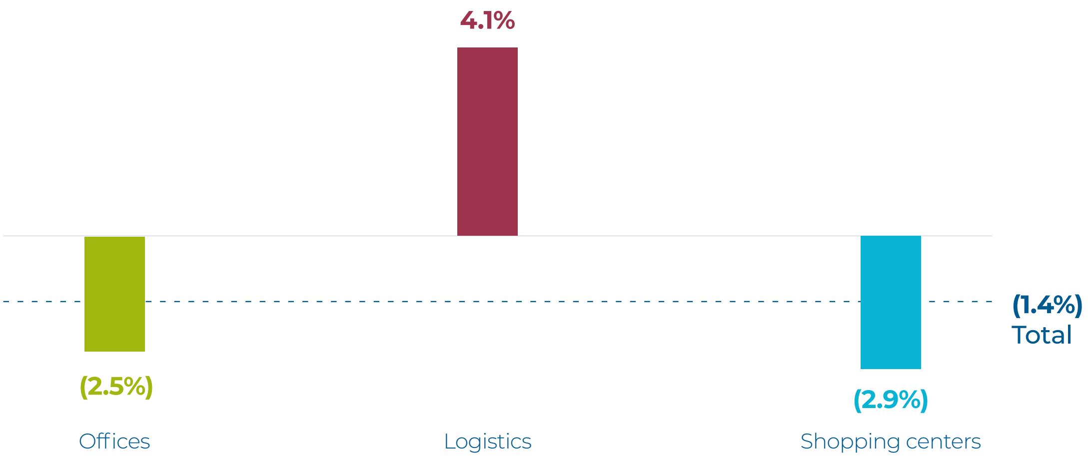
- Urban **57%**
- Dominant **40%**
- Secondary **3%**

By size

- Extra-large **37%**
- Large **33%**
- Medium **20%**
- Small **10%**

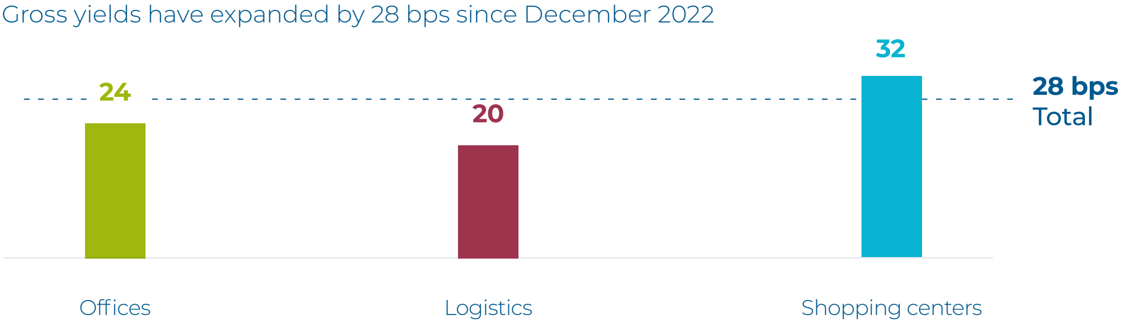
GAV EVOLUTION

GAV has decreased by € 16m, reducing from a GAV of € 11,317m as of 31 December 2022 to € 11,301m. The like-for-like decrease of GAV from 31 December 2022 is 1.4%



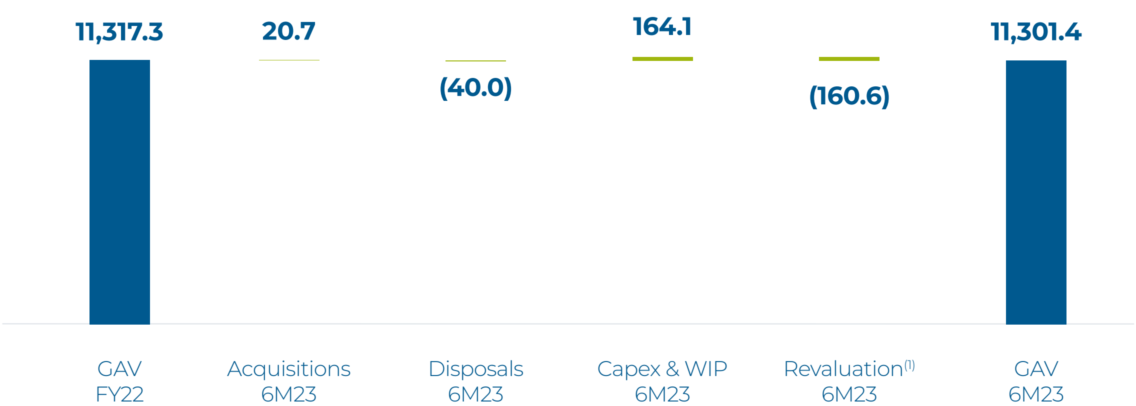
YIELD EVOLUTION

Gross yields have expanded by 28 bps since December 2022



GAV BRIDGE

(€ millions)



(1) - € 160.6m devaluation 6M23 = € 198.5m P&L devaluation + € 42.2m equity method revaluation and - € 4.4m IFRS 16 adjustment

5. FINANCIAL STATEMENTS

Financial statements

CONSOLIDATED INCOME STATEMENT

(€ thousand)	30/06/2023	30/06/2022
Gross rents	**237,811**	**222,556**
Offices	127,075	119,639
Logistics	39,674	35,618
Shopping centers	64,184	60,720
Other	6,878	6,579
Other income	**5,548**	**4,039**
Total Revenues	**243,359**	**226,595**
Incentives	(15,400)	(13,228)
Total Operating Expenses	**(48,231)**	**(51,647)**
Propex	(21,293)	(22,931)
Personnel expenses	(17,102)	(16,188)
Opex general expenses	(7,848)	(8,461)
Opex non-overheads	(586)	(1,141)
LTIP Provision	(1,402)	(2,926)
ACCOUNTING EBITDA	**179,728**	**161,720**
Depreciation	(1,003)	(878)
Gain / (losses) on disposal of assets	(7,188)	5,678
Provisions	94	(384)
Change in fair value of investment property	(198,477)	122,298
EBIT	**(26,846)**	**288,434**
Net financial expenses	(46,560)	(48,348)
Debt amortization costs	(5,147)	(10,952)
Gain / (losses) on disposal of financial instruments	-	(1)
Change in fair value of financial instruments	(1,327)	32,927
Share in earnings of equity method instruments	40,930	16,494
PROFIT BEFORE TAX	**(38,950)**	**278,554**
Income taxes	(8,578)	(8,640)
PROFIT (LOSS) FOR THE PERIOD RECURRING OPERATIONS	**(47,528)**	**269,914**
Result from discontinued operations	-	221,731
Minorities	-	-
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE	**(47,528)**	**491,645**

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Gross rents (€ 237,811 thousand) less incentives of € 15,400 thousand equals to gross rents net of incentives of € 222,411 thousand. After deducting porfolio operating expenses not recharged to the tenants & collection loss (€ 21,293 thousand) the resulting amount is € 201,118 thousand of net rents. The total amount of operating expenses of the Company in the period is € 26,938 thousand, with the following breakdown:

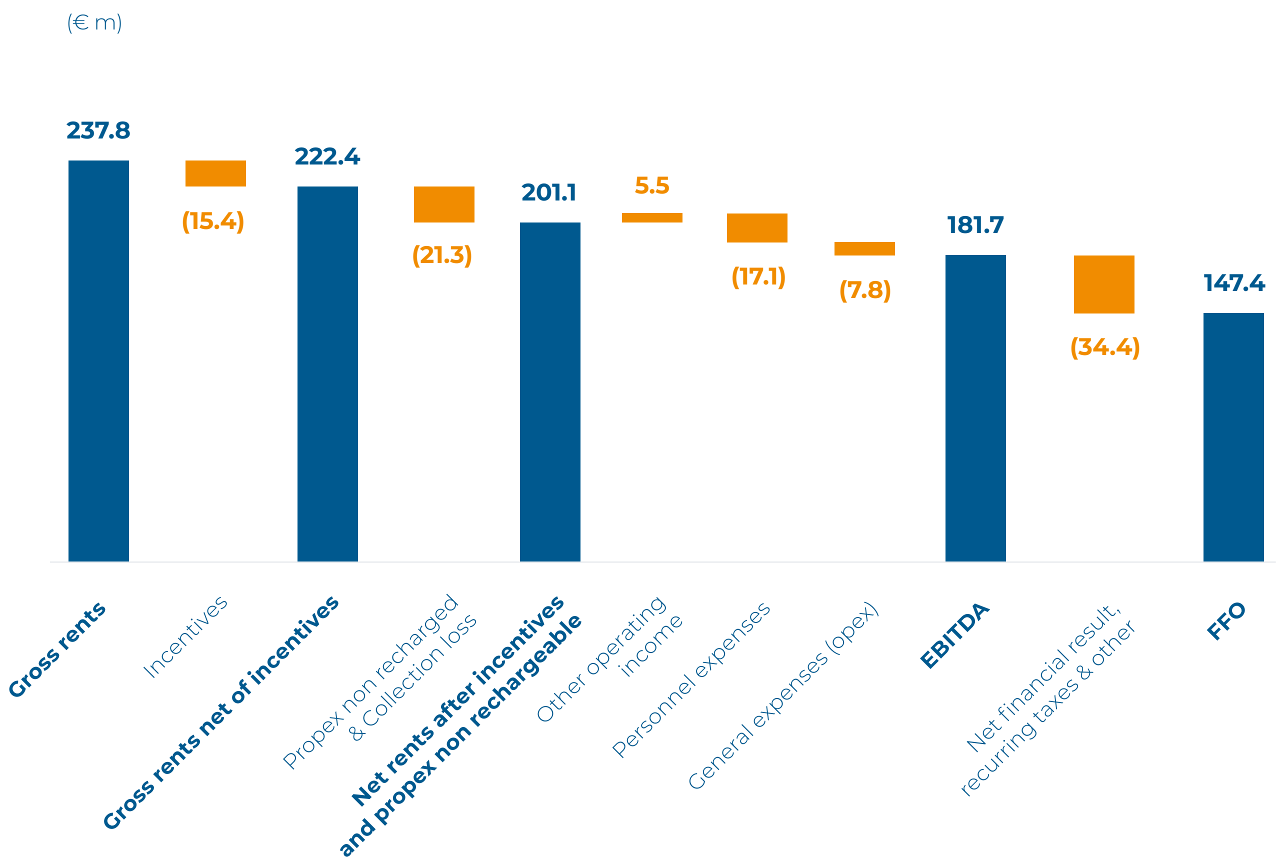
i. € 17,102 thousand correspond to personnel expenses.

ii. € 7,848 thousand of Opex general expenses.

iii. € 1,402 thousand corresponding to the long-term incentive plan (LTIP).

iv. € 586 thousand of Opex non-overheads operating expenses.

The reconciliation between gross rents of the period and FFO is as follows:



CONSOLIDATED BALANCE SHEET

(€ thousand)

ASSETS	30/06/2023	EQUITY AND LIABILITIES	30/06/2023
NON CURRENT ASSETS	**11,498,482**	**EQUITY**	**6,693,234**
Intangible assets	1,752	Subscribed capital	469,771
Property, plant and equipment	6,205	Share premium	3,541,379
Investment property	10,655,092	Reserves	2,729,477
Investments accounted for using the equity method	539,658	Treasury stock	(15,786)
Non-current financial assets	217,184	Other equity holder contributions	540
Deferred tax assets	78,591	Profit for the period	(47,528)
		Valuation adjustments	15,381
		Minorities	-
		NON-CURRENT LIABILITIES	**4,922,225**
		Long term debt	4,293,916
		Long term provisions	9,814
		Deferred tax liabilities	618,495
CURRENT ASSETS	**325,155**	**CURRENT LIABILITIES**	**208,178**
Trade and other receivables	44,834	Short term debt	48,122
Short term investments in group companies and associates	9,373	Trade and other payables	133,197
Short-term financial assets	29	Other current liabilities	26,859
Cash and cash equivalents	208,932		
Other current assets	61,987		
TOTAL ASSETS	**11,823,637**	**TOTAL EQUITY AND LIABILITIES**	**11,823,637**

NOTES TO THE CONSOLIDATED BALANCE SHEET

Fair value of the portfolio corresponds to the appraisal value delivered by CBRE, Savills and JLL as of 31st of June 2023. The referred appraisal value is reflected in the following accounting Items:

€ million	Notes	
Investment property	6	10,655.1
Equity method[1]	7	528.5
Non current financial assets[2]	n.a.	92.0
Non-current assets	n.a.	0.9
Inventory[3]	n.a.	6.5
Total balance sheet items		**11,283.0**
IFRS-16 (concessions)	n.a.	(41.5)
Equity method adjustment	n.a.	59.6
Non-current assets adjustment[4]	n.a.	0.3
Total valuation		**11,301.4**

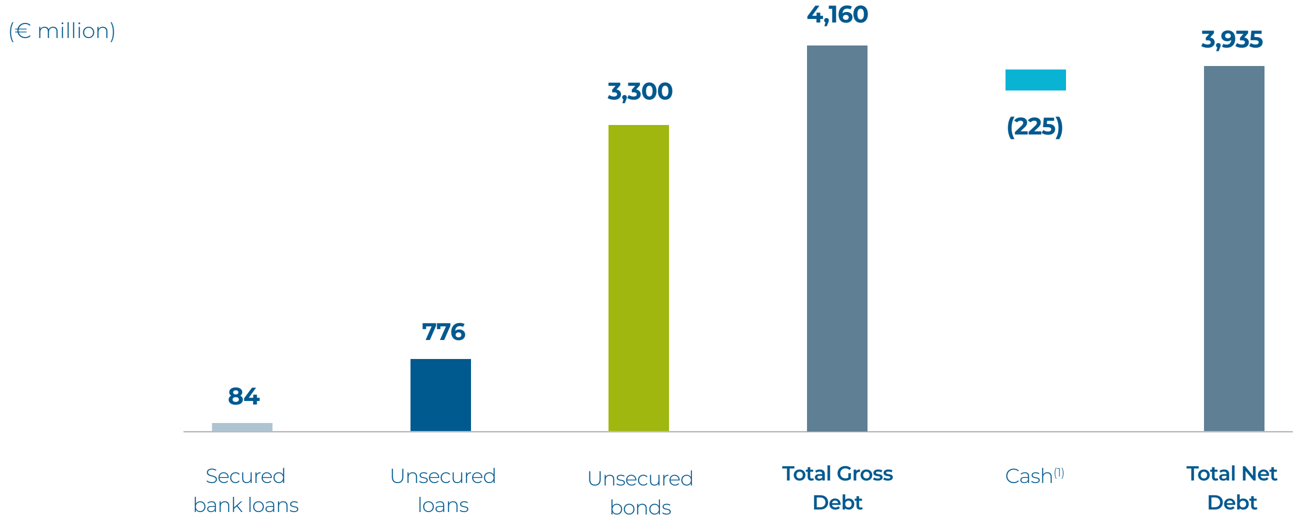
FINANCIAL DEBT

FINANCIAL DEBT BREAKDOWN

€ Thousand	Long term	Short term	Total
Financial debt	4,158,542	1,616	4,160,158
Loan arrangement costs	(28,096)	-	(28,096)
Debt interest expenses	-	36,725	36,725
Mark-to-market of interest-rate hedging contracts	(21,210)	(169)	(21,379)
Other financial liabilities (i.e. legal deposits)	161,669	10,202	171,871
Total debt	**4,270,905**	**48,374**	**4,319,279**

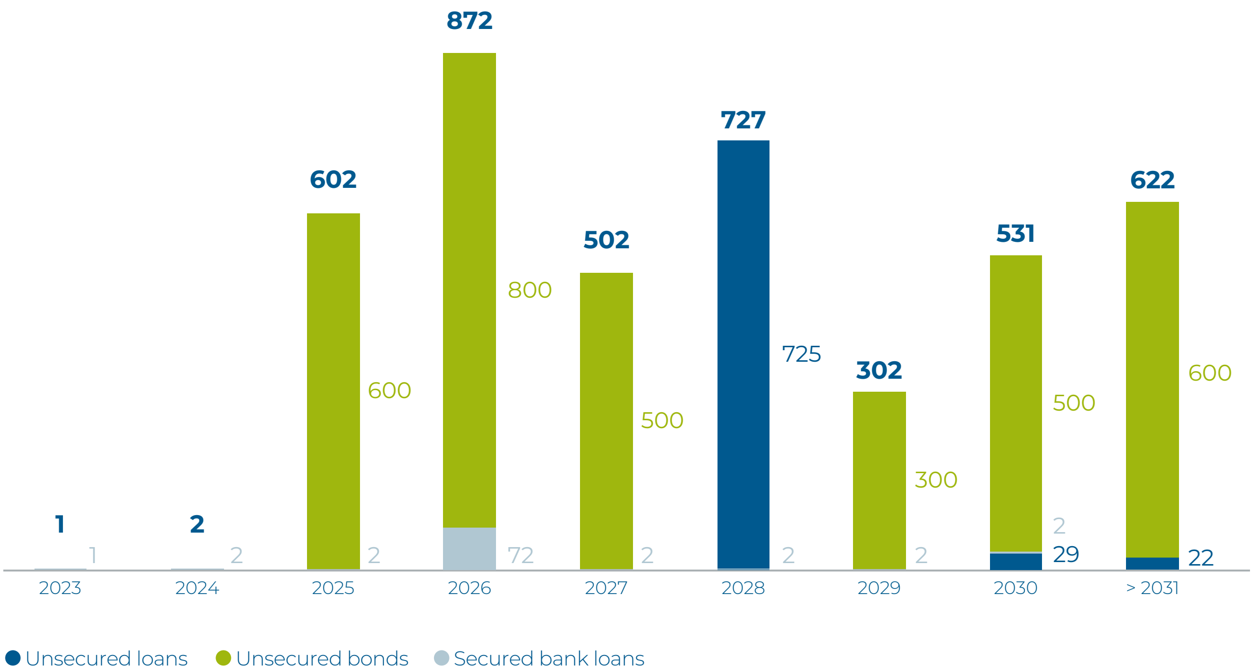
[1] Including Silicius at amortized cost (€ 83.5m) net of derivatives impact
[2] DCN loan
[3] Net value paid by MERLIN. Excludes both amounts not paid yet and pre-sold inventory. Total inventory amounts to € 38.0m as of 6M23
[4] MtM of the non-current assets

MERLIN's net financial debt as of 30 June is € 3,935,440 thousand. This implies a Loan To Value of 33.9% including transfer costs, which represents an increase of 127 bps since 31/12/2022 (32.7%). The breakdown of MERLIN's debt is the following:



	Secured bank loans	Unsecured loans	Unsecured bonds	**Total Gross Debt**
% Gross financial debt	2.0%	18.7%	79.3%	**100.0%**
Average cost (%)	2.01%	3.81%	1.90%	**2.26%**
% interest rate hedged	80.7%	91.6%	100.0%	**98.0%**

MERLIN'S debt has an average maturity period of 5.3 years. The chart showing debt maturity profile is the following



[1] Including treasury stock

MERLIN's debt as of 30 June has an average cost of 2.26% (spot 2.44% less derivatives cost). Nominal debt with interest rate hedged amounts to 98.0%. Key debt ratios are shown below:

(€ million)	30/06/2023	31/12/2022
Gross financial debt	4,160	4,239
Cash and equivalents[1]	(225)	(447)
Net financial debt	3,935	3,792
GAV	11,301	11,317
LTV (inc. TC)	33.9%	32.7%
Av. Interest rate	2.26%	1.98%
Hedged debt	98.0%	99.6%
Av. Maturity (years)	5.3	4.9
Liquidity[2]	1,034	1,856
Non-mortgage debt	98.0%	98.0%

SHAREHOLDERS RETURN

The Shareholder Return for a given period is equivalent to the sum of (a) the change in the EPRA NTA per share of the Company during such period; and (b) the total dividends per share (or any other form of remuneration or distribution to the Shareholders) that are paid in such period (the "Shareholder Return"). The Shareholder Return Rate is defined as the Shareholder Return for a given period divided by the EPRA NTA per share of the Company at the beginning of period (the "Shareholder Return Rate"). In accordance with these definitions, the Shareholder Return for 6M23 amounts to (€ 0.07) per share (or negative € 34m of value created in absolute terms) and the Shareholder Return Rate amounts to (0.5%)

	Per share (€)	€ million
EPRA NTA 31/12/2022	**15.67**	**7,363**
NTA growth in 6M23	(0.31)	(147)
EPRA NTA 30/06/2023	**15.36**	**7,216**
DPS paid in 2023	0.24	113
NTA growth + DPS (Shareholder Return)	**(0.07)**	**(34)**
Shareholder Return Rate	**(0.5%)**	**(0.5%)**

[1] Includes cash and treasury stock (€ 15.8m) in 6M23 and cash and treasury stock (€ 17.2m) in FY22
[2] Includes available cash plus treasury stock and undrawned credit facilities (€ 809 RCF and EIB loan) in 6M23 and cash plus treasury stock and undrawned credit facilities (€ 1,409m RCF, new syndicated bank loan and EIB loan) in FY22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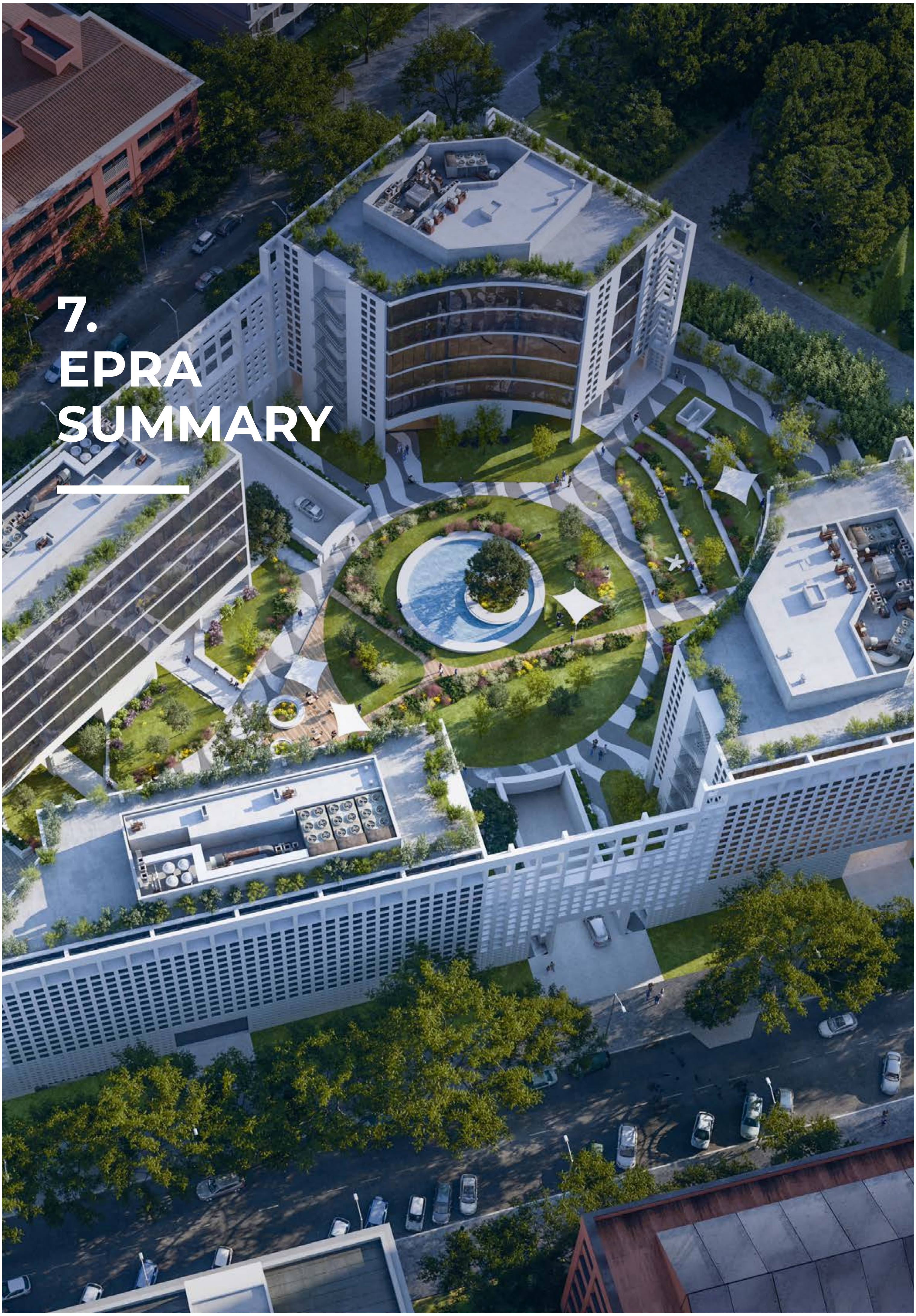
BREEAM

6. POST-CLOSING EVENTS

Post-Closing events

- In July MERLIN signed a new RCF, replacing the facility currently in place. As a result, the credit limit has been increased to € 740m and the maturity extended until 2028 (plus 2 annual extensions)

7. EPRA SUMMARY



EPRA Summary

EPRA SUMMARY TABLE

Performance Measure		
EPRA Earnings	Earnings from core operational activities	145,374
EPRA Earnings per Share		0.31
EPRA NAVs		
EPRA Net Reinstatement Value (EPRA NRV)	EPRA Net Reinstatement Value: assumes that entities never sell assets and aims to represent the value required to rebuild the entity	16.05
EPRA Net Tangible Assets (EPRA NTA)	EPRA Net Tangible Assets: assumes that entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax	15.36
EPRA Net Disposal Value (EPRA NDV)	EPRA Net Disposal Value: represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax	15.40
EPRA Net Initial Yield (NIY)	Annualized rental income based on the cash passing rents at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with acquisition costs	4.2%
EPRA 'topped-up' NIY	Adjustment to the EPRA Net Initial Yield in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents)	4.4%
EPRA Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio	5.4%
EPRA Cost Ratios		
EPRA Cost Ratio (including direct vacancy costs)	Running costs of the Company divided by recurring rents including direct vacancy costs	23.7%
EPRA Cost Ratio (excluding direct vacancy costs)	Running costs of the Company divided by recurring rents excluding direct vacancy costs	21.8%
EPRA LTV	Debt divided by market value of the property. The EPRA LTV's aim is to assess the gearing of the shareholder equity within a real estate company	37.0%

MERLIN Properties has been awarded by EPRA with the gold award of best practices in financial reporting. It is the highest recognition for an outstanding compliance with the best practices.

EPRA EARNINGS

	Notes	(€ thousand)
Earnings per IFRS income statement		**(47,528)**
Adjustments to calculate EPRA Earnings, exclude:		(192,902)
(i) Changes in value of investment properties, development properties held for investment and other interests[1]	Income statement	(199,386)
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	Income statement	(7,188)
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties.		-
(iv) Tax on profits or losses on disposals[2]	n.a.	(5,229)
(v) Negative goodwill / goodwill impairment	n.a.	-
(vi) Changes in fair value of financial instruments and associated close-out costs[3]	n.a.	(10,861)
(vii) Acquisition costs on share deals and non-controlling joint venture interests	n.a.	-
(viii) Deferred tax in respect of EPRA adjustments		-
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	Income statement	-
(x) Non-controlling interests in respect of the above[4]		29,761
EPRA Earnings		**145,374**
Basic number of shares		469,770,750
EPRA Earnings per Share (EPS)		**0.31**
Company specific adjustments:		1,988
(a) LTIP provision	13	1,402
(b) Opex non-overheads		586
Company specific Adjusted Earnings		**147,363**
Company specific Adjusted EPS		**0.31**

[1] Including the change in fair value of investment property, depreciation, and provisions
[2] Deferred taxes that are not expected to have a cash impact in the short to mid term
[3] Change in fair value of financial instruments (Consolidated income statement) + debt amortization costs (Consolidated income statement) + discontinued operations adjustment
[4] Difference between the share in earnings of equity method instruments (Consolidated income statement) and the attributable EPRA Earnings of the subsidiaries

EPRA NRV, NTA AND NDV

(€ million)

EPRA Net Asset Value Metrics	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	6,693.2	6,693.2	6,693.2
Include / Exclude:			
i) Hybrid instruments	-	-	-
Diluted NAV	**6,693.2**	**6,693.2**	**6,693.2**
Include:			
ii.a) Revaluation of IP (if IAS 40 cost option is used)	-	-	-
ii.b) Revaluation of IPUC1 (if IAS 40 cost option is used)	-	-	-
ii.c) Revaluation of other non-current investments	59.9	59.9	59.9
iii) Revaluation of tenant leases held as finance leases	-	-	-
iv) Revaluation of trading properties	-	-	-
Diluted NAV at Fair Value	**6,753.2**	**6,753.2**	**6,753.2**
Exclude:			
v) Deferred tax in relation to fair value gains of IP	539.9	513.5	-
vi) Fair value of financial instruments	(49.3)	(49.3)	-
vii) Goodwill as a result of deferred tax	-	-	-
viii.a) Goodwill as per the IFRS balance sheet		-	-
viii.b) Intangibles as per the IFRS balance sheet		(1.8)	
Include:			
ix) Fair value of fixed interest rate debt			480.2
x) Revaluation of intangibles to fair value	-		
xi) Real estate transfer tax	295.1	-	-
NAV	**7,538.9**	**7,215.6**	**7,233.3**
Fully diluted number of shares	469,770,750	469,770,750	469,770,750
NAV per share	**16.05**	**15.36**	**15.40**

EPRA NIY AND 'TOPPED-UP' NIY

(€ million)		Offices	Logistics & Data Centers	Shopping centers	Others	Total
Investment property – wholly owned		6,383	1,813	2,059	366	10,621
Investment property – share of JVs/Funds		-	-	-	-	-
Trading property (including share of JVs)		-	-	-	-	-
Less: *developments*		(725)	(391)	-	(74)	(1,190)
Completed property portfolio		5,657	1,422	2,059	292	9,431
Allowance for estimated purchasers' costs		173	34	45	9	260
Gross up completed property portfolio valuation	**B**	**5,830**	**1,457**	**2,104**	**301**	**9,692**
Annualised cash passing rental income		259	76	121	14	470
Property outgoings		(37)	(6)	(16)	(1)	(60)
Annualised net rents	**A**	**222**	**70**	**106**	**13**	**410**
Add: notional rent expiration of rent free periods or other lease incentives		14	1	5	0	20
Topped-up net annualised rent	**C**	**237**	**71**	**110**	**13**	**430**
EPRA NIY	**A/B**	**3.8%**	**4.8%**	**5.0%**	**4.2%**	**4.2%**
EPRA "topped-up" NIY	**C/B**	**4.1%**	**4.8%**	**5.2%**	**4.3%**	**4.4%**

EPRA VACANCY RATE

(€ million)		
Estimated Rental Value of vacant space	A	27.1
Estimated rental value of the whole portfolio	B	503.3
EPRA Vacancy Rate	**A/B**	**5.4%**

EPRA COST RATIOS

	Notes	(€ thousand)
Include:		
Administrative/operating expense line per IFRS income statement		52,006
Net service charge costs/fees		
Management fees less actual/estimated profit element		
Other operating income/recharges intended to cover overhead expenses less any related profits		
Share of Joint Ventures expenses		
Exclude (if part of the above):		
Investment property depreciation		
Ground rent costs		
Service charge costs recovered through rents but not separately invoiced		
EPRA Costs (including direct vacancy costs)	**A**	**52,006**
Direct vacancy costs		4,145
EPRA Costs (excluding direct vacancy costs)	**B**	**47,861**
Gross Rental Income less ground rents – per IFRS[1]		219,894
Less: service fee and service charge costs components of Gross Rental Income (if relevant)		
Add: share of Joint Ventures (Gross Rental Income less ground rents)		
Gross Rental Income	**C**	**219,894**
EPRA Cost Ratio (including direct vacancy costs)	**A/C**	**23.7%**
EPRA Cost Ratio (excluding direct vacancy costs)	**B/C**	**21.8%**

MERLIN's has a policy of not capitalising any overhead or operating expenses
[1] Gross Rental income (€ 237.8m) - incentives (€ 15.4m) - ground lease rents (€ 2.5m)

EPRA LTV METRIC 6M23

(€ million)		Proportionate consolidation			
	Group as reported	Share of Joint Ventures	Share of Material Associates	Non-controlling Interests	Combined
Include:					
Borrowings from financial institutions[1]	862.2	-	143.9	-	1,006.1
Commercial paper	-	-	-	-	-
Hybrids (including convertibles, preference shares, debt, options, perpetuals)	-	-	-	-	-
Bond loans[2]	3,334.7	-	-	-	3,334.7
Foreign currency derivatives (futures, swaps, options and forwards)	-	-	-	-	-
Net payables[3]	62.9	-	(9.6)	-	53.3
Owner-occupied property (debt)	-	-	-	-	-
Current accounts (equity characteristic)	-	-	-	-	-
Exclude:					
Cash and cash equivalents	(208.9)	-	(8.5)	-	(217.4)
Net Debt (a)	**4,050.9**	**-**	**125.8**	**-**	**4,176.7**
Include:					
Owner-occupied property[4]	1.2	-	-	-	1.2
Investment properties at fair value	10,655.1	-	547.4	-	11,202.4
Properties held for sale	-	-	-	-	-
Properties under development	-	-	-	-	-
Intangibles	-	-	-	-	-
Net receivables	-	-	-	-	-
Financial assets[5]	92.0	-	-	-	92.0
Total Property Value (b)	**10,748.2**	**-**	**547.4**	**-**	**11,295.6**
EPRA LTV (a/b)	**37.7%**	**-**	**-**	**-**	**37.0%**
Real Estate Transfer Taxs (RETTS) (c)	**295.1**	**-**	**12.5**	**-**	**307.7**
EPRA LTV (incl. RETTS) (a/(b+c))	**36.7%**	**-**	**-**	**-**	**36.0%**
Company specific Property Value adjustments:	**189.0**	**-**	**-**	**-**	**189.0**
DCN Stake (14.46%)[6]	175.5	-	-	-	175.5
Total Property Value including company specific adjustments (d)	**10,937.2**	**-**	**-**	**-**	**11,484.6**
Company specific EPRA LTV (a/d)	**37.0%**	**-**	**-**	**-**	**36.4%**
Company specific EPRA LTV (incl. RETTS) (a/(c+d))	**36.1%**	**-**	**-**	**-**	**35.4%**

[1] Including notional amount (€ 860.2m) and accrued interest (€ 2.0m). Please refer to Note 10 of the Annual Accounts for further details
[2] Including notional amount (€ 3,300.0m) and accrued interest (€ 34.7m). Please refer to Note 10 of the Annual Accounts for further details
[3] Considering the net result between payables (Trade and other payables, Other current liabilities, Other current financial liabilities and Current income tax liabilities) and receivables (Trade and other receivables, Inventories, Other current assets and Other current financial assets). Please note that accrued interests are included within borrowings from financial institutions and bond loans
[4] Fair value of the owner-occupied property. Book value at amortized cost of € 0.9m and MtM adjustment of € 0.3m
[5] Amortized cost of the loan granted to Desarrollos Urbanísticos Udra, S.A.U., secured against a 10% stake in Madrid Crea Nuevo Norte, S.A. Please refer to Note 8 of the Annual Accounts for further details
[6] 14.46% in Madrid Crea Nuevo Norte, S.A. the developer of the largest urban planning project in Europe. Please refer to Note 9 of the Annual Accounts for further details
Note: please refer to Note 7 of the Annual Accounts for further detail regarding minority stakes. MERLIN considers material associates the following companies: ZAL Port (Centro Intermodal de Logística, S.A.), Tres Aguas (Paseo Comercial Carlos III, S.A.) and Silicius (Silicius Real Estate SOCIMI, S.A.). Madrid Crea Nuevo Norte will be reclassified as a material associate upon execution of the purchase option of the land plots, which is expected to take place during 2023

EPRA LTV METRIC: SHARE OF MATERIAL ASSOCIATES 6M23

(€ million)	ZAL Port	Tres Aguas	Silicius	Share of Material Associates[1]
Include:				
Borrowings from financial institutions	145.3	70.2	215.3	143.9
Commercial paper	-	-	-	-
Hybrids (including convertibles, preference shares, debt, options, perpetuals)	-	-	-	-
Bond loans	-	-	-	-
Foreign currency derivatives (futures, swaps, options and forwards)	-	-	-	-
Net payables	(21.9)	0.9	3.0	(9.6)
Owner-occupied property (debt)	-	-	-	-
Current accounts (equity characteristic)	-	-	-	-
Exclude:				
Cash and cash equivalents	(6.2)	(7.0)	(11.0)	(8.5)
Net Debt (a)	**117.2**	**64.2**	**207.3**	**125.8**
Include:				
Owner-occupied property	-	-	-	-
Investment properties at fair value	747.9	131.2	668.7	547.4
Properties held for sale	-	-	-	-
Properties under development	-	-	-	-
Intangibles	-	-	-	-
Net receivables	-	-	-	-
Financial assets	-	-	-	-
Total Property Value (b)	**747.9**	**131.2**	**668.7**	**547.4**

[1] Proportional share based on the ownership in each associate: ZAL Port (48.5%), Tres Aguas (50%) and Silicius (17.8%)

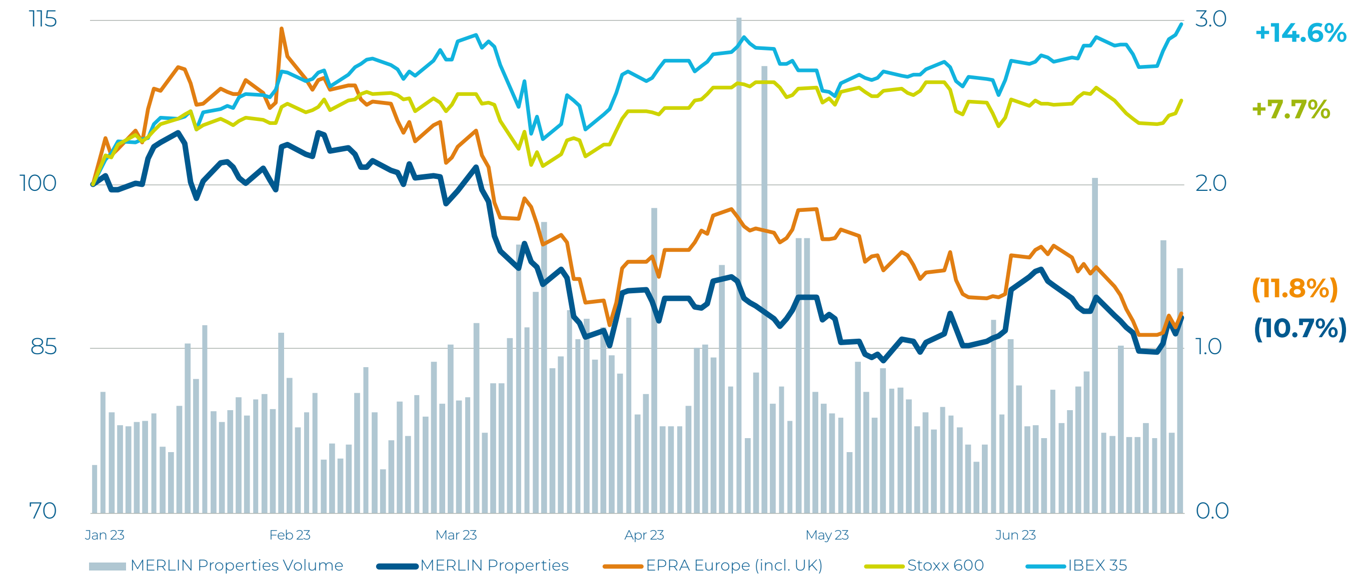
8. STOCK EXCHANGE EVOLUTION

Stock exchange evolution

MERLIN shares closed on 30 June 2023 at € 7.84, a decrease of 10.7% versus 31 December 2022 closing price (€ 8.78).

MERLIN SHARE PRICE PERFORMANCE[1] VS REFERENCE INDICES

From 31st December 2022 to 30th June 2023, Rebased to 100

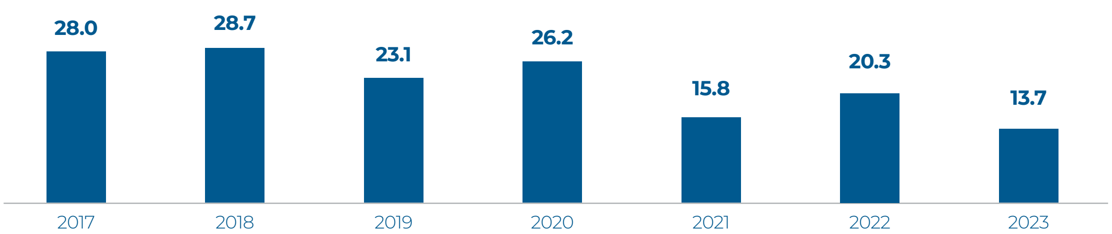


Source: Bloomberg

[1] Adjusted for any equity dilutive transactions

AVERAGE DAILY TRADING VALUE (€ M)

Average daily trading volume during the period has been € 13.7 million



As of the date of this report, MERLIN is covered by a wide variety of 24 equity research houses. Consensus target price is € 10.24

TARGET PRICES AND ANALYST RECOMMENDATIONS

Broker	Report date	Recommendation	Target Price
JBCapitalMarkets	24-07-2023	Buy	12.00
Santander	17-07-2023	Buy	12.50
UBS	14-07-2023	Buy	10.00
BESTINVER acciona	12-07-2023	Buy	10.40
ALANTRA	06-07-2023	Neutral	10.00
Goldman Sachs	06-07-2023	Neutral	8.80
SOCIETE GENERALE	05-06-2023	Neutral	8.20
BPI Grupo CaixaBank	05-06-2023	Neutral	10.45
Kepler Cheuvreux	18-05-2023	Buy	10.80
J.P.Morgan	16-05-2023	Neutral	9.00
EXANE BNP PARIBAS	12-05-2023	Buy	10.50
Kempen	12-05-2023	Neutral	8.50
renta4	12-05-2023	Buy	10.30
Morgan Stanley	11-05-2023	Buy	9.50
ODDO BHF ASSET MANAGEMENT	11-05-2023	Buy	10.70
Green Street Advisors	31-03-2023	n.d.	n.d.
BARCLAYS	06-03-2023	Buy	10.00
BANK OF AMERICA	28-02-2023	Neutral	9.20
Sabadell	23-02-2023	Buy	10.75
bankinter.	29-11-2022	Neutral	9.40
intermoney valores sv	11-11-2022	Buy	13.00
MIRABAUD	13-10-2022	Buy	11.00
citi	11-08-2022	Sell	7.90
GVC Gaesco	14-03-2022	Buy	13.33
Total average			**10.24**

APPENDIX

Alternative performance measures

In accordance with the recommendations issued by the European Securities and Markets Authority (ESMA), the alternative performance measures ("APM") are described as follows

GLOSSARY

Average debt maturity (years)

This APM represents the average debt duration of the Company until maturity

It is a relevant metric as it provides the investor with the relevant information about the repayment commitments of the financial liabilities

It is calculated as the addition of the pending years to maturity of each loan multiplied by its outstanding loan amount and divided by the total outstanding amount of all loans

Given the nature of the metric, it is not possible to reconcile it with the Group financial statements but the main information is available in the consolidated financial statements

Average passing rent

It represents the rent per square meter per month at which an asset or category of assets are rented at a moment in time

The average passing rent is a relevant performance metric as it shows the implied rents of all the prevailing lease contracts of the company at a moment in time per square meter and per month enabling the comparison with market rents

Given the nature of the metric, it is not possible to reconcile it with the financial statements

Release spread

Difference between the new rent signed and the old prevailing rent on renewals (same space, same tenant) or relets (same space, different tenant) during last twelve months

The release spread provides the investor with a view on the prospective rental behaviour when negotiating with the tenants

It is calculated on a lease by lease basis and therefore it is not possible to reconcile it with the financial statements

Rents Like-for-like

Amount of the gross rents comparable between two periods. It is calculated on an asset by asset basis excluding from both periods the rents derived from acquisitions or disposals executed in such periods as well as other adjustments like early termination penalties from lease contracts

We consider the rental like-for-like growth a relevant metric to understand the evolution of rents of an asset or an asset category

It is calculated on an asset by asset basis and therefore it is not possible to reconcile it with the financial statements

Gross annualized rents

Passing rent as of the balance sheet date multiplied by 12

We consider the gross annualized rents a relevant performance metric as it represents the total amount of rents of the prevailing lease contracts at a given time enabling the calculation of the return of each asset (Gross yield)

Given the nature of the metric, it is not possible to reconcile it with the financial statements

GAV

The GAV is the Gross Asset Value as of the latest available valuation report plus the advanced payments of turn-key projects and developments at cost

The GAV is a standard valuation metric for comparison purpose, recognized on a global basis in the real estate sector, and performed by an independent external appraisal

The reconciliation with the financial statements appears in Section 5 of this report (Notes to the consolidated balance sheet)

Gross yield

It represents the return of an asset or category of assets. It is calculated by dividing the annualized gross rent between the latest available GAV

Wault

Weighted average unexpired lease term, calculated as the number of years of unexpired lease term, as from the date balance sheet, until the lease contract first break weighted by the gross rent of each individual contract

We consider the Wault a relevant metric as it provides the investor with the average term of secured leases and gives a sense of risk or opportunity to renegotiate the prevailing lease contracts

Given the nature of the metric, it is not possible to reconcile it with the Group financial statements

Revenues

Is the addtion of the total gross rent income, and the other operating income excluding extraordinaries

The reconciliation with IFRS appears in the table thereafter

Accounting EBITDA

The accounting EBITDA is calculated as the net operating income before net revaluations, amortizations, provisions, interest and taxes.

The accounting EBITDA is a performance metric widely used by investors to value companies, as well as the rating agencies and creditors to evaluate the level of indebtedness

The reconciliation with IFRS metrics appears in the table hereafter

EBITDA

The EBITDA is calculated as the Accounting EBITDA deducting the "non-overheads" costs and the LTIP Provision

The EBITDA is a very useful metric as it excludes the impact of atypical costs incurred in the period. The atypical costs or "non-overheads" costs are the ones related to the acquisition and disposal of assets and indemnities among others (as described in the IPO prospectus)

The reconciliation with IFRS metrics appears in the table hereafter

Accounting FFO and FFO

Accounting FFO or Accounting Funds From Operations is calculated as EBITDA less debt interest expenses and recurring taxes (excluding taxes from disposals or other extraordinary events)

FFO is calculated deducting the non-overheads costs of the company from the Accounting FFO

It is a relevant performance and liquidity metric recognized on a global basis in the real estate sector

MERLIN Properties, as a member of EPRA (European Public Real Estate Association), follows EPRA's best practices reporting standards which enables the investor to better compare certain performance metrics that are specific to the real estate sector. This metrics are released on a semi-annual basis and detailed in the management report.

EPRA costs

It is calculated as total operating costs of the company divided by the gross rents net of incentives

This performance metric shows the operating efficiency on a recurring basis

The reconciliation with the Financial Statements appears in the Appendix of this report

EPRA Earnings

Earnings from core operational activities as per EPRA's recommendations

The reconciliation with the Financial Statements appears in the Appendix of this report

EPRA NRV, EPRA NTA and EPRA NDV

EPRA Net Reinstatement Value: Assumes that entities never sell assets and aims to represent the value required to rebuild the entity

EPRA Net Tangible Assets: Assumes that entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax

EPRA Net Disposal Value: Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax

EPRA Yields

Net Initial Yield: Annualized rental income based on the passing rents at the balance sheet date, less non recoverable property operating expenses, divided by the market value of the property (GAV) increased with acquisition costs

EPRA "Topped-up" NIY: Adjustment to the EPRA Net Initial Yield in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent periods and step rents)

These are two relevant performance metrics widely used to compare the return of the real estate assets in the portfolio, based on the prevailing lease contracts at a given date regardless of the financial structure of the company as per EPRA's recommendations

The calculation is provided in the Appendix of this report

Given the nature of the metric, it is not possible to reconcile it with the Group financial statements

EPRA Vacancy Rate

Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio

Given the nature of the metric, it is not possible to reconcile it with the Group financial statements

Loan-to-value ratio (LTV)

The loan-to-value ratio is calculated as the net debt divided by the fair value of the assets of the company (GAV + transaction costs)

The LTV is a performance metric widely used by investors to assess the level of risk, as well as the rating agencies and creditors to evaluate the level of indebtedness

The reconciliation with IFRS metrics appears in the table hereafter

Leverage ratio

The leverage ratio is calculated as the net debt divided by the net debt plus the equity

The leverage ratio is a performance metric widely used by investors to assess the level of risk, as well as the rating agencies and creditors to evaluate the level of indebtedness

The reconciliation with IFRS metrics appears in the table hereafter

Financial debt

The financial debt is calculated as the sum of any amount owed by the Group in the short and long-term as a result of loans, credits, bonds, debentures, and in general any instrument of a similar nature

The financial debt is a performance metric widely used by investors to assess the level of risk, as well as the rating agencies and creditors to evaluate the level of indebtedness

The reconciliation with IFRS metrics appears in the table hereafter

Percentage of debt at a fixed rate or with interest rate hedges

The percentage of debt at a fixed rate or with interest rate hedges is calculated as the sum of fixed-rate financial debt and variable-rate financial debt with associated interest rate change hedging transactions in relation to the Group's financial debt

The percentage of debt at a fixed rate or with interest rate hedges is a performance metric widely used by investors to assess the level of risk, as well as the rating agencies and creditors to evaluate the company exposure to interest rate movements

Given the nature of the metric, it is not possible to reconcile it with the Group financial statements but the main information is available in the consolidated financial statements

Average cost of debt

The average cost of debt is calculated as the ratio between the passing interest cost including derivatives corresponding to interest bearing debt and the Group's financial debt

The average cost of debt is a performance metric widely used by investors to assess the cost of borrowed funds, as well as the rating agencies and creditors to evaluate the capacity to fulfill interest obligations.

Given the nature of the metric, it is not possible to reconcile it with the Group financial statements but the main information is available in the consolidated financial statements

Liquidity position

The liquidity position is calculated as the sum of the Group's cash plus the amount corresponding to receivables from corporate transactions, the treasury stock position at market value, and the undrowned credit facilities available

The liquidity position is a performance metric widely used by investors to assess the level of financial flexibility, as well as the rating agencies and creditors to evaluate the capacity to meet debt maturities

The reconciliation with IFRS metrics appears in the table hereafter

Net debt

The net debt is calculated as the financial debt less cash and cash equivalents (e.g. disposal receivables or treasury stock)

The net debt is a performance metric widely used by investors to assess the level of risk, as well as the rating agencies and creditors to evaluate the level of indebtedness

The reconciliation with IFRS metrics appears in the table hereafter

Investment in energy efficiency improvements

The investment in energy efficiency improvements is defined as investments aimed at measuring, controlling, or directly or indirectly reducing, energy consumption or carbon footprint in all assets over which we have operational control

This performance metric, although not widely used by investors, rating agencies or creditors, is provided to assess the level of investments in ESG (environmental, social and corporate governance) measures

Given the nature of the metric, it is not possible to reconcile it with the Group financial statements, but the main information is available in the consolidated financial statements

Total tax contribution

Total Tax Contribution (TTC) measures the contribution made by a company or group of companies to the different governments. In general, both taxes borne, and taxes collected are imputed to each fiscal year, on a cash basis

- Taxes borne are those taxes that have entailed an effective cost for the companies, such as taxes on profits, social security contributions payable by the company, and certain environmental taxes
- Taxes collected are those that have been paid as a consequence of the company's economic activity, without entailing a cost for the companies other than managing them, such as withholding taxes levied on employees

This performance metric, although not widely used by investors, rating agencies or creditors, is provided to assess the amount of taxes collected or paid by the company

Given the nature of the metric, it is not possible to reconcile it with the Group financial statements

RECONCILIATION OF THE ALTERNATIVE PERFORMANCE MEASURES WITH CONSOLIDATED FINANCIAL STATEMENTS

(€ thousand)	Notes	6M23	6M22
Total revenues	4	229,521	213,939
Other operating income	Consolidated income statement	2,214	1,565
Personel expenses	13 c	(18,549)	(19,114)
Other operating expenses	13 b	(33,457)	(34,671)
Accounting EBITDA		**179,728**	**161,719**
Costs related to acquisition and disposals	13 b	*1,274*	*1,005*
Other costs	n.a.	*(733)*	*137*
Severances	13 c	*45*	-
Non-overhead costs		586	1,141
Long term incentive plan	13 c	1,402	2,926
EBITDA		**181,716**	**165,787**
Financial expenses excluding debt arrangement costs	Consolidated income statement	(46,560)	(48,348)
Equity method attributable FFO	n.a	11,169	12,132
IFRS16 Adjustement	n.a	4,387	-
Discontinued operations	n.a	-	31,177
Current taxes	n.a	(3,349)	(3,297)
FFO		**147,362**	**157,451**
Non-overhead costs	n.a.	(586)	(1,141)
Accounting FFO[1]		**146,777**	**156,310**

(€ thousand)			
Gross rental income	Consolidated income statement	237,811	222,556
Revenue from rendering of services	n.a	7,109	4,610
Other net operating income	n.a	(1,561)	(571)
Revenues		**243,359**	**226,595**

[1] Excluding the long term incentive plan

	(€ m)	Notes	6M23	FY22
A	GAV	Section 5 Results Report	11,301	11,317
B	Transaction costs	n.a	295	292
C=A+B	GAV + transaction costs		11,596	11,609
N	Net debt		3,935	3,792
D= N/C	**LTV**		**33.9%**	**32.7%**
E	Net debt		3,935	3,792
F	Equity	Balance sheet	6,693	6,849
G=E+F	Total capital		10,629	10,641
H=E/G	**Leverage ratio**		37.0%	35.6%
I	**Financial debt**	Section 5 Results Report	4,160	4,239
J= K+L+M	Cash and cash equivalents		225	447
K	Cash	Balance sheet	209	429
L	Receivables		-	-
M	Treasury stock	Balance sheet	16	17
N=I-J	**Net debt**		3,935	3,792
J	Cash and cash equivalents		225	447
O	Undrawn credit facilities	10.1	809	1,409
P= J+O	**Liquidity position**		1,034	1,856

LIST OF ASSETS

Asset	Location	In operations		WIP	
		GLA (sqm)	# Assets	GLA (sqm)	# Assets
Castellana 85	Madrid	16,474	1	-	-
Castellana 93	Madrid	11,621	1	-	-
Castellana 259	Madrid	21,390	1	-	-
Castellana 278	Madrid	14,468	1	-	-
Castellana 280	Madrid	16,853	1	-	-
Princesa-Plaza España Complex	Madrid	47,101	3	-	-
Plaza Ruiz Picasso	Madrid	-	-	31,576	1
Juan Esplandiu 11-13	Madrid	28,008	1	-	-
Churruca business park	Madrid	17,668	4	-	-
Santiago de Compostela 94	Madrid	13,130	1	-	-
Principe de Vergara 187	Madrid	11,710	1	-	-
Alfonso XI	Madrid	9,945	1	-	-
Alcala 40	Madrid	9,315	1	-	-
Eucalipto 25	Madrid	7,368	1	-	-
Eucalipto 33	Madrid	7,301	1	-	-
Pedro de Valdivia 10	Madrid	6,721	1	-	-
Plaza Ruiz Picasso extension	Madrid	-	-	3,665	1
Total Madrid Prime + CBD		**239,073**	**20**	**35,241**	**2**
Adequa business park	Madrid	75,545	5	47,902	2
Via Norte business park	Madrid	37,224	6	-	-
Avenida de Bruselas 33	Madrid	33,718	1	-	-
Las Tablas business park	Madrid	27,184	3	-	-
Avenida de Europa	Madrid	23,101	2	-	-
Torre Chamartin	Madrid	18,295	1	-	-
Sanchinarro business park	Madrid	17,191	2	-	-
Maria de Portugal T2	Madrid	17,140	3	-	-
Aquamarina	Madrid	10,685	1	-	-
Avenida de Bruselas 24	Madrid	9,163	1	-	-
Avenida de Bruselas 26	Madrid	8,895	1	-	-
Elipse	Madrid	7,515	1	-	-
Avenida de Burgos 208-210	Madrid	7,376	2	-	-
Arturo Soria 343	Madrid	6,615	1	-	-
Fuente de la Mora	Madrid	4,482	1	-	-
Encinar	Madrid	3,623	1	-	-
Total Madrid NBA A1		**307,751**	**32**	**47,902**	**2**

		In operations		WIP	
Asset	**Location**	**GLA (sqm)**	**# Assets**	**GLA (sqm)**	**# Assets**
Ribera del Loira 60	Madrid	54,960	1	-	-
Puerta de las Naciones business park	Madrid	39,150	4	-	-
Alvento business park	Madrid	32,928	2	-	-
Josefa Valcarcel 48	Madrid	-	-	19,893	1
Partenon 12-14	Madrid	19,609	1	-	-
Partenon 16-18	Madrid	18,343	1	-	-
Cristalia	Madrid	11,712	1	-	-
Arturo Soria 128	Madrid	3,226	1	-	-
Total Madrid NBA A2		**795,016**	**74**	**151,235**	**12**
Atica business park	Madrid	29,285	5	7,080	1
Cerro Gamos business park	Madrid	-	-	36,105	5
Alvia business park	Madrid	23,567	3	-	-
Atica XIX business park	Madrid	15,411	3	5,014	1
Total Madrid Periphery		**68,263**	**11**	**48,199**	**7**
Total Madrid		**795,016**	**74**	**151,235**	**12**
Diagonal 199	Barcelona	5,934	1	-	-
Diagonal 211 (Glories Tower)	Barcelona	37,614	1	-	-
Diagonal 458	Barcelona	4,174	1	-	-
Diagonal 514	Barcelona	10,263	1	-	-
Diagonal 605	Barcelona	15,038	1	-	-
PE Poble Nou 22@	Barcelona	31,337	4	-	-
Vilanova 12-14	Barcelona	16,494	1	-	-
Balmes 236-238	Barcelona	6,187	1	-	-
E-Forum	Barcelona	5,190	1	-	-
Plaza de Cataluña 9	Barcelona	3,026	1	-	-
Pere IV	Barcelona	2,018	1	-	-
Total Barcelona Prime + CBD		**137,274**	**14**	**-**	**-**
WTC	Barcelona	29,059	2	-	-
Av. Parc Logistic 10-12 (PLZF Office use)	Barcelona	10,541	1	11,411	1
Total NBA WTC		**39,600**	**3**	**11,411**	**1**

		In operations		WIP	
Asset	**Location**	**GLA (sqm)**	**# Assets**	**GLA (sqm)**	**# Assets**
Sant Cugat I	Barcelona	15,377	1	-	-
Sant Cugat II	Barcelona	10,008	1	-	-
Total Periphery		**25,385**	**2**	**-**	**-**
Total Barcelona		**202,258**	**19**	**11,411**	**1**
Monumental	Lisbon	25,358	1	-	-
Art	Lisbon	22,150	1	-	-
Liberdade 195	Lisbon	16,510	1	-	-
Torre Lisboa	Lisbon	13,715	1	-	-
Marques de Pombal 3	Lisbon	12,461	1	-	-
Central Office	Lisbon	10,310	1	-	-
Torre Zen	Lisbon	10,207	1	-	-
TFM	Lisbon	7,837	1	-	-
Lisboa Expo	Lisbon	6,740	1	-	-
Total Lisbon Prime + CBD		**125,287**	**9**	**-**	**-**
Nestle	Lisbon	12,260	1	-	-
Total Lisbon NBA		**137,547**	**10**	**-**	**-**
Total Lisbon		**137,547**	**10**	**-**	**-**
Sevilla - Borbolla	Andalusia	13,037	1	-	-
Lerida - Mangraners	Catalonia	3,228	1	-	-
Granada - Escudo del Carmen	Andalusia	2,041	1	-	-
Total Other		**18,306**	**3**	**-**	**-**
TOTAL OFFICES		**1,153,127**	**106**	**162,646**	**13**

Asset	Location	In operations GLA (sqm)	In operations # Assets	WIP GLA (sqm)	WIP # Assets
Marineda[1]	Galicia	118,793	1	-	-
Tres Aguas[2]	Madrid	67,940	1	-	-
Almada	Lisbon	60,049	1	-	-
X-Madrid	Madrid	47,120	1	-	-
Larios	Andalusia	37,956	1	-	-
Porto Pi	Mallorca	32,758	1	-	-
Arenas	Catalonia	31,905	1	-	-
Saler	Valencian C.	29,019	1	-	-
Artea	Basque Country	25,922	1	-	-
La Vital	Valencian C.	20,878	1	-	-
Callao 5[3]	Madrid	11,629	1	-	-
Centro Oeste	Madrid	10,867	1	-	-
Arturo Soria	Madrid	6,069	1	-	-
TOTAL SHOPPING CENTERS		**500,905**	**13**	**-**	**-**
Barcelona-ZAL Port[4]	Catalonia	736,217	43		
A2-Cabanillas Park I	Castilla la Mancha	315,236	9	-	-
A2-Cabanillas Park II	Castilla la Mancha	47,211	1	163,467	3
Lisbon Park	Lisbon	45,171	1	179,693	1
Sevilla ZAL	Andalusia	139,218	11	15,122	3
Barcelona-PLZF	Catalonia	132,100	9	-	-
A2-San Fernando III	Madrid	-	-	98,924	1
A2-Azuqueca II	Madrid	96,810	1	-	-
Valencia-Betera	Valencian C.	-	-	96,572	1
Vitoria-Jundiz I	Basque Country	72,717	1	-	-
A2-Cabanillas I	Castilla la Mancha	70,134	1	-	-
A2-Meco II	Madrid	59,814	1	-	-
A4-Pinto II	Madrid	58,990	1	-	-
A2-Azuqueca III	Castilla la Mancha	-	-	51,000	1
A4-Getafe (Gavilanes)	Madrid	39,591	2	-	-
A2-Alovera	Castilla la Mancha	38,763	1	-	-
A2-Coslada Complex	Madrid	36,234	1	-	-
A2-Meco I	Madrid	35,285	1	-	-
Valencia-Ribarroja	Valencian C.	34,992	1	-	-
A2-San Fernando II	Madrid	33,592	1	-	-
A4-Seseña	Castilla la Mancha	28,731	1	-	-

[1] Including 18,232 sqm under refurbishment
[2] 50% stake
[3] Including 7,989 sqm under refurbishment
[4] 48.5% stake

		In operations		WIP	
Asset	**Location**	**GLA (sqm)**	**# Assets**	**GLA (sqm)**	**# Assets**
A2-Coslada	Madrid	28,491	1	-	-
Vitoria-Jundiz II	Basque Country	26,774	2	-	-
Valencia-Almussafes	Valencian C.	26,613	1	-	-
A2-Cabanillas III	Castilla la Mancha	21,879	1	-	-
Zaragoza-Pedrola	Zaragoza	21,579	1	-	-
A4-Getafe (Cla)	Madrid	16,100	1	-	-
A2-Cabanillas II	Castilla la Mancha	15,078	1	-	-
A2-San Fernando I	Madrid	11,179	1	-	-
A4-Pinto I	Madrid	11,099	1	-	-
TOTAL LOGISTICS		**2,199,596**	**97**	**604,779**	**10**
Madrid Data Center	Madrid	-	-	22,508	1
Bilbao-Arasur Data Center	Basque Country	-	-	17,600	1
Barcelona PLZF Data Center	Catalonia	-	-	22,131	1
Lisbon Data Center	Lisbon	-	-	32,982	1
TOTAL DATA CENTERS		**-**	**-**	**95,221**	**4**
Castellana 259 (Hotel)	Madrid	31,800	1	-	-
Diagonal 199 (Hotel)	Catalonia	15,332	1	-	-
Marineda (Hotel)	Galicia	5,898	1	-	-
Madrid Tower (retail)	Madrid	4,462	5	-	-
Jovellanos 91	Catalonia	4,067	1	-	-
Yunque	Madrid	1,780	1	-	-
Rambla Salvador Sama 45-47-49	Catalonia	1,140	1	-	-
Torre Madrid residencial	Madrid	120	1	-	-
Bizcargi 1 1D	Basque Country	46	1	-	-
General Ampudia 12[1]	Madrid	-	1	-	-
Parking Palau[1]	Valencian C.	-	1	-	-
TOTAL OTHER		**64,645**	**15**	**-**	**-**

[1] Below ground surface has not been taken into account for G.L.A. purposes

MERLIN
PROPERTIES

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