MERLIN PROPERTIES

6M24 RESULTS
Trading Update

CONSOLIDATED PERFORMANCE

+2.8%
Gross rents like-for-like YoY

+0.3%
FFO per share YoY

+1.8%
TSR YTD

- Strong operating performance continues, with good **rental growth (+2.8% LfL)** and positive release spreads
- **FFO impacted by the overhead drag of the ramp up of Data Centers** (+0.3% FFO vs 6M23)
- **Healthy occupancy figure (95.4%) that will improve towards year-end**
- **>€ 90m non core disposals either signed or in advanced** negotiations at a premium to GAV
- **S&P has upgraded MERLIN's to BBB+** on the basis of sustained lower leverage and expanding cash flow base
- **Flat overall 1H appraisals thanks to Data Centers (+13.3%** in 6M24) while **yields continue expanding (+12 bps)**
- **NTA per share** at **€ 15.11** after € 0.24 cash paid in 2Q

(€ million)	6M24	6M23	YoY
Total revenues	253.7	243.4	4.3%
Gross rents	248.2	237.8	4.4%
Gross rents after incentives	234.5	222.4	5.4%
Net rents after propex & collection losses	208.6	201.1	3.7%
Gross-to-net margin[1]	*88.9%*	*90.4%*	
EBITDA[2]	188.4	181.7	3.7%
Margin	*75.9%*	*76.4%*	
FFO[3]	147.8	147.4	0.3%
Margin	*59.5%*	*62.0%*	
AFFO	142.5	140.8	1.2%
Net earnings	132.8	(47.5)	n.m.

(€ per share)	6M24	6M23	YoY
FFO	0.31	0.31	0.3%
AFFO	0.30	0.30	1.2%
EPS	0.28	(0.10)	n.m.
EPRA NTA	15.11	15.36	(1.6%)

BUSINESS PERFORMANCE

Rents like-for-like YoY

+1.8% Offices | **+4.1%** Logistics | **+3.3%** S. Centers

Release spread

+1.1% Offices | **+2.9%** Logistics | **+6.4%** S. Centers

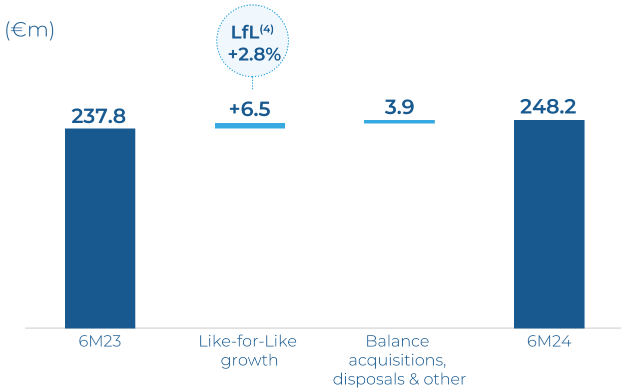
Occupancy vs 31/03/2024

(35 bps) → **95.4%**

- **Offices:** 92,934 sqm contracted. **LfL** of **+1.8%** and **release spread** of **+1.1%**
- **Logistics:** 62,484 sqm contracted. **LfL** of **+4.1%** and **release spread** of **+2.9%**
- **Shopping centers:** 30,899 sqm contracted. **LfL** of **+3.3%%** and **release spread** of **+6.4%**

6M24	Contracted	Rent		Leasing activity	Occ. vs 31/03/24
	sqm	€m	LfL change	Release spread	Bps
Offices	92,934	134.6	+1.8%	1.1%	+13
Logistics	62,484	42.0	+4.1%	2.9%	(81)
Shopping centers	30,899	63.4	+3.3%	6.4%	(4)
Data Centers	n.a.	0.9	n.a.	n.a.	n.a.
Other	n.a.	7.3	+8.6%	n.m.	+44
Total	**186,317**	**248.2**	**+2.8%**		**(35)**

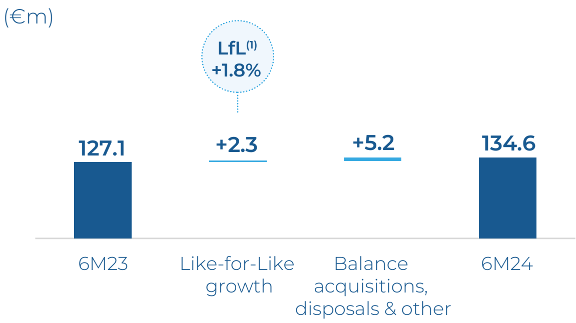
Gross rents bridge



[1] Net of incentives
[2] Excludes non-overhead costs items (€ 5.7m) 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 6M23 (€ 230.8m of GRI) and for 6M24 (€ 237.3m of GRI)

OFFICES

Gross rents bridge



Rents breakdown

	Gross rents 6M24 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
Madrid	94.5	20.5	3.1
Barcelona	22.2	21.2	2.7
Lisbon	16.7	22.4	3.9
Other	1.2	11.9	6.0
Total	**134.6**	**20.7**	**3.2**

Leasing activity

- **Positive rent increase on renewals continues (+1.1%) despite the indexation already captured**
- **2Q24 leasing activity highlights:**
  - 7,450 sqm new leases with SAP, Bluetab and Seidor in Plaza Ruiz Picasso 11, Madrid
  - 6,352 sqm renewal with P&G in Avenida de Bruselas 24, Madrid
  - 6,299 sqm new lease with PWC in Adequa 1, Madrid
  - 1,873 sqm renewal with Pharmaceutical Research Associates in Atica XIX, Madrid

						LTM	
sqm	Contracted	Out	In	Renewals(2)	Net	Release spread	# Contracts
Madrid	82,801	(20,589)	44,708	38,093	24,119	+1.9%	83
Barcelona	9,264	(6,874)	6,635	2,629	(239)	(1.1%)	31
Lisbon	869	(1,860)	564	305	(1,296)	(0.2%)	5
Total	**92,934**	**(29,323)**	**51,907**	**41,027**	**22,584**	**+1.1%**	**119**

Occupancy

- Resilient occupancy (92.3%). **FY24 physical occupancy guidance improves to 93%**
- By markets, **best performer this quarter has been Madrid NBA A-1 with 6,299 sqm signed with PwC and 6,016 sqm signed (post closing) with BBVA**
- **Madrid** has overtaken Barcelona in occupancy

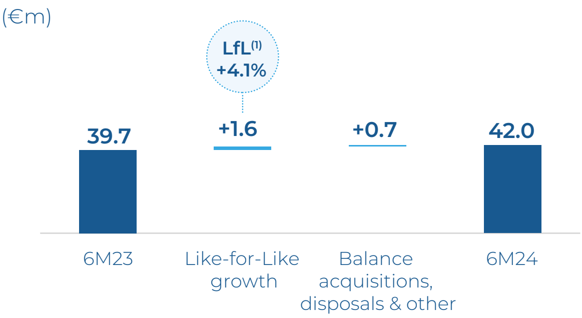
Stock	1,163,485 sqm
WIP	156,815 sqm
Stock incl. WIP	1,320,300 sqm

	Occupancy rate(3)		
	6M24	6M23	Change bps
Madrid	91.5%	90.0%	+149
Barcelona	90.9%	95.3%	(445)
Lisbon	98.8%	100.0%	(119)
Other	100.0%	100.0%	-
Total	**92.3%**	**92.3%**	**(1)**

(1) Portfolio in operation for 6M23 (€ 123.2m of GRI) and for 6M24 (€ 125.5m 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, Torre Lisboa, PE Cerro Gamos 2, 3 & 5, Encinar and Josefa Valcarcel 48

LOGISTICS

Gross rents bridge



Rents breakdown

	Gross rents 6M24 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
Madrid	27.2	4.4	3.6
Barcelona	6.0	7.8	2.5
Other	8.8	4.5	1.6
Total	**42.0**	**4.8**	**3.0**

Leasing activity

- **Compelling organic performance (+4.1% LfL),** with positive release spread (+2.9%)
- **2Q24 leasing activity highlights:**
  - 6,534 sqm new lease (extension) with Rangel in Lisboa Park A
  - 5,812 sqm renewal with The Phone House in Coslada-Complex, Madrid
  - 2,709 sqm new lease with Satys in Coslada-Complex, Madrid

						LTM	
sqm	Contracted	Out	In	Renewals	Net	Release spread	# Contracts
Madrid	55,950	(5,560)	50,138	5,812	44,578	+2.1%	8
Barcelona	-	(6,829)	-	-	(6,829)	+12.1%	2
Other	6,534	(18,199)	6,534	-	(11,665)	n.m.	n.m.
Total	**62,484**	**(30,588)**	**56,672**	**5,812**	**26,084**	**+2.9%**	**10**

Occupancy

- The portfolio continues **close to full occupancy (97.6%) and is set to improve towards year-end**
- In 6M24, MERLIN signed a turn-key project with Total for the delivery of a **18,133 sqm warehouse in Cabanillas Park II and with XPO for the delivery of a 2,477 sqm warehouse in Sevilla ZAL.** Further contracts are expected to be signed in the following months, materialising the conversion of head-of-terms into pre-lets
- **Zal Port** occupancy stands at **97.9%**

Stock	1,510,808 sqm
WIP[2]	510,826 sqm
Short term	162,325 sqm
Mid term	105,922 sqm
Long term	242,579 sqm
Stock incl. WIP	2,021,634 sqm
ZAL Port	765,006 sqm
Stock managed	2,786,640 sqm

	Occupancy rate		
	6M24	6M23	bps
Madrid	98.4%	94.7%	+375
Barcelona	93.5%	98.6%	(517)
Other	96.8%	100.0%	(318)
Total	**97.6%**	**96.4%**	**+123**

[1] Portfolio in operation for 6M23 (€ 39.5m of GRI) and for 6M24 (€ 41.1m of GRI)
[2] WIP includes in progress and Landbank Best II & III

LOGISTICS (CONT.)

INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

Logistics development program (as of 30/06/2024)

- Best II & III plans **have been merged**
- **525k sqm** delivered to date achieving a YoC at delivery of 7.8%
- **511k sqm of Landbank owned,** all of which has now reached **ready-to-build status,** distributed among selected locations in Madrid, Lisbon, Valencia and Seville
- Within the Landbank, **33k sqm pre-let and 179k sqm with HoT signed**

Logistics pipeline as of 6M24

	GLA (sqm)	Pending capex (€m)	Expected GRI (€m)	YoC[1] (%)
Near term pipeline (2025)	162k	91	9.5	7.5%
Medium term pipeline (2026-2027)	106k	60	6.3	7.6%
Non-committed long-term pipeline[2]	243k	115	13.3	±7.0%

DATA CENTERS

- **MAD01-GET, BCN01-PLZF and BIO03-ARA** Data Centers **fully operational,** proving to market best-in-class technical specifications (1.15 PUE and 0.0 WUE)
- **LIS01-VFX** Data Center **construction license granted and power secured** for a **100 MW AI Campus**
- **BIO02-ARA** construction license expected in 4Q24. **Power in place** for the new **94 MW**

Data Centers pipeline (Phase I: 60 MW IT capacity)

	Capex (€m)							
Invested 6M24	2H 2024	2025	2026	2027	Total	Expected stabilized GRI (€m)	Stabilized GRI YoC[1] (%)	Stabilized NOI YoC[1] (%)
294	55	97	75	44	565	81	c.14.4%	>10%

Data Centers pipeline (Phase II: 200 MW IT capacity)

- **Fully licensed land and power available** for an additional **200 MW of IT capacity[3] (Phase II)**
- **€ 2.1 bn of capital needed to fund Phase II development**

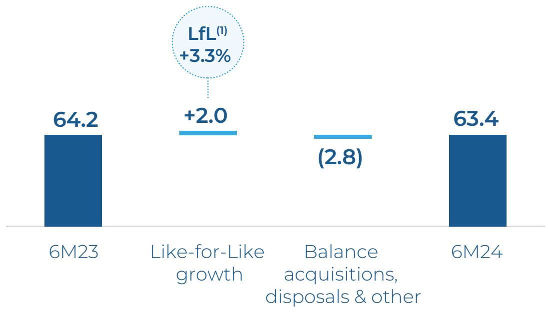
	Capex (€m)								
Invested 6M24	2H 2024	2025	2026	2027	2028	Total	Expected stabilized GRI (€m)	Stabilized GRI YoC[1] (%)	Stabilized NOI YoC[1] (%)
7	19	791	886	397	6	2,106	313	c.14.2%	>10%

[1] Including land cost
[2] To be developed on a pre-let basis
[3] Including 100 MW in Lisbon-VFX, 94 MW in Bilbao-Arasur and 6 MW of repowering capacity in Barcelona-PLZF

SHOPPING CENTERS

Gross rents bridge

(€m)



Rents breakdown

	Gross rents 6M24 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
TOTAL	63.4	25.3	2.2

Footfall and tenant sales

	vs 6M23
Tenant sales	+5.0%
Footfall	+3.3%
OCR	11.5%

Leasing activity

- **Footfall** (+3.3% vs 6M23), above the Spanish average, **and sales** (+5.0% vs 6M23) continue outperforming
- **LfL rental increase (+3.3%)** reflecting strong operating performance of the assets, as the effort rate continues at historical lows **(11.5% OCR in 6M24)**
- **2Q24 leasing activity highlights:**
  - 5,864 sqm renewal with Primark in Marineda
  - 891 sqm renewal with Climbat in X-Madrid
  - 847 sqm renewal with Kiabi in Saler
  - 507 sqm renewal with Denim&Friends in Saler
  - 450 sqm renewal with Goiko Grill in Marineda
  - 427 sqm new lease with Mundimoto in X-Madrid
  - 410 sqm renewal with Pepco in Arenas

						LTM	
sqm	Contracted	Out	In	Renewals	Net	Release spread	# Contracts
Total	30,899	(11,815)	10,757	20,142	(1,058)	+6.4%	88

Occupancy

- **Occupancy stands at 96.0%**
- Best performer this quarter has been **Centro Oeste**

Stock	431,348 sqm
Tres Aguas[2]	67,940 sqm
Stock with Tres Aguas	499,288 sqm

	Occupancy rate		
	6M24	6M23	bps
Total	96.0%	96.4%	(45)

[1] Portfolio in operation for 6M23 (€ 61.3m of GRI) and for 6M24 (€ 63.3m of GRI)
[2] Tres Aguas at 100% allocation

BALANCE SHEET

- **LTV stands at 35.6%** (+62 bps vs FY23)
- **No further debt maturities until November 2026 after tackling May 2025** with a mix of bank debt (secured and unsecured) and bond financing
- **S&P has upgraded MERLIN's debt rating to BBB+** on the basis of sustained lower leverage and expanding cash flow base

Ratios	30/06/2024	31/12/2023
LTV (Inc. TC)	35.6%	35.0%
Av. Interest rate	2.49%	2.38%
Av. Maturity (years)	4.8	5.1
Unsecured debt to total debt	85.6%	90.4%
Interest rate fixed	97.2%	99.7%
Liquidity position (€m)[1]	1,572	1,309

	€ million
GAV	11,375
Gross financial debt	4,897
Cash and equivalents[2]	(740)
Net financial debt	4,157
NTA	7,097

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

VALUATION

- **€ 11,375m GAV, flat LfL** as compared to December 2023
- **Value created on developments (+€ 53.5m) offsets loss in operating portfolio (€ 48.7m)**
- **Yields have expanded by a further 12bps** during the semester across all asset classes, with modest impact in valuations due to resilient operating performance. **Since FY20, passing yields have expanded by 107 bps** while still delivering positive TSR during the period

	GAV (€ m)	LfL Growth	Gross yield	Yield expansion /(compression)[3]
Offices	6,198	(0.4%)	4.8%	+11
Logistics	1,445	(0.6%)	5.6%	+7
Shopping centers	2,004	(0.3%)	6.2%	+14
Logistics WIP & Office landbank	254	n.a.	n.a.	
Data Centers	444	+13.3%	n.a.	n.a.
Others	355	+0.1%	5.2%	+28
Equity method	676	-	n.a.	
Total	**11,375**	**+0.0%**	**5.2%**	**+12**

[1] Includes cash (€ 725.3m) and treasury stock (€ 14.4m) and undrawn credit facilities (€ 832.4m) in 6M24
[2] Includes cash (€ 725.3m) and treasury stock (€ 14.4m)
[3] Bps based on passing rent

INVESTMENTS, DIVESTMENTS AND CAPEX

- **€ 3.0m in non-core divestments. Further non-core sales in excess of € 90m either signed or in advanced negotiacions at a premium to GAV**
- **Muted acquisitions during 6M24,** limited to consolidating a 100% ownership in a c. 4,500 sqm building adjacent to our Plaza Ruiz Picasso development and increasing the Landbank of our Bilbao-Arasur DC campus
- Capex efforts continue focused on **Best II & III and Digital Infrastructure Plan (Mega)**

	Offices	Retail	Logistics	Data Centers	€ million
Acquisitions	Plaza Ruiz Picasso extension			Bilbao (Data Center) Landbank	22.6
Greenfield development			A2-Cabanillas Park II Lisboa-Park	Bilbao Arasur (Data Center) Madrid-Getafe (Data Center) Barcelona PLZF (Data Center) Lisboa-VFX (Data Center)	46.9
Refurbishments	Plaza Ruiz Picasso PE Cerro Gamos Josefa Valcarcel 48 Torre Lisboa	Callao 5 Marineda			26.1
Like-for-like portfolio (Defensive Capex)(1)					7.8
Total					**103.4**

(1) € 5.3m are capitalized in balance sheet and € 2.5m are expensed in P&L

APPENDIX

1. Consolidated Profit and Loss

(€ thousand)	30/06/2024	30/06/2023
Gross rents	**248,207**	**237,811**
Offices	134,599	127,075
Logistics	42,017	39,674
Shopping centers	63,412	64,184
Data Centers	917	-
Other	7,262	6,878
Other income	**5,531**	**5,548**
Total Revenues	**253,738**	**243,359**
Incentives	(13,720)	(15,400)
Total Operating Expenses	**(58,743)**	**(48,229)**
Propex	(25,924)	(21,291)
Personnel expenses	(16,484)	(17,102)
Opex general expenses	(9,236)	(7,848)
Opex non-overheads	(5,697)	(586)
LTIP Provision	(1,402)	(1,402)
Accounting EBITDA	**181,275**	**179,730**
Depreciation	(1,373)	(1,003)
Gain / (losses) on disposal of assets	409	(7,188)
Provisions	(2,838)	94
Change in fair value of investment property	6,253	(198,477)
EBIT	**183,726**	**(26,844)**
Net financial expenses	(47,361)	(46,560)
Debt amortization costs	(3,900)	(5,148)
Gain / (losses) on disposal of financial instruments	11	-
Change in fair value of financial instruments	775	(1,327)
Share in earnings of equity method instruments	2,856	40,930
PROFIT BEFORE TAX	**136,107**	**(38,949)**
Income taxes	(3,339)	(8,579)
PROFIT (LOSS) FOR THE PERIOD RECURRING OPERATIONS	**132,768**	**(47,529)**
Minorities	-	-
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE	**132,768**	**(47,528)**

2. Consolidated Balance Sheet

(€ thousand)

ASSETS	30/06/2024	EQUITY AND LIABILITIES	30/06/2024
NON CURRENT ASSETS	**11,589,334**	**EQUITY**	**6,581,115**
Intangible assets	1,304	Subscribed capital	469,771
Property, plant and equipment	10,204	Share premium	3,432,874
Investment property	10,743,870	Reserves	2,549,586
Investments accounted by the equity method	535,977	Treasury stock	(14,407)
Non-current financial assets	232,396	Other shareholder contributions	540
Deferred tax assets	65,583	Interim dividend	-
		Profit for the period	132,768
		Valuation adjustments	9,983
		NON-CURRENT LIABILITIES	**5,067,560**
		Long term debt	4,436,905
		Long term provisions	17,259
		Deferred tax liabilities	613,396
CURRENT ASSETS	**863,141**	**CURRENT LIABILITIES**	**803,800**
Trade and other receivables	61,842	Short term debt	644,747
Short-term financial assets	5,154	Trade and other payables	133,866
Cash and cash equivalents	725,333	Other current liabilities	25,187
Other current assets	70,812		
TOTAL ASSETS	**12,452,475**	**TOTAL EQUITY AND LIABILITIES**	**12,452,475**

APM: definitions and reconciliation of APMs to the latest audited financial accounts can be found on page 51 of https://ir.merlinproperties.com/wp-content/uploads/2024/07/Results-report-6M24.pdf

MERLIN PROPERTIES

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