

Merlin Properties SOCIMI, S.A.

Auditor's report

Annual accounts as at 31 December 2025

Management report



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent auditor's report on the annual accounts

To the shareholders of Merlin Properties SOCIMI, S.A.

Report on the annual accounts

Opinion

We have audited the annual accounts of Merlin Properties SOCIMI, S.A. (the Company), which comprise the balance sheet as at 31 December 2025, and the income statement, statement of changes in equity, cash flow statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2025, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 2 of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Valuation of investment properties

Investment properties constitute 45% of the Company's assets. The Company values its investment properties at their acquisition cost less their corresponding depreciation and any impairment losses, as set out in notes 4.2 and 4.3 of the annual accounts. The total investment property recorded in non-current assets on the balance sheet amounts to 4,523,335 thousand euros as of December 31, 2025.

At least at the end of the financial year, the Company assesses whether there is an indication that any investment property may be impaired and, in particular, whether there is a significant decrease in the fair value or value in use of such asset. As described in note 6, the Company recorded an impairment loss associated with its investment properties amounting to 43,455 thousand euros as of December 31, 2025.

In determining the fair value of the investment properties, the Company relies on valuations made by independent experts. The valuations are made in accordance with the Valuation and Appraisal Standards published by the Royal Institution of Chartered Surveyors (RICS) and in accordance with the Valuation Standards issued by the International Valuation Standards Council (IVSC), whose methodology has been described in note 6 of the attached annual accounts.

The valuers consider specific variables such as signed lease contracts, and particularly the rents. They also assume certain hypotheses regarding variables such as discount rates, estimated market rents, and exit yields, arriving at a final assessment.

The Company records the depreciation of the investment properties on a straight-line basis and based on the estimated useful lives included in note 4.2 of the annual accounts.

The importance of the estimates and judgements involved in these valuations, as well as the fact that a percentage difference in the valuation of a property could result in a material figure, makes the valuation of investment properties to be considered as a key audit matter.

We reviewed the design and implementation of key controls that mitigate the risk associated with the investment property valuation process, as well as their operational effectiveness.

For additions to investment properties recorded during the year, we have verified the supporting documentation for a sample of them, such as contracts and deeds of sales, or other documents that affect acquisition cost.

Additionally, we have obtained the valuations of investment properties carried out by independent experts hired by management, on which we have performed, among others, the following procedures:

- Verification of the competence, capacity, objectivity and independence of the valuer experts through confirmation and verification of their recognized prestige in the market.
- We have verified that the valuations have been carried out in accordance with accepted methodology for a sample of assets.
- Discussion of the main key assumptions of the valuations through several meetings with valuer experts and management, evaluating the consistency of the estimates for a sample of assets.
- Carrying out tests to verify the accuracy of the most relevant data supplied by management to the valuer experts for a sample of assets.

We check that the useful life considered for the investment properties corresponds to their nature and we perform tests on the arithmetic calculation of the depreciation expense for the year.

Lastly, we have evaluated the adequacy of the information disclosed in the annual accounts.

The result of the procedures carried out has made it possible to reasonably achieve the audit objectives for which said procedures were designed.

Valuation of long-term equity instruments in group companies and associates

As of December 31, 2025, the net book value of investments in the equity of group companies and associates recorded in non-current assets amounted to 2,725,386 thousands euros, constituting 27% of the total assets of the attached balance sheet.

As indicated in note 4.5 of the attached annual accounts, the Company values investments in the equity of group companies and associates at cost, reduced, where applicable, by the accumulated amount of impairment losses. As of December 31, 2025, the Company has recorded an impairment loss of 9,627 thousands euros and a reversal of 10,702 thousands euros, as disclosed in note 9 of the annual accounts.

These corrections are calculated as the difference between the book value and the recoverable amount. Unless there is better evidence of the recoverable amount, it is considered the equity of the investee, corrected by the implicit capital gains existing at the valuation date. Likewise, as described in note 4.5 of the annual accounts, the valuations of investment properties owned by group companies and associates in which the Company holds equity instruments are valued in accordance with international valuation standards.

We consider the valuation of long-term equity instruments in group companies and associates to be a key audit matter, mainly due to its significance in relation to the annual accounts as a whole and the importance of the estimates and judgments involved in these valuations.

We have made an understanding of the methodology used by the Company to conclude that the book value of the investments is recoverable.

Regarding the additions and disposal of investments recorded during the year, we have obtained the supporting documentation, including minutes, contracts, or other documents that affect them, and verified their registration.

We have also obtained the financial statements of the investee entities and the amounts of unrealized capital gains identified. Unrealized capital gains correspond to the difference between the fair value and the book value of the investment properties owned by the investee entities, net of tax impact.

We have obtained the valuations of the investment properties made on said assets by independent experts hired by management to verify the existence of implicit capital gains and their impact. In addition, we have evaluated the main assumptions used in the valuations, comparing the consistency of the estimates, considering market conditions for a sample of them.

Lastly, we have evaluated the adequacy of the information disclosed in the annual accounts.

The result of the procedures carried out has made it possible to reasonably achieve the audit objectives for which said procedures were designed.

Other information: Management report

Other information comprises only the management report for the 2025 financial year, the formulation of which is the responsibility of the Company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the management report. Our responsibility regarding the management report, in accordance with legislation governing the audit practice, is to:

- a) Verify only that certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as referred to in the Auditing Act, have been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.
- b) Evaluate and report on the consistency between the rest of the information included in the management report and the annual accounts as a result of our knowledge of the Company

obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the management report is consistent with that contained in the annual accounts for the 2025 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the audit and control committee for the annual accounts

The directors are responsible for the preparation of the accompanying annual accounts, such that they fairly present the equity, financial position and financial performance of the Company, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit and control committee is responsible for overseeing the process of preparation and presentation of the annual accounts.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity's audit and control committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the entity's audit and control committee with a statement that we have complied with ethical requirements relating to independence and we communicate with the aforementioned those matters that may reasonably be considered to threaten our independence and, where applicable, the safeguards adopted to eliminate or reduce such threat.

From the matters communicated with the entity's audit and control committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of Merlin Properties SOCIMI, S.A. for the 2025 financial year that comprises an XHTML file of the annual accounts for the financial year, which will form part of the annual financial report.

The directors of Merlin Properties SOCIMI, S.A. are responsible for presenting the annual financial report for the 2025 financial year in accordance with the formatting requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation). In this regard, the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration have been incorporated by reference in the management report.

Our responsibility is to examine the digital file prepared by the Company's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the annual accounts included in the aforementioned file completely agrees with that of the annual accounts that we have audited, and whether the format of these accounts has been effected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital file examined completely agrees with the audited annual accounts, and these are presented, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the audit and control committee

The opinion expressed in this report is consistent with the content of our additional report to the audit and control committee of the Company dated 26 February 2026.

Appointment period

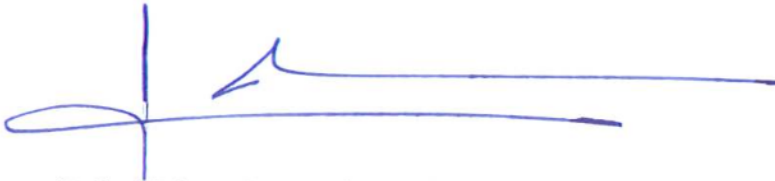
The General Ordinary Shareholders' Meeting held on 27 April 2023 appointed us as auditors for a period of three years, as from the year ended 31 December 2024.

Services provided

Services provided to the audited entity for services other than the audit of the accounts are disclosed in note 20 to the annual accounts.

In relation to the services provided to the subsidiary companies of the Company for services other than the audit of the accounts, refer to the audit report dated 26 February 2026 on the consolidated annual accounts of Merlin Properties SOCIMI, S.A. and its subsidiary companies, where these subsidiary companies have been consolidated.

PricewaterhouseCoopers Auditores, S.L. (S0242)

A handwritten signature in blue ink, consisting of a vertical line on the left, a horizontal line crossing it, and a long, sweeping horizontal stroke extending to the right.

Rafael Pérez Guerra (20738)

26 February 2026

**MERLIN PROPERTIES,
SOCIMI, S.A.**

Financial Statements for the year ended
31 December 2025 and Directors' Report

MERLIN PROPERTIES SOCIMI, S.A.
BALANCE SHEET AT 31 December 2025

(Expressed in thousands of euros)

ASSETS	Notes to the financial statements	31-12-2025	31-12-2024	EQUITY AND LIABILITIES	Notes to the financial statements	31-12-2025	31-12-2024
NON-CURRENT ASSETS		7,921,770	7,799,284	EQUITY	Note 10	4,621,268	4,707,425
Intangible assets		3,947	24,103	SHAREHOLDERS' EQUITY		4,628,724	4,725,420
Goodwill	Note 5	-	23,161	Subscribed capital		563,725	563,725
Other intangible assets		3,947	942	Share premium		4,146,605	4,259,671
Property, plant and equipment		7,396	7,097	Reserves		(87,804)	(107,263)
Investment property	Note 6	4,523,335	4,421,916	Tresury shares		(10,033)	(14,450)
Land		2,096,106	2,076,195	Other equity holders contributions		540	540
Buildings		2,343,985	2,263,788	Profit/(Loss) for the period (Interim Dividend)	Note 3	128,254	124,431
Property, plant and equipment under construction and advances		83,244	81,933			(112,563)	(101,234)
Non-current investments in Group companies and associates -		3,153,880	3,129,456	VALUATION ADJUSTMENTS-	Note 10.4	(7,606)	(18,049)
Equity instruments	Note 9	2,725,386	2,755,926	Hedging transactions		(7,606)	(18,049)
Loans to companies	Notes 7 y 16.2	428,494	373,530	Capital grants		150	54
Non-current financial investments -	Note 7	183,835	167,779			4,391,970	4,522,832
Equity instruments		12,008	11,151	NON-CURRENT LIABILITIES		12,453	10,778
Derivatives		-	-	Non-current provisions -	Note 12	7,431	4,511
Loans to third parties		136,281	123,099	Long-term employee benefit obligations		5,022	6,267
Other financial assets		35,546	33,529	Non-current payables -		4,031,612	4,166,316
Deferred tax assets	Note 14.2	49,377	48,933	Debt instruments and other marketable securities	Note 11	2,532,309	2,781,045
		2,095,279	2,216,127	Bank borrowings	Note 11	1,432,639	1,300,597
CURRENT ASSETS				Derivatives	Note 11	7,606	18,049
Inventories -		4,784	4,286	Other financial liabilities	Note 12	59,058	66,625
Advances to suppliers		4,784	4,286	Non-current payables to Group companies and associates	Notes 7 y 16.2	9,165	4,461
Trade and other trade receivables	Note 7	53,511	42,701	Deferred tax liabilities	Note 14.3	338,740	341,277
Trade receivables for sales and services		22,254	18,327			1,003,811	785,154
Trade receivables from Group companies and associates	Notes 7 y 16.2	6,290	14,100	CURRENT LIABILITIES		835,688	630,436
Sundry accounts receivable		205	491	Current payables -		820,658	621,361
Employee receivables		184	184	Debt instruments and other marketable securities	Note 11	4,064	3,913
Other accounts receivable from public authorities	Note 14	24,578	9,599	Bank borrowings	Note 11	10,966	5,162
Current investments in Group companies and associates -	Note 7	958,505	753,560	Other financial liabilities	Note 12	52,881	37,692
Loans to companies	Note 16.2	873,392	671,717	Current payables to Group companies and associates	Notes 7 y 16.2	115,242	117,026
Other financial assets	Note 16.2	85,113	81,843	Trade and other payables -	Note 13	42,004	45,309
Current financial investments -	Note 7	2,736	7,316	Payables to suppliers	Notes 13 y 16.2	32,019	32,690
Equity instruments		18	18	Payables to suppliers - Group companies and associates		3,287	3,298
Loans to companies		236	236	Sundry accounts payable		15,243	11,931
Debt securities		2	2	Staff costs (remuneration payable)	Notes 13 y 14	22,689	20,797
Other financial assets		2,480	7,060	Other accounts payable to public authorities		-	3,001
Current prepayments and accrued income		12,508	14,670	Clients invoices		-	-
Cash and cash equivalents -	Note 8	1,063,235	1,393,594	Current accrued expenses and deferred income		-	-
Cash		1,063,235	1,393,594			10,017,049	10,015,411
TOTAL ASSETS		10,017,049	10,015,411	TOTAL LIABILITIES AND EQUITY		10,017,049	10,015,411

The accompanying Notes 1 to 23 and Appendix I and II are an integral part of the balance sheet at 31 December 2025.

MERLIN PROPERTIES SOCIMI, S.A.

INCOME STATEMENT FOR 2025

(Thousands of euros)

	Notes to the financial statements	Year 2025	Year 2024
CONTINUING OPERATIONS:			
Revenue	Note 18.1	405,140	381,466
Other operating income		2,614	3,566
Staff costs -	Note 18.2	(51,197)	(32,182)
Salaries, wages and similar expenses		(47,318)	(28,897)
Employee benefit costs		(3,879)	(3,285)
Other operating expenses	Note 18.3	(38,576)	(54,280)
Depreciation and amortisation	Notes 5 y 6	(75,654)	(69,033)
Change in provisions		642	8,019
Impairment and gains or losses on disposal of non-current assets -	Notes 6 ,7.2 y 9	(11,337)	(19,336)
Impairment and other losses		(11,337)	(19,336)
Allocation of grants relating to non-financial assets and others		7	-
PROFIT/(LOSS) FROM OPERATIONS		231,675	218,237
Finance income -	Note 18.4	33,041	39,413
From marketable securities and other financial instruments		1,906	1,882
Other finance income	Note 8	31,135	37,531
Finance costs -	Note 18.4	(131,355)	(126,425)
On debts to Group companies and associates		(2,470)	(1,935)
On payables to third parties		(127,929)	(123,411)
Other finance costs		(956)	(1,079)
Changes in fair value of financial instruments	Note 18.4	(7,526)	(3,427)
Impairment and gains or losses on disposal of financial instruments -	Notes 7.2, 9 y 18.4	(797)	(1,001)
Impairment and other losses		(689)	-
Gains or losses on disposals and other		(108)	(1,001)
FINANCIAL PROFIT/(LOSS)		(106,637)	(91,440)
PROFIT/(LOSS) BEFORE TAX		125,038	126,797
Income tax	Note 14.1	3,216	(2,366)
PROFIT/(LOSS) FOR THE YEAR		128,254	124,431

The accompanying Notes 1 to 23 and Appendix I and II are an integral part of the income statement for 2025.

MERLIN PROPERTIES SOCIMI, S.A.

STATEMENT OF CHANGES IN EQUITY FOR 2025
A) STATEMENTS OF RECOGNISED INCOME AND EXPENSES

(Thousands of euros)

	Notes to the financial statements	Year 2025	Year 2024
PROFIT/(LOSS) PER INCOME STATEMENT (I)		128,254	124,431
Income and expense recognised directly in equity			
- Arising from cash flow hedges		6,734	2,696
- Capital grants		139	17
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)		6,873	2,713
Transfers to profit or loss			
- Arising from cash flow hedges		3,709	(11,270)
- Capital grants		(43)	(17)
TOTAL TRANSFERS TO PROFIT OR LOSS (III)		3,666	(11,287)
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)		138,793	115,857

The accompanying explanatory Notes 1 to 23 are an integral part of the statement of changes in equity for the period ending in 2025.

MERLIN PROPERTIES SOCIMI, S.A.
STATEMENT OF CHANGES IN EQUITY FOR 2025
B) STATEMENT OF CHANGES IN TOTAL EQUITY

(Thousand of euros)

	Share Capital	Share premium	Reserves	Shareholder Contribution	Valuation adjustments	Other Shareholder Contribution	Profit/(loss) for the year	Capital grants	Interim Dividend	TOTAL
BALANCE AT END OF 2023	469,771	3,541,379	(88,347)	(15,410)	(9,475)	540	97,610	54	(93,673)	3,902,449
Total recognised income and expense	-	-	-	-	(8,574)	-	124,431	-	-	115,857
Transactions with shareholders:										
- Distribution of 2023 profit	-	-	-	-	-	-	(97,610)	-	93,673	(3,937)
- Distribution of dividends	-	(108,505)	-	-	-	-	-	-	(101,234)	(209,739)
- Capital increase	93,954	826,797	(21,607)	-	-	-	-	-	-	899,144
Acquisition of treasury shares	-	-	(18)	(59)	-	-	-	-	-	(77)
Recognition of share-based payments (Note 17)	-	-	2,804	-	-	-	-	-	-	2,804
Delivery of 2017 stock plan share	-	-	-	-	-	-	-	-	-	-
Delivery of flexible remuneration shares	-	-	(95)	1,019	-	-	-	-	-	924
BALANCE AT END OF 2024	563,725	4,259,671	(107,263)	(14,450)	(18,049)	540	124,431	54	(101,234)	4,707,425
Total recognised income and expense	-	-	-	-	10,443	-	128,254	96	-	138,793
Transactions with shareholders:										
- Distribution of 2024 profit	-	-	12,444	-	-	-	(124,431)	-	101,234	(10,753)
- Distribution of dividends	-	(113,065)	-	-	-	-	-	-	(112,563)	(225,628)
- Capital increase	-	-	-	-	-	-	-	-	-	-
Acquisition of treasury shares	-	-	17	(4)	-	-	-	-	-	13
Recognition of share-based payments (Note 17)	-	-	12,472	-	-	-	-	-	-	12,472
Delivery of 2017 stock plan share	-	-	(5,390)	3,198	-	-	-	-	-	(2,192)
Delivery of flexible remuneration shares	-	-	(126)	1,223	-	-	-	-	-	1,097
Others	-	(1)	42	-	-	-	-	-	-	41
BALANCE AT END OF 2025	563,725	4,146,605	(87,804)	(10,033)	(7,606)	540	128,254	150	(112,563)	4,621,268

The accompanying explanatory Notes 1 to 23 and Appendix I and II are an integral part of the consolidated statement of changes in equity for the period ended as of 31 December 2025.

MERLIN PROPERTIES SOCIMI, S.A.
STATEMENT OF CASH FLOWS FOR 2025
(Thousands of euros)

	Notes to the financial statements	Year 2025	Year 2024
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES (I)		138,326	133,058
Profit/(Loss) for the year before tax		125,038	126,797
Adjustments for:		69,873	38,629
- Depreciation and amortisation charge	Note 5	75,654	69,033
- Impairment losses	Note 6	29,766	2,406
- Changes in provisions		30,915	6,083
- Gains/Losses on derecognition and disposal of non-current assets	Note 6	(17,740)	16,930
- Gains/Losses on derecognition and disposal of financial instruments		108	1,001
- Changes in fair value of financial instruments		7,526	3,427
- Finance income		(33,041)	(39,412)
- Finance costs	Note 18	131,355	126,425
- Dividend income	Note 18	(86,641)	(81,895)
- Other income and expenses		(68,029)	(65,369)
Changes in working capital		(21,891)	(44,345)
- Inventories		(497)	636
- Trade and other accounts receivable		(13,005)	(31,037)
- Other current assets		4,580	(5,482)
- Accounts payable		(14,931)	(8,850)
- Other assets and liabilities		1,962	388
Other cash flows from/(used in) operating activities		(34,694)	11,977
- Interest payments		(120,664)	(115,674)
- Dividends received		86,641	91,865
- Interest received		-	27,779
- Collections /(payments) on debts to Group companies		(671)	867
- Income tax recovered (paid)	Note 14	-	7,140
- Other receivables/(payments) from operating activities		-	-
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES (II)		(77,247)	(17,473)
Payments due to investments		(137,976)	(310,861)
- Group companies and associates		(27,107)	(211,244)
- Intangible assets		(3,795)	(650)
- Property, plant and equipment		(624)	(4,828)
- Investment property	Note 6	(104,053)	(91,329)
- Other financial assets		(1,540)	(1,519)
- Financial investments		(857)	(1,291)
Proceeds from disposals		60,729	293,388
- Group companies and associates		-	248,566
- Financial investments		-	-
- Investment property		60,729	44,822
- Other financial assets		-	-
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES (III)		(391,438)	938,087
Proceeds and payments relating to equity instruments-		(236,378)	685,870
- Issuance of equity instruments		-	899,488
- Treasury share purchases	Note 10	3	58
- Dividends paid		(113,065)	(108,505)
- Premium refunds and reserves		(123,316)	(105,171)
Proceeds and payments relating to financial liabilities		(155,060)	252,217
- Bank borrowings		130,116	165,836
- Issuance of debentures and bonds		545,364	92,025
- Repayment of borrowings from Group companies and associates		-	-
- Issuance / (repayment and amortization) of debt with Group companies and associates		(230,540)	(5,363)
- Cancellation of interest rate derivatives		-	-
- Repayment and redemption of debentures and bonds		(600,000)	(281)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)			
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		(330,359)	1,053,672
Cash and cash equivalents at beginning of year		1,393,594	339,922
Cash and cash equivalents at end of year		1,063,235	1,393,594

The accompanying Notes 1 to 23 and Appendix I and II are an integral part of the statement of cash flows for 2025.

Merlin Properties SOCIMI, S.A.

Notes to the Financial Statements for the year ended 31/12/2025

1. Nature and activities of the Company

Merlin Properties SOCIMI, S.A. (“the Company”) was incorporated in Spain on 25 March 2014 under the name Merlin Properties, S.A., Sociedad Unipersonal, in accordance with the Spanish Corporate Enterprises Act [Ley de Sociedades de Capital] On 22 May 2014, the Company requested to be included in the tax regime for listed companies investing in the property market (REITs), effective from 25 March 2014 (date of incorporation of the Company).

On 27 February 2017, the Company changed its registered office from Paseo de la Castellana 42 to Paseo de la Castellana 257, Madrid, Spain.

The Company’s corporate purpose is:

- The acquisition and development of urban property for subsequent leasing, including the refurbishment of buildings as per Spanish Law 37/1992, of 28 December, on Value Added Tax [*Ley 37/1992, de 28 de diciembre, del Impuesto sobre el Valor Añadido*];
- The holding of shares in other REITs or in other non-resident entities in Spain with the same corporate purpose and that operate under a similar regime as that established for REITs with respect to the mandatory profit distribution policy enforced by law or by the articles of association;
- The holding of shares in other resident or non-resident entities in Spain whose corporate purpose is to acquire urban property for subsequent leasing, and which operate under the same regime as that established for REITs with respect to the mandatory profit distribution policy enforced by law or by the articles of association, and which fulfil the investment requirements stipulated for these companies; and
- The holding of shares or shares in collective property investment institutions regulated by Law 35/2003, of 4 November, on collective investment undertakings, or any law that may replace this in the future.

In addition to the economic activity deriving from the principal corporate purpose, the Company may also carry on any other complementary activities; these being any that generate income representing less than 20%, taken as a whole, of the Company's income in each tax period, or any that can be classified as complementary as per prevailing legislation.

The activities included in the Company’s corporate purpose may be indirectly carried on, either wholly or in part, through the ownership of shares in companies with a similar or identical corporate purpose.

The direct and, where applicable, indirect performance of any activities which are reserved under special legislation are excluded. If the law prescribes the need for a professional qualification, administrative authorisation, entry in a public register, or any other requirement for the purpose of exercising any of the activities within the corporate purpose, no such activity can be exercised until all the applicable professional or administrative requirements have been met.

The Company engages mainly in the acquisition and management (through leasing to third parties) of offices, industrial buildings, logistic centres, local premises and shopping centres, and it may also invest to a lesser extent in other assets for lease.

The 2016 financial year saw the merger by absorption of Testa Inmuebles en Renta SOCIMI, S.A. as well as the business combination carried out with the property business of Metrovacesa, S.A. The information required by section 107 of Spanish Law 43/1995, of 27 December, on Corporation Tax [*Ley 43/1995 de 27 de diciembre del Impuesto sobre sociedades*] relating to mergers is broken down in the 2016 financial statements.

On 15 January 2020, the Company's shares were admitted to trading on Euronext Lisbon under a dual listing system.

On 24 July 2024, the Company carried out a capital increase amounting to EUR 93,954 thousand with a share premium of EUR 826,796 thousand (see Note 10.1).

All the Company's shares can be publicly traded and are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges. The market price of the Company's shares at 31 December 2025 and the average market price for the fourth quarter amounted to EUR 12.43 and EUR 12.90 per share, respectively.

The Company is the head of a group of subsidiaries and is obliged under current legislation to prepare consolidated financial statements separately. These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRSs), in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, of 19 July 2002, and with all the related implementing provisions and interpretations. The separate and consolidated financial statements for 2025 were formally prepared by the directors at the Board meeting held on 26 February 2026.

The consolidated financial statements for 2025 of the Merlin Group prepared in conformity with the IFRSs adopted by the European Union present total assets of EUR 14,268,718 thousand and equity attributable to the Parent's shareholders of EUR 8,074,432 thousand. Consolidated sales and consolidated profit attributable to the Parent amount to EUR 538,963 thousand and losses of EUR 786,129 thousand, respectively (EUR 494,572 thousand and profits of 283,759 thousand in 2024)

In view of the business activities currently carried out by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that could be significant with regards to its equity, financial position and results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

1.1 SOCIMI Tax Regime

Merlin Properties, SOCIMI, S.A., as the Parent of its Group, is governed by Spanish Law 11/2009, of 26 October, amended by Spanish Law 16/2012, of 27 December and following regulations, regulating listed companies investing in the property market (REITs) [*Ley 11/2009, de 26 de octubre, modificada por la Ley 16/2012, de 27 de diciembre, por la que se regulan las Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario*].

Section 3 of that Law sets out the investment requirements for these types of companies, namely:

1. At least 80% of a REIT's assets must be invested in urban property for leasing purposes and/or in land to be developed for leasing purposes provided such development starts within three years of acquisition, along with investments in the capital or equity of other entities referred to in section 2.1 of that Law.

The value of the assets will be determined based on the average of the individual balance sheets for each quarter of the year, and so the Company may opt to calculate such value by taking into account the market value of the assets included in such balance sheets instead of their carrying amount, in which case that value would apply to all balance sheets for the year. For these purposes, the money and collection rights arising from the disposal of these properties or shareholdings, if applicable, during the same year or previous years will not be calculated, provided that, in this last case, the reinvestment period referred to in section 6 of this Law has not elapsed.

2. Similarly, at least 80% of the income for the tax period for each year, excluding that arising from the disposal of shareholdings and properties used in the compliance of its main corporate purpose, once the holding period referred to below has elapsed, should come from the lease of properties and from dividends or shares in profit from these investments.

This percentage is calculated based on consolidated profit if the company is a parent of a group, as defined in section 42 of the Spanish Commercial Code [*Código de Comercio*], irrespective of the place of residence and the obligation to prepare consolidated financial statements. That group will be exclusively composed of the REIT and all the other entities referred to in section 2.1 of that Law.

3. The REIT's property assets must be leased for at least three years. The time that the properties have been offered for lease, up to a maximum of one year, will be included for the purposes of this calculation. This period will be calculated:
 - a) In the case of properties that are included in the REIT's assets before it avails itself of the regime, from the date of commencement of the first tax period in which the special tax regime set forth in the Law is applied, provided that the property is leased or offered for lease at that date. Otherwise, the provisions of the following letter will apply.
 - b) In the case of properties developed or acquired subsequently by the Company, from the date on which they were leased or offered for lease for the first time.
 - c) Shares or equity investments in entities referred to in section 2.1 of that Law must be kept in the REIT's asset base at least during three years after their acquisition or, if applicable, from the beginning of the first tax period during which the special tax regime established in that Law applies.

As established in transitional provision one of Law 11/2009, of 26 December as amended by Law 16/2012, of 27 December, regulating listed companies investing in the property market (REITs) and subsequently, these companies may opt to apply the special tax regime pursuant to section 8 of that Law, even when the requirements stipulated in it are not met, under the condition that such requirements are met within two years of the date application of the REIT tax regime is sought.

REITs are taxed at a rate of 0% for income tax. However, where dividends distributed to a shareholder owning at least 5% of the REIT's share capital are exempt from taxation or taxed below 10%, such REIT will be subject to a special charge of 19% of the dividends distributed to those shareholders, in respect of corporation tax. If deemed applicable, this special charge will be paid by the REIT within two months after the dividend distribution date.

With effect for the years beginning on or after 1 January 2021, Spanish Law 11/2021, of 9 July, on measures to prevent and combat tax fraud [*Ley 11/2021, de 9 de julio, de medidas de prevención y lucha contra el fraude fiscal*] amended section 9.4 of Spanish Law 11/2009, of 26 October, regulating listed companies investing in the property market (REITs). Specifically, a special tax of 15% was introduced on the amount of profit obtained in the year that is not distributed, in the part that comes from: a) income that has not been taxed at the general tax rate of income tax and, b) income that does not stem from the transfer of eligible assets, once the three-year maintenance period has elapsed, which has been included in the three-year reinvestment period stipulated in section 6.1.b) of Law 11/2009, of 26 October. This special tax will be considered a tax liability under corporation tax and will accrue on the day of the resolution applying the profit for the year by the shareholders at the general meeting or equivalent body. The tax must be self-assessed and deposited within two months of the accrual.

The transitional period ended in 2017, and the Company is required to comply with all the requirements of the regime from then on. The Company's Management, supported by the opinion of its tax advisors, has carried out an assessment of compliance with the requirements of the Regime in the 2023 financial year, concluding that all the requirements are met.

Consequently, the Company's financial statements for the 2025, financial year, prepared by its Directors and pending approval by the General Meeting, have been prepared under the SOCIMI Regime. The Company's Directors consider that these financial statements will be approved without significant changes.

The financial statements for 2024, drawn up by the Directors, were approved by the General Meeting held on 30 April 2025.

1.2 Corporate transactions

2025

On 18 November 2025, the Extraordinary General Meeting of Silicius Real Estate SOCIMI, S.A., wholly owned by Merlin Properties SOCIMI, S.A., resolved to reduce its share capital by redeeming all of its shares and returning to the shareholder the non-cash contributions it had made, consisting of a residential building in Madrid and a hotel in Menorca. That resolution was placed on public record on 22 December 2025 (see Notes 6 and 9).

On 16 September 2025, the Company bought all the shares of Evergreen Eclipse Capital, S.L.U. and Solstice Sage Finance, S.L.U. for the combined sum of EUR 6 thousand. Neither of these companies was doing business at the end of 2025.

On 18 August 2025, Edged Spain, S.L., half owned by the Company, incorporated Edged Portugal, Unipessoal Lda.

On 21 March 2025, the Company increased its holding in Moregal Hotels, S.L. from 7.32% to 35.04% by subscribing a cash capital increase for the sum of 9,250 thousand euros.

2024

On 27 May 2024, the companies Slack Tailwind Systems, S.L.U. and Slow Rise Spain, S.L.U. were merged by absorption by Merlin Oficinas, S.L.U. (both fully owned by the Company).

On 27 November 2024, the General Meeting of Global Murex Iberia, S.L., agreed to wind up and liquidate the company, fully owned by the Company.

On 17 December 2024, the Company acquired 5.84% of the shares representing the share capital of HCG Levante S.L. for EUR 1,070 thousand. This company owns land for tertiary use in the city of Valencia.

2. Basis of presentation of the financial statements

2.1 Regulatory financial reporting framework applicable to the Company

These financial statements were prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

- The Commercial Code and all other Spanish commercial law;
- The Spanish National Chart of Accounts [*Plan General de Contabilidad*] approved by Royal Decree 1514/2007, with the amendments introduced by Royal Decree 1159/2010, as well as by Royal Decree 602/2016 and Royal Decree 1/2021, and its industry adaptations.
- The mandatory rules approved by the Spanish Accounting and Audit Institute to implement the National Chart of Accounts and its supplementary rules.
- Law 11/2009, of 26 October, as amended by Law 16/2012, of 27 December and following provisions, regulating listed companies investing in the property market (REITs).
- All other applicable Spanish accounting legislation.

The figures included in the financial statements are expressed in thousands of euros.

2.2 Fair presentation

The accompanying financial statements for 2025, which were obtained from the Company's accounting records, are presented in accordance with Royal Decree 1514/2007 approving the Spanish National Chart of Accounts, as well as the amendments made thereto by Royal Decrees 1159/2010, 602/2016 and 1/2021 and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for 2025.

These financial statements, which were formally prepared by the Board of Directors, will be submitted for approval by the shareholders at the Ordinary General Shareholders Meeting, and it is considered that they will be approved without any changes.

2.3 Comparative information

For comparison purposes the directors present, in addition to the figures for 2025 for each item in the balance sheet, income statement, statement of changes in equity, statement of cash flows and notes to the financial statements, the figures for 2024.

2.4 Accounting principles applied

The directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect on them. All obligatory accounting principles were applied. No non-obligatory accounting principles were applied.

2.5 Key issues in relation to the measurement and estimation of uncertainty

In preparing the Company's financial statements, the directors made estimates based on past experience and other factors that are considered to be reasonable in view of the current circumstances and that constitute the basis for establishing the carrying amount of the assets and liabilities whose value is not easily determinable through other sources. These estimates relate basically to the following:

- The market value of the Company's property assets (see Note 4.3). The Company obtained valuations from independent experts at 31 December 2025.
- The assessment of possible impairment losses on certain assets (see Notes 4.1, 4.2, 4.3 and 4.5).
- The fair value of certain financial instruments (see Note 4.5).
- The assessment of provisions and contingencies (see Note 4.9).
- The recovery of deferred tax assets and the tax rate applicable to temporary differences (see Note 4.11).
- Compliance with the requirements governing REITs(see Notes 1 and 15).

Although these estimates were made on the basis of the best information available at 2025 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

2.6 Grouping of items

Certain items in the balance sheet, income statement, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

2.7 Correction of errors

In preparing the accompanying financial statements, no significant errors were detected that would have given rise to restating the amounts included in the financial statements for 2024.

2.8 Changes in estimates and accounting policies

The effect of any change in accounting estimates is recognised under the same income statement line item as that in which the expense or income based on the previous estimate had been recognised prospectively.

Changes in accounting policies and correction of errors: if material, the cumulative effect at the beginning of the year is adjusted under "Reserves" and the effect for the current year is recognised in the income statement. In these cases, the financial data for the comparative year presented together with those for the current year are restated.

2.9 Quantitative and qualitative information on current economic and geopolitical impacts

The macroeconomic situation in the Iberian Peninsula remained strong, mainly thanks to internal demand, a better employment picture, and gradual stabilisation of monetary policy. Spain's economy is expected to continue to expand in 2026 with GDP growth above the eurozone average at rates above 2%. Gradual easing of inflation and stabilisation of interest rates at around 2% are benefiting financing terms and boosting business and real estate investment. In these circumstances, real estate investment in 2025 came to more than 18,400 million euros, with year-on-year growth of 31%, and it is expected to continue growing at between 5% and 10% in 2026.

In addition, growing private consumption, the improved labour market, and a strong tourism sector are still key drivers of the real economy and the real estate sector. The scenario is similarly positive in Portugal, though on a smaller economic scale. Private consumption, stronger international tourism, and recovery of the retail sector continue to drive economic activity. Household expenditure grew by 3.5% in 2025, and retail sales grew by 4.8%, signs of solid demand.

Together, both these markets exhibit a favourable macroeconomic footing grounded in stable financial conditions, robust internal demand, and attraction for international investors.

Valuation of investment property and participation in Group companies and associates

The Company regularly uses third parties from outside the Company as experts to determine the fair value of its property assets, whether directly managed and through the Group companies and associates in which it participates, on which the recoverable value of the assets is mainly recognised.

The measurement methodology has not changed with regard to the previous year.

Liquidity risk

At 31 December 2025, Company had a cash position of EUR 1,073 million at the year-end (including Treasury stock), reaching a liquidity position of EUR 740 million, including the corporate line of credit.

The Company's directors and management are constantly monitoring the evolution of the current situation and the effects it may have on the credit market, and they believe that the Company's situation at 31 December 2025 ensures that the Company is solvent to fulfil the current obligations on the balance sheet at 31 December 2025, and there is no material uncertainty about the continuity of the Company's operations.

Credit risk

On the application of the simplified approach of impairment and credit risk, and also taking into consideration other differential factors of its portfolio of tenants and the characteristics of their leases, and the amounts collected thus far, the Company has concluded that the increased credit risk of its customers has not been significantly affected, with a risk of default below 1% of turnover.

In relation to its other financial assets exposed to credit risk, which mainly correspond to loans to associates and third parties, the Company's directors have determined that there has not been a significant increase in the risk, considering the measures agreed in some cases with tenants and the long-term expectations based on the historical experience with those entities, which make it possible to estimate that the credit risk will remain stable.

3. Allocation of profit/(loss)

The distribution of profit/(loss) for the year proposed by the Company's directors for approval by its shareholders at the General Meeting is as follows:

	Thousands of euros
Profit/(Loss) for the year	128,254
Distribution:	
Interim dividend to be offset	112,563
To dividends	9,343

Other dividends distributed

The Company's Board approved an interim dividend of EUR 112,563 thousand against 2025 profits on 13 November 2025. That dividend was paid on 10 December 2025.

On 30 April 2025, the General Meeting approved a dividend of EUR 113,065 thousand against a share premium and a dividend out of 2024 profits in the amount of EUR 10,753 thousand. Both these dividends were paid on 26 May 2025.

On 14 November 2024, the Company's Board of Directors approved the distribution of an interim dividend out of 2024 profits in the amount of EUR 101,234 thousand, paid on 10 December 2024.

On 9 May 2024, the General Meeting approved a dividend of EUR 108,505 thousand against a share premium and a dividend charged to 2023 profits in the amount of EUR 3,937 thousand, both paid on 4 June 2024.

In the last five years, the Company has distributed the following dividends and share premium reimbursements:

	2025	2024	2023	2022	2021
Distributions to shareholders	236,381	213,676	207,023	561,926	210,099

3.1 Restrictions relating to the distribution of dividends

The Company is subject to the special regime for REITs. As established in section 6 of Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, and subsequently, the REITs opting to pay tax under the special tax regime are required to distribute the profit generated during the year to shareholders as dividends. Once the corresponding commercial obligations have been fulfilled, that distribution must be agreed within six months from year end, and the dividends paid within 30 days from the date on which the pay-out is agreed.

Moreover, as specified in Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, and subsequently, the Company must distribute the following as dividends:

- 100% of the profit from dividends or shares in profits distributed by the entities referred to in section 2.1 of Law 11/2009.
- At least 50% of the profits arising from the transfer of the properties, shares or ownership interests referred to in section 2.1 of Law 11/2009, of 26 October, subsequent to expiry of the time limits referred to in section 3.3 of Law 11/2009, which are used for pursuit of the entities' principal corporate purpose. The remainder of these profits must be reinvested in other property or investments used for the pursuit of that activity within three years after the transfer date. Otherwise these profits should be distributed in full together with any profit arising in the year in which the reinvestment period expires. If the items to be reinvested are transferred prior to the end of the holding period, that profit must be distributed in full together with, if applicable, the profit generated during the year in which the items were transferred. The obligation to distribute profit does not apply to the portion of the profit attributable to prior years in which the Company was not included under the special tax regime established in this Law
- At least 80% of the remaining profits obtained.

When dividend distributions are charged to reserves generated from profits in a year in which the special tax regime applied, the distribution must necessarily be approved as set out above.

4. Accounting policies and measurement bases

The principal accounting policies and measurement bases applied by the Company in preparing its financial statements for 2025 were as follows:

4.1 Intangible assets

As a general rule, intangible assets are recognised initially at acquisition or production cost. They are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. These assets are amortised over their useful life. When the useful life of these assets cannot be estimated reliably, they will be amortised over a period of ten years.

The gains or losses arising from the derecognition of an intangible asset are calculated as the difference between the net profit obtained on the sale and the carrying amount of the asset, and are recognised in the consolidated income statement when the asset is derecognised.

Goodwill

Goodwill is recognised as an asset when it arises in an acquisition for valuable consideration in the context of a business combination. Goodwill is allocated to the cash-generating units to which the economic benefits of the business combination are expected to flow. After initial recognition, goodwill is measured at acquisition cost less any accumulated depreciation and any recognised accumulated impairment losses. In accordance with applicable legislation, the useful life of the goodwill is 10 years and it is amortised on a straight-line basis.

These cash-generating units are analysed at least once a year for indications of impairment and, if those indications exist, they are tested for impairment in accordance with the methodology indicated below and the corresponding impairment loss is recognised.

Impairment losses recognised in goodwill may not be reversed in subsequent fiscal years.

Specifically, the Company recognises under "Goodwill" the goodwill that arose on the merger by absorption in 2016 of Testa Inmuebles en Renta SOCIMI, S.A.

Computer software

The computer software acquired or developed by the Company is recognised at acquisition or production cost and, where applicable, amortised on a straight-line basis over four years. Computer software maintenance costs are recognised with a charge to the income statement for the year in which they are incurred.

4.2 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition or production cost, at which the amount of the additional or supplementary investments made are included, and are subsequently reduced by the related accumulated depreciation and by any impairment losses recognised, as indicated in Note 4.1 above.

The revaluation surpluses or net increases in value resulting from revaluations and the assignments of gains as a result of business combinations are depreciated over the tax periods in the remaining useful lives of the revalued assets.

Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

For non-current assets that necessarily take a period of more than twelve months to get ready for their intended use, the capitalised costs include those borrowing costs as might have been incurred before the assets are ready for their intended use and that have been charged by the supplier or relate to loans or other

specific-purpose or general-purpose borrowings directly attributable to the acquisition or production of the assets.

Work carried out by the Company on its own property, plant and equipment is recorded at accumulated cost, resulting from external costs plus in-house costs (determined based on in-house materials consumption) and manufacturing costs applying the same criteria as those used for inventory valuation.

Depreciation of property, plant and equipment is calculated on a straight-line basis, based on the years of estimated useful life of the assets. The annual depreciation rates are applied to the respective values at the revalued cost, where applicable, and the years of estimated useful life are as follows:

	Years of useful life estimated
Buildings for lease	50 – 75
Improvements	15-50
Logistics warehouses	25-40
Photovoltaic	20-25
Property, Plant and Equipment	4-18
Software	4

Property, plant and equipment under construction is not depreciated until it enters into operation, at which time it is transferred to the corresponding property, plant and equipment account in view of its nature.

Impairment of intangible assets, property, plant and equipment, and investment property:

Whenever there are indications of impairment of assets with a finite useful life, i.e., all the Company's intangible assets, property, plant and equipment, and investment property), at least at the close of each year the Company tests the tangible and intangible assets for impairment losses to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

The recoverable amount of assets is the higher of the fair value less costs to sell or the value in use. The recoverable amount for virtually all the investment property, in particular, is determined based on a valuation by an independent expert (see Note 6).

Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, though the carrying amount is not increased to more than what the carrying amount would have been had no impairment loss been recognised in prior years. This impairment loss reversal is recognised as income, except in the case of goodwill, as explained in this Note.

4.3 Investment property

“Investment Property” in the balance sheet reflects the values of the land, buildings and other structures held either to earn rentals or for capital appreciation.

Depreciation of these items is carried out systematically and rationally based on the useful life of the assets and their residual value, in accordance with the normal decline in value caused by their use and by wear and tear, without prejudice to the technical or commercial obsolescence that may also affect the assets. The straight-line method is used to calculate the depreciation of investment property based on its estimated useful life (see Note 4.2).

Investment property is measured as described in Note 4.2 on property, plant and equipment.

The Company estimates the impairment losses on its investment property based on the fair value obtained in the appraisal performed by the independent expert. The method used to determine the fair value of the assets is detailed in Note 6.

4.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee.

All other leases are classified as operating leases.

Finance leases:

In finance leases in which the Company acts as the tenant, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount is the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option when it is reasonably certain that it will be exercised.

The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor.

The total finance charges arising under the lease are allocated to the income statement for the year in which they are incurred using the effective interest method.

Contingent rent is recognised as an expense for the period in which it is incurred.

There are no finance leases in which the Company acts as landlord.

Operating leases:

In operating leases, the ownership of the leased asset and substantially all the risks and rewards relating to the leased assets remain with the landlord.

If the Company acts as the lessor, income and costs arising under operating leases are allocated to the income statement for the year in which they are incurred. Also, the acquisition cost of the leased asset is presented in the balance sheet based on the nature of the asset, increased by the costs directly attributable to the lease, which are recognised as an expense over the lease term, applying the same method as that used to recognise lease income.

If the Company acts as the tenant, costs arising under operating leases are allocated to the income statement for the year in which they are incurred. A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

4.5 Financial assets

Classification

The financial assets held by the Company are classified into the following categories:

a) Financial assets at amortized cost: includes financial assets, including those admitted to trading on an organised market, in which the Company holds the investment to collect contractual cash flows, and the contractual terms of the asset give rise on specified dates to cash flows that are solely collections of principal and interest on the principal amount outstanding. In general, this category includes:

i) Trade receivables: arising from the sale of goods or provision of services in the ordinary course of business for which collection is deferred, and

ii) Non-trade receivables: arising from transactions involving loans or credit facilities granted by the Company with fixed or determinable payments.

b) Financial assets at fair value through changes in equity: financial assets whose contractual terms give rise, on specified dates, to cash flows that are only principal payments and interest on the amount of the principal outstanding, and are not held for trading and are not classified in the previous category, are included in this category. Investments in equity instruments irrevocably designated by the Company at the time of their initial recognition will also be included in this category, provided that they are not held for trading and should not be measured at cost.

c) Financial assets at cost: the following investments are included in this category:

- a. equity instruments in Group companies, jointly controlled entities and associates;
- b. equity instruments whose fair value cannot be reliably determined, and the derivatives whose underlying is these investments;
- c. contributions made in joint accounts agreements and similar agreements;
- d. participating loans with contingent interest;
- e. financial assets that should be classified in the following category but whose fair value cannot be reliably estimated.

Group companies are considered to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence. Jointly controlled entities also include companies over which, by virtue of an agreement, the Company exercises joint control with one or more other venturers.

d) Financial assets at fair value through profit or loss: includes financial assets held for trading and financial assets that have not been classified in any of the above categories. This category also includes financial assets that are optionally classified as such by the Company upon initial recognition that would otherwise have been included in another category, due to the fact that this classification eliminates or significantly reduces any measurement inconsistency or accounting mismatch that would otherwise arise.

Initial recognition

Financial assets are initially recognized, in general, at the fair value of the consideration given, plus any directly attributable transaction costs. However, transaction costs directly attributable to assets recognized at fair value through profit or loss are recognized in the income statement for the year.

In the case of equity investments in Group companies affording control over the subsidiary, the fees paid to legal advisers and other professionals relating to the acquisition of the investment have been recognised directly in profit or loss.

Subsequent measurement

Financial assets at amortised cost are recognised in accordance with this measurement basis, with accrued interest taken to the income statement using the effective interest method.

Financial assets included in the fair value with changes in equity category will be recognised at fair value, without deducting the transaction costs that could be incurred in their disposal. Changes in fair value will be recognised directly in equity until the financial asset is derecognised or impaired, at which point the amount so recognised will be charged to the statement of comprehensive income statement.

Financial assets at fair value through profit or loss are measured at fair value and the gains and losses arising from changes in fair value are recognised in the income statement for the year.

Investments in Group companies and associates and interests in jointly controlled entities are measured at cost net, where appropriate, of any accumulated impairment losses. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, it is based on the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement (including any goodwill). Valuation of the investment properties of the investee companies was carried out in accordance with the

Appraisal and Valuation Standards issued by the Royal Institute of Chartered Surveyors (RICS) of the United Kingdom and the International Valuation Standards (IVS) issued by the International Valuation Standards Committee (IVSC).

In the case of Company companies with an equity deficit, the Company follows the policy of recognising provisions for this equity deficit.

Impairment

At least at each reporting date the Company tests financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the income statement. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. In any case, equity instruments measured at fair value with changes in equity will be presumed to be impaired if their price has declined for one and a half years or by 40% and not recovered. The impairment is recognised in the income statement.

Impaired assets are reviewed at each reporting date in case the impairment loss has been reversed.

The Company derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.

However, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

4.6 Financial liabilities

The financial liabilities assumed or incurred by the Company are classified in the following categories:

a) Financial liabilities at amortized cost: these include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business or those that, not having commercial substance and not considered derivative instruments, arise from transactions involving loans or credit facilities received by the Company. These liabilities are initially recognized at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortized cost.

b) Financial liabilities at fair value through profit or loss.

Liability derivative financial instruments are measured at fair value using the same methods as those described above for financial assets at fair value through profit and loss.

Assets and liabilities are presented separately on the balance sheet and their net amount is only presented if the Company has a legally enforceable right to offset the amounts recognized and also intends either to settle the amounts on a net basis or to realise the asset and settle the liability simultaneously.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

4.7 Derivative financial instruments and accounting for hedging transactions

The Group uses derivative financial instruments to hedge risks arising from its activities, transactions and future cash flows. These risks are mainly related to interest rate fluctuations. As part of these transactions, the Group enters into economic hedges.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value at each balance sheet date. The accounting treatment of subsequent changes in fair value depends on whether the derivative has been designated as a hedging instrument and, if so, the nature of the hedged item.

At the inception of the hedge, the Group documents the economic relationship between the hedging instrument and the hedged item, including whether changes in the cash flows of the hedging instrument are

expected to offset changes in the cash flows of the hedged item. The Group documents its risk management objective and strategy for undertaking its hedging transactions. The Group documents its risk management goals and strategy for undertaking its hedging transactions.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised under equity in the cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement under "Changes in fair value of financial instruments".

Gains or losses relating to the effective portion of the change in the intrinsic value of the option contracts are recognised in the cash flow hedge reserve in equity. Changes in the time value of the option contracts that are related to the hedged item (aligned time value) are recognised in other comprehensive income in the hedging reserve cost in equity.

When forward contracts are used to hedge forecast transactions, the Group generally designates as the hedging instrument only the change in fair value of the forward contract related to the spot component. Gains or losses relating to the effective portion of the change in the spot component of the forward contract are recognised in the cash flow hedge reserve in equity. The change in the forward component of the contract related to the hedged item is recognised in other comprehensive income in the hedging reserve in equity. In some cases, the gain or loss relating to the effective portion of the change in fair value of the entire forward contract is recognised in the cash flow hedge reserve in equity.

- Cash flow hedges: For cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised temporarily in equity and transferred to the income statement in the same period in which the hedged item affects profit or loss, unless the hedge relates to a forecast transaction that results in the recognition of a non-financial asset or liability, in which case the amounts recognised in equity are included in the cost of the asset or liability when acquired or assumed.
- Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or when it no longer meets the criteria for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument that has been recognised in equity remains in equity until the forecast transaction occurs. When the hedged transaction is no longer expected to occur, the cumulative gain or loss that had been recognised in equity is transferred to the income statement.

Derivatives embedded in other financial instruments or in host contracts are accounted for separately as derivatives only if their risks and characteristics are not closely related to those of the host contracts and provided that such host contracts are not carried at fair value through profit or loss.

The valuation techniques described in Note 5.7 are used to determine the fair value of the various derivative financial instruments.

4.8 Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Capital instruments issued by the Company are recognised in equity at the proceeds received, net of issue costs.

The equity instruments acquired by the Company are recognised separately at acquisition cost and deducted from equity in the balance sheet, regardless of why they were acquired. No gains or losses from transactions involving own equity instruments are recognised in the consolidated income statement.

If the Company's own equity instruments are subsequently retired, capital is reduced by the nominal amount of these treasury shares and the positive or negative difference between the acquisition price and nominal amount of the shares is debited from or credited to reserves.

The transaction costs related to own equity instruments are recognised as a decrease in equity, net of any related tax effect.

4.9 Termination benefits

Under the current law, the Company is required to pay termination benefits to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken.

In this sense, at 31 December 2025, the Company does not have commitments for this item, and there is no Downsizing Plan in force.

4.10 Provisions and contingencies

When preparing the financial statements the directors made a distinction between:

- a. Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain as to its amount and/or timing will be required to settle the obligations; and
- b. Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

The financial statements include all the provisions as regards which it is considered that it is more likely than not that the obligation will have to be settled. Unless they are considered unlikely, contingent liabilities are not recognised in the financial statements, but rather are disclosed.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognised as finance cost on an accrual basis.

The compensation receivable from a third party on settlement of the obligation is recognised as an asset, provided there is no doubt that the reimbursement will take place, unless there is a legal relationship under which a portion of the risk has been externalised, as a result of which the Company is not liable, in which case, the compensation will be taken into account when estimating, if appropriate, the amount of the related provision.

4.11 Share-based payments

On the one hand, the Company recognises the goods and services received as an asset, if qualifying, or an expense, when obtained, with an increase to equity, if the transaction is settled in equity instruments, or with the corresponding liability, if it is settled with an amount that is referenced to the value of equity instruments.

In the case of equity-settled transactions, both the services rendered and the increase in equity are measured at the fair value of the equity instruments granted, by reference to the grant date. In the case of cash-settled share-based payments, the goods and services received and the related liability are recognised at the fair value of the latter, by reference to the date on which the requirements for recognition are met.

2025-2027 Incentive Plan

The General Meeting held on 30 April 2025 approved a long-term remuneration plan that will entail delivering a number of shares and/or options over 5,168,656 Company shares (0.92% of the Company's equity capital at the time) to the executive directors, the management team, and other key Group employees (the "2025-2027 Incentive Plan"). The allocation procedure vary depending on whether the Company's Board decides to pay performance shares in cash or to deliver shares.

The 2025-2027 Incentive Plan consists of a single target measurement cycle lasting 3 years, from 1 January 2025 to 31 December 2027. If targets are met, the shares will be delivered in 2028 after the financial statement for 2027 has been drawn up and audited. Share options will be settled by differences (or in the manner decided by the Board from time to time) during the exercise windows in 2028, 2029, and 2030 (with a maximum of one exercise window per year). The maximum number of shares earmarked for the executive directors has been capped at 1,307,738. The executive directors will be required to hold all the shares allocated to them under the 2025-2027 Incentive Plan for a 2-year retention period.

The total number of Company shares , subject To the above cap, delivered to the beneficiaries upon completion of the 2025-2027 Incentive Plan will depend on the level of achievement of the following shareholder value creation and sustainability objectives.

Metrics	Definition	Weighting
Absolute Total Shareholder Return (TSR)	This is the return on the share taking into account the cumulative change in the Company's share price, including dividends and other similar items received by the shareholder during the 2025-2027 period.	40%
EPRA NTA per share at 31/12/2027 + Dividends (2025-2027) / share	<p>This is calculated based on the Company's consolidated equity and by adjusting certain items following EPRA recommendations (including the value of assets on the market and excluding certain items that are not expected to result in sustained property lease business). The EPRA NTA assumes that the companies buy and sell assets, thus crystallising levels of deferred tax liabilities.</p> <p>For the purposes of the Plan, the EPRA NTA at 31 December 2027, as published in MERLIN's financial statements, will be taken into consideration, plus any dividends paid per share and other similar items received by the shareholder during the target measurement period (2025-2027).</p>	25%
Data centres - MW available for lease as at 31/12/2027	MW installed in data centres that have received the corresponding equipment and electricity supply, which are leased or available for lease at 31 December 2027.	10%
Data centres - Level of Gross Rental Income (GRI) 31/12/2027	Annualised gross rental income from the Data Centre business in December 2027.	10%
Data centres - EBITDA at 31/12/2027	Annualised EBITDA from the Data Centre business in December 2027.	10%
Net carbon emissions	Level of reduction of MERLIN's CO2 emissions (scope 1 and 2) at 31 December 2027, compared to 31 December 2024, calculated for the comparable portfolio of assets over which the Company has operational control (scope of MERLIN's Path to Net Zero).	5%

For the "Total Shareholder Return" market metric, the Company applied a valuation method for the underlying assets on the date the incentive is awarded based on a Montecarlo simulation with a stochastic geometric Brownian model. Montecarlo simulation is a statistical method that uses repeated random sampling to mathematically model the probability of possible different outcomes (scenarios) subject to uncertainty.

In this regard, the Montecarlo simulation method applied by the Group was based on a geometric Brownian model for assets with an implied yield (dividend) useful in estimating the price of Company shares at a future date. Accordingly, the Montecarlo method enables the possible paths that can be taken by the underlying asset (the price of the Company's shares) to be simulated, yielding different numerical outcomes for the geometric Brownian model based on repeated random sampling.

The elements of the geometric Brownian model considered included the share price on the measurement date, the start of the measurement period for the Incentive Plan, historical share volatility, the risk-free rate, and the expected dividend yield for shares during the Incentive Plan measurement period. A standard normal distribution $N(0,1)$ was used to generate the stochastic variable.

This procedure yielded the statistical average or expected value for/of the spot price of the Company's shares on the incentive period end date.

On that basis the Company recognised an expense of EUR 12,472 thousand in 2025 with a balancing entry for reserves and an expense of EUR 1,109 thousand in 2023) with a balancing entry for long-term liabilities.

2022-2024 Incentive Plan

On 4 May 2022 the General Meeting approved a long-term incentive plan earmarking a maximum of 3,491,767 ordinary shares of Merlin Properties, SOCIMI, S.A. (0.74% of the Company's equity capital at the time) to the MERLIN Group's executives and members of the management team, including the Company's executive directors (the "2022-2024 LTIP").

The 2022-2024 Incentive Plan had a single target measurement cycle that ran for 3 years, from 1 January 2022 to 31 December 2024. The shares were to be delivered in 2025 based on target achievement after the financial statement for 2024 had been drawn up and audited. The executive directors are required to hold all the shares allocated to them under the 2022-2024 Incentive Plan for a 2-year retention period. The maximum number of shares earmarked for the Executive Directors was 1,088,082.

The plan's target metrics (see Note 17) covered both market and non-market metrics.

The measurement period under the 2022-2024 Incentive Plan ended on 31 December 2024.

After the Company's Board verified achievement of the 2022-2024 Incentive Plan's targets, 290,954 net shares were delivered to the plan's beneficiaries in 2025.

4.12 Income tax

4.12.1 General regime

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

Current tax expense is the tax payable by the Company on its taxable income for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, unless the temporary difference arises from the initial recognition of goodwill, goodwill for which amortisation is not deductible for tax purposes or the initial recognition of other assets and liabilities in a transaction that affects neither accounting profit (loss) nor taxable profit (tax loss).

Deferred tax assets are recognised for temporary differences to the extent that it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which the deferred tax asset can be utilised, and the deferred tax assets do not arise from the initial recognition of other assets and liabilities in a transaction that affects neither accounting profit (loss) nor taxable profit (tax loss). The other deferred tax assets (tax loss, temporary differences and tax credit carryforwards) are only recognised if it is considered probable that the Company will have sufficient future taxable profits against which they can be utilised.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

4.12.2 REIT regime

The REIT special tax regime, as amended by Law 16/2012 of 27 December, is based on a 0% corporation tax rate, provided certain requirements are met. Particularly noteworthy among those conditions is that at least

80% of income must come from urban property used for leasing purposes and acquired in full ownership or through holdings in Spanish or foreign companies, regardless of whether or not they are listed on organised markets, that meet the same investment and profit distribution requirements. Likewise, the main sources of income for these entities must come from the property market, either through leasing the properties, their subsequent sale after a minimum lease period, or the income generated from holdings in entities with similar characteristics. Nevertheless, tax is accrued in proportion to dividend distributions. Dividends received by the shareholders are exempt, unless the recipient is a legal person subject to corporation tax or a permanent establishment of a foreign entity, in which case a deduction in the tax liability is established, so that these earnings are taxed at the shareholder's rate. However, the remaining earnings will not be taxed so long as they are not distributed to shareholders.

As established in Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, regulating listed companies investing in the property market (REITs) and subsequently, the entity will be subject to a special tax rate of 19% on the total dividends or profit shares distributed to shareholders with a shareholding in the entity of 5% or more, when these dividends are exempt or taxed at a rate below 10% in the shareholders. The Company has therefore established the procedure guaranteeing confirmation by shareholders of their tax rate, proceeding where applicable, to withhold 19% of the dividend distributed to shareholders that do not meet the aforementioned tax requirements.

With effect for years beginning on or after 1 January 2021, Law 11/2021, of 9 July, on measures to prevent and combat tax fraud amended section 9.4 of Spanish Law 11/2009, of 26 October, regulating listed companies investing in the property market (REITs). Specifically, a special tax of 15% was introduced on the amount of profit obtained in the year that is not distributed, in the part that comes from: a) income that has not been taxed at the general tax rate of income tax and, b) income that does not stem from the transfer of eligible assets, once the three-year maintenance period has elapsed, which has been included in the three-year reinvestment period stipulated in section 6.1.b) of Law 16/2012, of 27 December. This special tax will be considered a tax liability under corporation tax and will accrue on the day of the resolution applying the profit for the year by the shareholders at the General Meeting or equivalent body. The tax must be self-assessed and deposited within two months of the accrual.

4.13 Revenue and expenses

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Interest and dividends received from financial assets

The Company's income that relates to dividends received from investees, in accordance with Ruling no. 2 of the Official ICAC Gazette no. 79/2009, on the classification for accounting purposes in separate financial statements of income and expenses of holding companies, is recognised as revenue, as the Company's ordinary business activities include the management and administration of investments in other companies.

Interest and dividends from financial assets accrued after the date of acquisition are recognised as income in the income statement. Interest is recognised using the effective interest method and dividends are recognised when the right to receive them is declared.

Upon initial measurement of financial assets, accrued explicit interest receivable at the measurement date is recognised separately, based on maturity. Dividends declared by the pertinent body at the acquisition date are also accounted for separately. Explicit interest is the interest obtained by applying the financial instrument's contractual interest rate.

If distributed dividends are clearly derived from profits generated before the acquisition date because amounts have been distributed which are higher than the profits generated by the investee since acquisition, the difference is accounted for as a reduction in the carrying amount of the investment and not recognised as income.

Revenue from sales and services

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Rental income is recognised on an accrual basis and incentives and the initial costs of the lease agreements are allocated to income on a straight-line basis.

Revenue arising from variable rental income, which is regularly calculated based on the sales of the tenants at the leased premises using the most recent known sales data, given that the income can be reliably measured at this time and is invoiced once the final sales data for the year is available.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment is established. In any case, interest and dividends from financial assets accrued after the date of acquisition are recognised as income in the income statement.

4.14 Classification of assets and liabilities as current and non-current

Assets and liabilities are classified in the balance sheet as current and non-current. For this purpose, assets and liabilities are classified as current when they are associated with the Company's normal operating cycle and when they will foreseeably be sold, used, realised or settled within a maximum of one year; non-current assets and liabilities are different from the foregoing and will foreseeably mature, be sold or realised within a period of more than one year.

4.15 Transactions with related parties

The Company carries out all its transactions with related parties at market values and in accordance with the agreements. The Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

4.16 Environmental assets and liabilities

Environmental assets are considered to be assets used on a lasting basis in the Company's operations whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution.

Because of their nature, the Company's business activities do not have a significant environmental impact.

4.17 Business combinations

Business combinations are accounted for using the acquisition method, to which end the acquisition date and cost of the business combination are determined, measuring the identifiable assets acquired and liabilities assumed at their acquisition-date fair value.

Goodwill or the negative goodwill on the combination is the difference between the fair values of the assets acquired and liabilities assumed that are recognized and the cost of the business combination all at the aforementioned acquisition date.

The cost of the business combination is the sum of:

- The acquisition-date fair values of the assets transferred, liabilities incurred or assumed and equity instruments issued.
- The fair value of any contingent consideration that depends on future events or on the fulfilment of certain pre-defined conditions.

The cost of the business combination does not include expenses relating to the issuance of equity instruments offered or financial liabilities delivered in exchange for the items acquired.

Also, the cost of a business combination does not include the fees paid to legal advisers and other professionals involved in the combination, or any costs incurred internally in this connection. These amounts are taken directly to profit or loss.

In the exceptional case in which negative goodwill arises on the combination, it is recognised as income in the income statement.

If at the end of the year in which a combination occurs it has not been possible to complete the valuation work needed to apply the acquisition method outlined above, the combination is accounted for provisionally. These provisional amounts can be adjusted during the period necessary to obtain the required information, which in no case may exceed one year. The effects of any adjustments made during this period are accounted for retroactively, and the comparative information is modified if necessary.

Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss, unless the consideration was classified as equity, in which case subsequent changes in its fair value are not recognised.

4.18 Foreign currency transactions

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are considered to be foreign currency transactions and are recognised by applying the exchange rates prevailing at the date of the transaction. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognised directly in the income statement in the period in which they arise.

4.19 Statement of cash flows

The following terms are used in the statement of cash flows, which was prepared using the indirect method, with the meanings specified:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities: the principal revenue-producing activities of the Company and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of the equity and liabilities that are not operating activities.

5. Goodwill

The goodwill recognised at 31 December 2025 arose from the merger by absorption with Testa Inmuebles en Renta, SOCIMI, S.A. in 2016. The changes in this heading in 2025 and 2024 were as follows:

2025

	Thousands of euros			
	Balance at 31/12/24	Additions	Depreciation and amortisation	Balance at 31/12/25
Cost	23,161	-	(23,161)	-
	23,161	-	(23,161)	-

2024

	Thousands of euros			
	Balance at 31/12/23	Additions	Depreciation and amortisation	Balance at 31/12/24
Cost	46,321	-	(23,160)	23,161
	46,321	-	(23,160)	23,161

At 31 December 2025, the Company had fully amortised goodwill 10 years after initiating amortisation and recognised the related amortisation for the year under "Depreciation of property, plant and equipment" in the

accompanying income statement for 2025 at EUR 23,161 thousand (EUR 23,160 thousand at 31 December 2024).

6. Investment property

The breakdown of and changes in this heading in 2025 and 2024 are as follows:

2025

	Thousands of euros				
	Initial balance 31/12/2024	Entries, Additions and Allocations	Removals, Disposals and Reversals	Transfers	Closing balance at 31/12/2025
Cost:					
Land	2,279,980	65,430	(63,928)	-	2,281,482
Buildings	2,593,855	128,966	(16,836)	18,345	2,724,330
Property, plant and equipment in the course of construction and advances	85,201	31,218	(1,949)	(18,345)	96,125
	4,959,036	225,614	(82,713)	-	5,101,937
Accumulated depreciation:					
Buildings	(309,952)	(51,383)	915	-	(360,420)
	(309,952)	(51,383)	915	-	(360,420)
Impairment:					
Land	(203,785)	(28,007)	46,416	-	(185,376)
Buildings	(20,115)	(5,835)	6,025	-	(19,925)
Property, plant and equipment in the course of construction and advances	(3,268)	(9,613)	-	-	(12,881)
	(227,168)	(43,455)	52,441	-	(218,182)
Investment property	4,421,916	130,776	(29,357)	-	4,523,335

2024

	Thousands of euros				
	Initial balance 31/12/2023	Entries, Additions and Allocations	Removals, Disposals and Reversals	Transfers	Closing balance at 31/12/2024
Cost:					
Land	2,329,173	1,165	(50,358)	-	2,279,980
Buildings	2,563,196	73,097	(13,926)	(28,512)	2,593,855
Property, plant and equipment in the course of construction and advances	42,365	17,067	-	25,769	85,201
	4,934,734	91,329	(64,284)	(2,743)	4,959,036
Accumulated depreciation:					
Buildings	(270,890)	(44,337)	2,532	2,743	(309,952)
	(270,890)	(44,337)	2,532	2,743	(309,952)
Impairment:					
Land	(219,130)	(4,851)	20,196	-	(203,785)
Buildings	(18,310)	(3,728)	1,923	-	(20,115)
Property, plant and equipment in the course of construction and advances	(2,990)	(278)	-	-	(3,268)
	(240,430)	(8,857)	22,119	-	(227,168)
Investment property	4,423,414	38,135	(39,633)	-	4,421,916

The “Land and buildings” heading includes operational property assets. In addition, undeveloped land with a book value of EUR 41,658 thousand (EUR 66,177 thousand in 2024) is also included.

The “Property, plant and equipment in the course of construction and advances” heading corresponds to developing assets and assets that are being overhauled.

Buildings for lease

2025

Improvements to buildings in use and in progress

The additions for 2025 mainly corresponded to the development of data centre in Getafe and the construction and refurbishment works at office buildings in Madrid.

Acquisitions:

During 2025, an office building in Madrid was acquired for EUR 9,442 thousand.

On 18 November 2025, the Extraordinary General Meeting of the investee company Silicius Real Estate SOCIMI, S.A., wholly owned by Merlin Properties SOCIMI, S.A., resolved to reduce its share capital by redeeming all of its shares and returning to the shareholder the non-cash contributions it had made, consisting of a residential building in Madrid and a hotel in Menorca recognised under the Other activities category. The recognised value of these properties is the value of the Company’s holding in Silicius Real Estate SOCIMI, S.A. net of the value of the purchase option plus the indebtedness on the properties in the amount of EUR 26,732 thousand.

Transfer to operational

An office building in Madrid was transferred to operational status in 2025.

Disposals

Disposals in 2025 consisted mainly of the sale of two office buildings, one commercial unit, and a plot of land in Zaragoza. As a result of these divestments the Company had positive revenues of EUR 17,740 on derecognising impairment losses for the properties sold, totalling EUR 38,955 thousand, by reason of sale. There were other reversals of impairment losses, in the amount of EUR 13,487 thousand, for properties held by the Company at the close of 2025.

2024

Improvements to buildings in use and in progress

The additions for 2024 corresponded mainly to development of a data centre in Getafe and building and renovation work on office buildings like the Plaza Ruiz Picasso Building.

Acquisitions:

During 2024 commercial premises were acquired at an office building in Madrid for EUR 542 thousand.

Disposals

Disposals in 2024 were chiefly the sale of an office building, several commercial premises, and a plot of land in Madrid and the sale of an office building in Granada. As a result of these divestments the Company had positive revenues of EUR 2,916 on derecognising impairment losses for the properties sold, totalling EUR 19,846 thousand, by reason of sale. The other reversals of impairment losses, in the amount of EUR 2,273 thousand, were for properties held by the Company at the close of 2024.

The Company takes out the insurance policies it considers necessary to cover the risks that might affect its investment property. At 31 December 2025, the Company's directors considered that the property, plant and equipment were fully insured against these risks.

At 31 December 2025, the Company had no firm purchase commitments for investment property, without considering the investments committed in buildings and improvements.

In 2025, no significant finance costs were capitalised in the construction costs or as a result of improvements to or refurbishments of the properties.

At 31 December 2025, the Company did not have any investment property that was fully depreciated.

At 31 December 2025, the Company holds property assets with an associated cost of EUR 758,344 thousand (EUR 762,562 thousand at 31 December 2024), securing various loans. At the 2025 year-end, the balance of the loans was EUR 499,063 thousand, while derivative financial instruments show a balance in liabilities of EUR 44 thousand. The Company holds no rights of use, seizure or similar situations with regard to its investment property.

At 31 December 2025 and 2024, the gross surface areas and occupancy rates of the assets by line of business were as follows:

2025

	GLA (*)	Occupancy rate (%)
Offices	888,284	9500 %
Shopping centres	121,287	98 (**)
Logistics	166,710	10000 %
Data centers	22,508	2700 %
Others (*)	17,542	5900 %
Total surface area	1,216,331	9600 %

(*) Not including projects under way in square metres or land.

(**) Not including vacant units acquired for renovation.

(1) The market standard for Data Centers is to measure occupancy in terms of processing capacity, taking into account the square metres of floor space required for processing rooms, which is the main subject of leases in the Data Center business. At 31 December 2025, the Data Center that the Company currently operates has an available processing capacity of 6 MW, with 1.6 MW (26.7%) committed as of that date. The Company

considers as committed capacity the capacity physically occupied at the reference date or with respect to which, without being occupied at that date, there are contractual commitments reserving that capacity to ensure the future growth of the Company's customers.

2024

	GLA (*)	Occupancy rate (%)
Offices	892,830	9400 %
Shopping centres	114,303	9800 %
Logistics	166,710	9800 %
Data centers	22,508	2700 %
Others	3,085	6200 %
Total surface area	1,199,436	9500 %

(*) Not including projects under way in square metres or land.

(1) The market standard for Data Centers is to measure occupancy in terms of processing capacity, taking into account the square metres of floor space required for processing rooms, which is the main subject of leases in the Data Center business. At 31 December 2023, the Data Center that the Company currently operates has an available processing capacity of 3 MW, with 1.6 MW (53.3%) committed as of that date. The Company considers as committed capacity the capacity physically occupied at the reference date or with respect to which, without being occupied at that date, there are contractual commitments reserving that capacity to ensure the future growth of the Company's customers.

All of the Company's investment property is used for its own business activities and is located in Spain.

Impairment losses

The fair value of the property assets was determined by independent experts in accordance with the Appraisal and Valuation Standards issued by the Royal Institution of Chartered Surveyors (RICS) of the United Kingdom and the International Valuation Standards (IVS) issued by the International Valuation Standards Committee (IVSC).

The method used to calculate the market value of the property assets involves drawing up ten-year projections of income and expenses for each asset, adjusted at the reporting date using a market discount rate. The residual amount at the end of year 10 is calculated by applying an exit yield or cap rate to the net income projections for year 11. The market values obtained are analysed by calculating and assessing the capitalisation of the returns implicit in these values. In the case of the data centre, projections at 6 years have been used, which is the period considered for the stabilisation of the market. The projections are designed to reflect the best estimate of future income and expenses from the investment properties. Both the exit yield and discount rate are determined taking into account the national market and institutional market conditions.

The recoverable amount of the Company's investment property, calculated based on the appraisals carried out by Jones Lang LaSalle, S.A., Savills Consultores Inmobiliarios, S.A. and CBRE Valuation Advisory, S.A., which are not related to the Company, amount to EUR 6,000,217 thousand at 31 December 2025 (EUR 5,785,931 thousand at 31 December 2024). That valuation does not include unappraised assets in the amount of EUR 997 thousand (EUR 1,000 thousand at 31 December 2024). Based on this appraisal, the Company's directors have identified several individual assets whose recoverable amount is less than their carrying amount and, therefore, an impairment loss of EUR 43,455 thousand (EUR 8,857 thousand at 31 December 2024) was recognised under "Impairment and gains or losses on disposals of property, plant and equipment" in the accompanying income statement for 2025. Furthermore, a reversal of impairment loss was recognised in the amount of EUR 13,487 thousand, and derecognition of the impairment loss on sales during the year of EUR 38,955 thousand. At 31 December 2025, the valuations performed by CBRE Valuation Advisory, S.A., Jones Lang LaSalle, S.A. and Savills Consultores Inmobiliarios, S.A. did not indicate any type of uncertainty regarding the market value of the Company's investment property.

The impairment losses and gains/losses from sales of non-current investment property assets described above were recorded under "Impairment and gains or losses on disposals of property, plant, and equipment" on the attached income statement. Changes in impairment losses on investments in group companies and associates and on loans to group companies and associates have also been recognised under this item (see Note 7.2 and Note 9) as detailed below:

	Thousands of euros	
	2025	2024
Investment Property	(12,228)	(3,668,000)
<i>Balances with Group companies (current and non-current)</i>	(182)	4,330
Non-current investments in Group companies and associates	1,303	(19,998)
	(11,107)	(19,336)

Income and related expenses

In 2025, the rental income from the investment property owned by the Company amounted to EUR 258,189 thousand (EUR 245,211 thousand at 31 December 2024) and the operating expenses of all kinds relating thereto totalled EUR 79,001 thousand (EUR 82,225 thousand at 31 December 2024).

At the end of 2025 there were no restrictions on making new investment property investments, on the collection of rental income from them or in connection with the proceeds to be obtained from a potential disposal of them.

a. Operating leases as lessee

At the end of 2025 and 2024 the Company had contracted with lessors for the following minimum lease payments, based on the leases currently in force, without taking into account the charging of common expenses, future increases in the CPI or future contractual lease payment revisions:

	Thousands of euros	
	Nominal value	
	2025	2024
Operating leases		
Minimum lease payments		
Within one year	810	768
1 to 5 years	68	64
	878	832

The main expense relating to operating leases corresponds to the lease agreement that the Company entered into to rent out its offices. On 27 February 2017, the Company changed its registered office from Paseo de la Castellana 42 to Paseo de la Castellana 257, Madrid. This lease was novated in 2023 and extended until January 2027.

The total lease expense accrued in 2025 amounted to EUR 907 thousand (EUR 880 thousand in 2024). T.

b. Operating leases as lessor

At the end of 2025 the Company had contracted with tenants for the following minimum lease payments, based on the leases currently in force, without taking into account the charging of common expenses, future increases in the CPI or future contractual lease payment revisions (in thousands of euros).

	Thousands of euros	
	2025	2024
Minimum lease payments:		
Within one year	250,131	246,255
1 to 5 years	487,737	516,115
Over 5 years	57,817	90,134
	795,685	852,504

The detail of the operating lease and sublease payments recognised as an expense and as income, respectively, in 2025 is as follows:

	Thousands of euros	
	2025	2024
Minimum lease payments	258,189	245,211
Transfer of common expenses	58,789	54,758
	316,978	299,969

The expenses passed on to the tenants recognised in the income statement for 2025 decreased the balance of “Other operating expenses” (Note 18.3).

7. Financial assets

The detail of “Current and non-current financial investments” at 31 December 2025 and 2024 is as follows:

	Thousands of euros	
	12/31/2025	12/31/2024
Non-current financial investments:		
Equity instruments	12,008	11,151
Derivatives	-	-
Guarantees given and prepayments	35,546	33,529
Loans to Group companies	428,494	373,530
Loans to third parties	136,281	123,099
	612,329	541,309
Current financial investments:		
Equity instruments	18	18
Loans to Group companies	958,505	753,560
Loans to third parties	236	236
Trade and other receivables	53,511	42,701
Debt securities and other financial assets	2,482	7,062
	1,014,752	803,577
	1,627,081	1,344,886

7.1 Guarantees given and prepayments

“Guarantees given and prepayments” includes mainly the guarantees arranged for lease agreements as collateral that the Company has deposited in the Housing Institute of each region, the balance of which at 31 December 2025 amounted to EUR 34,734 thousand (EUR 32,734 thousand at 31 December 2024), as well as the deposits amounting to EUR 286 thousand at that date (EUR 286 thousand at 31 December 2024).

7.2 Balances with Group companies (current and non-current)

The Company has the following long-term and short-term balances with its subsidiaries at 31 December 2025 and 2024:

December 31, 2025

Company	Thousands of euros								
	Long term credits	short term credits	Current Accounts – debit balances	Dividends Ptes collection	Long term debts	short term debt	Current accounts – credit balances	Customers	Suppliers
Group companies:									
Merlin Retail, S.L.U.	-	38,415	-	-	-	-	-	190	-
Merlin Oficinas, S.L.U.	-	-	(9)	-	-	(15,584)	-	262	-
Merlin Logística, S.L.U.	-	388,037	(1)	17,000	-	-	-	4,228	-
Sevisur Logística, S.A.	-	11,381	-	-	-	-	-	40	-
Parc Logistic de la Zona Franca, S.A.	-	101,998	-	-	-	-	-	81	-
Slack Tailwind Systems, S.L.U.	-	-	-	-	-	-	-	-	-
Slow Rise Spain, S.L.U.	-	-	-	-	-	-	-	-	-
Innovación Colaborativa, S.L.U.	-	13,728	-	-	-	-	-	169	(12)
Exhibitions Company, S.A.U.	-	460	-	-	-	-	-	-	-
Gescentesta, S.L.U.	-	-	-	-	-	(1,447)	-	-	-
La Vital Centro Comercial y de Ocio, S.L.U.	-	-	-	-	-	(8,478)	-	24	-
Desarrollo Urbano de Patraix, S.A.U.	-	8,048	-	-	-	-	-	-	(32,007)
Sadorma 2003, S.L.U.	-	-	-	-	-	(27,372)	-	-	-
Global Murex Iberia, S.L.U.	-	-	-	-	-	-	-	-	-
Varitelia Distribuciones, S.L.U	-	159,785	-	-	-	-	-	69	-
Global Carihuela Patrimonio Comercial, S.L.U	-	64,481	-	-	-	-	-	24	-
MPCVI - Compra e Venda Imobiliária, S.A.	-	-	-	-	-	-	-	9	-
MPEP - Properties Escritórios Portugal, S.A.	21,326	705	-	-	-	-	-	8	-
MP Monumental, S.A.	-	-	-	-	-	-	-	46	-
MP Torre A, S.A.	23,800	1,761	-	-	-	-	-	14	-
VFX Logística, S.A.	79,860	5,267	-	-	-	-	-	134	-
Promosete, Invest Inmobiliaria	-	-	-	-	-	-	-	19	-
Praça do Marquês - Serviços Auxiliares, S.A.	-	-	-	-	-	-	-	23	-
Torre Dos Oceanus Investimentos Imobiliarios,S.A.	-	-	-	-	-	-	-	15	-
Forum Almada – Gestão Centro Comercial Sociedade Unipessoal, Lda.	225,000	8,052	66,249	-	-	-	-	170	-
Forum Almada II, S.A.	-	-	-	-	-	-	-	87	-
Torre Arts - Investimentos Imobiliarios, S.A.	-	-	-	-	-	-	-	32	-
Torre Ferno Magalhaes - Investimentos Imobiliarios, S.A.	-	-	-	-	-	-	-	13	-
Milos Asset Development, S.A.	-	6,702	-	-	-	-	-	-	-
Generous Profile Unipessoal, Lda	65,000	4,871	-	-	-	-	-	14	-
Merlin Edged, S.L.U	-	58,379	-	-	-	-	-	-	-
Associates:	-	-	-	-	-	-	-	-	-
HCG Levante, S.L.	-	-	-	-	-	-	-	30	-
Provitae Centros Asistenciales, S.L.	-	1,322	-	-	-	-	-	-	-
Pazo de Congressos de Vigo, S.A.	-	-	-	-	-	-	-	340	-
Paseo Comercial Carlos III, S.A.	13,398	-	-	-	-	-	-	-	-
Edged Spain, S.L.	-	-	1,874	-	(9,165)	-	-	248	-
Silicius Real Estate, S.L.	-	-	-	-	-	-	-	-	-
Centro Intermodal de Logística, S.A.	-	-	-	-	-	-	-	1	-
Total	428,494	873,392	68,113	17,000	(9,165)	(52,881)	-	6,290	(32,019)

December 31, 2024

Company	Thousands of euros								
	Long term credits	short term credits	Current Accounts – debit balances	Dividends Ptes collection	Long term debts	short term debt	Current accounts – credit balances	Customers	Suppliers
Group companies:									
Merlin Retail, S.L.U.	-	26,584	(15)	-	-	-	-	172	-
Merlin Oficinas, S.L.U.	-	-	(134)	-	-	(5,467)	-	245	-
Merlin Logística, S.L.U.	-	302,064	(15)	-	-	-	-	254	-
Sevisur Logística, S.A.	-	10,197	(304)	-	-	-	-	45	-
Parc Logístic de la Zona Franca, S.A.	-	56,824	-	-	-	-	-	12,110	-
Slack Tailwind Systems, S.L.U.	-	-	-	-	-	-	-	-	-
Slow Rise Spain, S.L.U.	-	-	-	-	-	-	-	-	-
Innovación Colaborativa, S.L.U.	-	8,922	-	-	-	-	-	23	(228)
Exhibitions Company, S.A.U.	-	472	-	-	-	-	-	-	-
Gescentesta, S.L.U.	-	-	-	-	-	(758)	-	-	-
La Vital Centro Comercial y de Ocio, S.L.U.	-	-	(6)	-	-	(7,942)	-	24	-
Desarrollo Urbano de Patraix, S.A.U.	-	7,686	-	-	-	-	-	-	(32,007)
Sadorma 2003, S.L.U.	-	-	-	-	-	(23,525)	-	-	-
Global Murex Iberia, S.L.U.	-	-	-	-	-	-	-	-	-
Varitelia Distribuciones, S.L.U	-	160,516	-	-	-	-	-	71	-
Global Carhuela Patrimonio Comercial, S.L.U	-	64,196	18	-	-	-	-	24	-
MPCVI - Compra e Venda Imobiliária, S.A.	-	-	-	-	-	-	-	16	-
MPEP - Properties Escritórios Portugal, S.A.	21,325	549	-	-	-	-	-	8	-
MP Monumental, S.A.	-	-	-	-	-	-	-	44	-
MP Torre A, S.A.	23,800	630	-	-	-	-	-	17	-
VFX Logística, S.A.	33,160	3,415	-	-	-	-	-	68	-
Promosete, Invest Imobiliária	-	-	-	-	-	-	-	19	-
Praça do Marqués - Serviços Auxiliares, S.A.	-	-	-	-	-	-	-	22	-
Torre Dos Oceanus Investimentos Imobiliarios,S.A.	-	-	-	-	-	-	-	14	-
Forum Almada – Gestão Centro Comercial Sociedade Unipessoal, Lda.	225,000	6,266	66,249	-	-	-	-	162	-
Forum Almada II, S.A.	-	-	-	-	-	-	-	86	-
Torre Arts - Investimentos Imobiliarios, S.A.	-	-	-	-	-	-	-	27	-
Torre Fernao Magalhaes - Investimentos Imobiliarios, S.A.	-	-	-	13,000	-	-	-	12	-
Milos Asset Development, S.A.	-	6,353	-	-	-	-	-	-	-
Generous Profile Unipessoal, Lda	56,500	1,706	-	-	-	-	-	-	-
Merlin Edged, S.L.U	-	14,075	-	-	-	-	-	-	-
Associates:	-	-	-	-	-	-	-	-	-
Provitae Centros Asistenciales, S.L.	-	1,262	-	-	-	-	-	-	-
Pazo de Congressos de Vigo, S.A.	-	-	-	-	-	-	-	340	-
Paseo Comercial Carlos III, S.A.	13,056	-	-	-	-	-	-	-	-
Edged Spain, S.L.	-	-	3,050	-	(4,461)	-	-	248	(5)
Silicius Real Estate, S.L.	-	-	-	-	-	-	-	49	(450)
Renazca	689	-	-	-	-	-	-	-	-
Total	373,530	671,717	68,843	13,000	(4,461)	(37,692)	-	14,100	(32,690)

Long-term loans to Group companies and associates

The main long-term loans granted by the Company to Group companies and associates recognised under “Loans to Group companies” were as follows:

- In 2018, as a result of the purchase of Forum Almada-Gestao de Centro Comercial, Sociedade Unipessoal, Lda, the Company subrogated to three primary loans that the subsidiary had with the previous shareholder for a total amount of EUR 276,708 thousand and with initial maturity set for 31 January 2022. These loans were extended for 7 years, at a new rate of 4.75%. During 2025, an interest payment was made in the amount EUR 8,901 thousand (EUR 14,523 thousand in 2024). The outstanding principal balance at the 2025 year-end was EUR 225,000 thousand, with accrued and unpaid interest of EUR 8,052 thousand (EUR 225,000 thousand and EUR 6,266 thousand in 2024).
- In 2019, as a result of the purchase of the asset owned by MPEP- Properties Escritórios Portugal, S.A., the Company granted a loan amounting to EUR 13,330 thousand, accruing fixed interest of 5% and maturing on 2 September 2029. In 2025 an interest payment was made in the amount EUR 426 thousand was made (EUR 607 thousand in 2024). The outstanding balance of principal plus accrued and unpaid interest at the 2025 year-end amounted to EUR 14,872 thousand (EUR 14,751 thousand in 2024).
- In 2016, as a result of the purchase of MPCVI-Compra e venda Imobiliária, S.A., the Company subrogated to a primary loan that the subsidiary had with the previous owner for an amount of EUR 11,800 thousand with maturity set for 1 June 2025. That loan accrued interest at a fixed annual rate of 5.98%. In 2024, MPCVI-Compra e venda Imobiliária, S.A. repaid the full amount of the principal and interest, and the loan was cancelled on 31 December 2024.
- In 2018, as a result of the purchase of Torre Dos Oceanus Investimentos Imobiliários, S.A., the Company subrogated to the primary loan that the subsidiary had with the previous owner for an amount of EUR 17,294 thousand, with maturity set for 17 April 2022. That loan was extended, with its new maturity set for 17 April 2023, accruing interest at a fixed annual rate of 5%. In 2024, Torre Dos Oceanus Investimentos Imobiliários, S.A., repaid the full amount of the principal and interest, and the loan was cancelled on 31 December 2024.
- In 2017, as a result of the purchase of Promosete Investimentos Imobiliários, S.A., the Company subrogated to two primary loans that the subsidiary had with the previous owner for an amount of EUR 17,833 thousand with maturity set for 31 January 2022, extended to 31 December 2029. That loan accrued interest at a fixed rate of 1.93%. In 2024, Promosete Investimentos Imobiliários, S.A., repaid the full amount of the principal and interest, and the loan was cancelled on 31 December 2024.
- In 2016, as a result of the purchase of MP Monumental, S.A., the Company subrogated to the two primary loans that the subsidiary had with the previous shareholder for an overall amount of EUR 38,040 thousand. This loan matured on 31 January 2030, accruing interest at a rate of 4.75%. In 2024, MP Monumental, S.A. repaid the full amount of the principal and interest, and the loan was cancelled on 31 December 2024.
- In 2016, as a result of the purchase of MP Torre, S.A., the Company subrogated to a primary loan that the subsidiary had with the previous shareholder for an amount of EUR 31,122 thousand. That loan accrued interest at an annual rate of 3%. In 2025, interest of EUR 1,130 thousand accrued, with an outstanding balance at 31 December of EUR 25,561 thousand. Furthermore, in 2024, interest was paid in the amount of EUR 962 thousand, leaving an outstanding balance of accrued and unpaid interest at year-end of EUR 630 thousand. The loan principal was increased by EUR 1,800 thousand in 2024, with a balance of EUR 23,800 thousand at 31 December 2024. This loan matures on 31 January 2030, accruing interest at a rate of 4.75%.
- In 2020, the Company signed a CAPEX three lines of credit with VFXIMO Investimentos Imobiliários, S.A., MP Monumental, S.A. and MPEP Properties Escritórios Portugal, S.A. for maximum amounts of EUR 26,360, 30,250 and 7,000 thousand, respectively. The maturity of these agreements is 31 December 2026, with an interest rate of 3%. In 2024, MP Monumental, S.A. repaid the full amount of principal and interest, and its credit line was cancelled as of 31 December 2024. VFXIMO Investimentos Imobiliários, S.A. maintains its credit line fully drawn down, with an outstanding balance at 31 December 2025 of principal and interest totalling EUR 30,546 thousand (EUR 29,755 thousand at the close of 2024). In 2024, the Company formalised a new CAPEX credit line with VFXIMO

Investimentos Imobiliários, S.A., for a maximum amount of EUR 70,000 thousand, maturing on 31 December 2034, accruing interest at 4% The outstanding balance of this credit line at 31 December 2025 for principal and interest amounted to a total of EUR 54,581 thousand (EUR 6,820 thousand at 31 December 2024). MPEP Properties Escritórios Portugal, S.A. maintains its credit line fully drawn down, with an outstanding balance as at 31 December 2025 for principal and interest totalling EUR 7,158 thousand (EUR 7,123 thousand at 31 December 2024).

- On 3 August 2022, the Company acquired 100% of the shares of Generous Profile Unipessoal Lda. Subsequently, on 12 August 2022, Generous Profile Unipessoal Lda acquired the Liberdade 195 office building, through a loan granted by the Company for EUR 56,500 thousand. On 16 October 2023, a new loan agreement was signed on the same principal, with the new maturity set for 31 December 2029 and accruing interest at a rate of 5.15%. In 2023, the corporate name of the subsidiary was changed to MPLIB – Investimentos Imobiliários, Unipessoal Lda. In 2025, this company owed interest amounting to EUR 2,910 thousand, with an outstanding balance of EUR 61,116 thousand for principal and interest combined. Interest paid in 2024 came to EUR 3,112 thousand, with an outstanding balance at 31 December 2024 for principal and interest totalling EUR 58,206 thousand.
- The Company arranged a CAPEX credit line with MPLIB – Investimentos Imobiliários, Unipessoal Lda. in 2025 for a maximum amount of EUR 40,000 thousand paying 4% interest to finance building renovation work. At 31 December 2025, principal of EUR 8,500 had been drawn down, with accrued interest of EUR 256 thousand outstanding.
- At 31 December 2024, the Company held three outstanding loans with the affiliated company Paseo Comercial Carlos III, S.A. (owner of a shopping centre in Madrid) for a total of EUR 13,056 thousand. This amount included the combined amount of EUR 2,648 thousand, in principal and interest, of two initial loans granted on 27 July 2020. Both these loans paid interest at 1.15% and mature on 27 September 2017. Two of the three preceding loans were repaid in 2024, with the loan for a principal of EUR 10,000 thousand arranged in 2024 still outstanding. The balance on 31 December 2025 was EUR 10,888 thousand (EUR 10,407 thousand at 31 December 2024) including interest of EUR 481 thousand that accrued during the year (EUR 407 thousand in 2024). This loan pays 4.81% interest and matures on 21 December 2028. In 2025 the Company took out a new credit facility from this associate for a maximum amount of EUR 5,000 thousand at 3.90% interest. The maturity date is 24 November 2030. The balance drawn down and accrued interest outstanding came to EUR 2,510 thousand at 31 December 2025.
- There are a number of commitments under the contracts between the Company, which owns a data centre currently in operation, and its associate Edged Spain, S.L. With regard to the commitment relating to future profits, the Company had a liability to this investee of EUR 8,165 thousand at 31 December 2025.

Short-term loans and debts to Group companies and associates

- As a result of the purchase of Forum Almada-Gestao de Centro Comercial, Sociedade Uniperssoal, Lda, the Company subrogated to a primary loan that the subsidiary had with the previous shareholder for a total current amount of EUR 98,410 thousand. That loan does not accrue interest. The outstanding balance at the end of 2025 and 2024 amounted to EUR 66,249 thousand.
- At 31 December 2025, the Company had a balance with Edged Spain, S.L. amounting to EUR 1,875 thousand (EUR 3,050 thousand in 2024), corresponding to the contributions made to its investee.
- Loan agreement between Group companies with Merlin Logistics, S.L.U. with a term of one year, with subsequent renewals permitted for similar periods, at an interest rate of 4.81% per year.. In 2025 the principal was increased and interest was capitalised for a combined amount of EUR 99,640 thousand. A partial repayment of the principal was made during the year, amounting to EUR 13,667 thousand, with EUR 8,635 thousand of that coming from a set-off of debts between the Company and its subsidiary. The interest paid in 2025 was EUR 12,924 thousand and the interest accrued was EUR 15,936 thousand, and withholding of EUR 572 thousand was booked. In 2024 there was a repayment of principal and interest totalling EUR 13,790 thousand. Likewise, an increase in capital of EUR 56,567 thousand was recorded, of which EUR 21,167 thousand resulted from the capitalisation of interest and the set-off of debts between the Company and its subsidiary (EUR 6,420 thousand and EUR 14,747 thousand respectively). At year-end 2024, the interest debt was settled, leaving an outstanding principal balance of EUR 302,064 thousand.

- Loan with Global Carihuela Patrimonio Comercial, S.L.U., whose balance comes from the financing from the business combination with Metrovacesa executed in 2016 through current accounts with Group companies. That loan has a term of one year and matures on 31 December 2026, with subsequent renewals permitted for similar periods, accruing an annual interest rate of 4.81%. In 2025, principal repayments and interest payments on the loan amounted to EUR 1,271 thousand and EUR 2,637 thousand, respectively. There was also an increase in the principal of EUR 1,621 thousand, of which EUR 971 thousand originated from the offsetting of debts between the Company and its subsidiary. The outstanding balance at 2025 year end was just the loan principal, in the amount of EUR 64,481 thousand (EUR 64,196 thousand for principal plus interest at 31 December 2024).
- Inter-Group loan agreement with Varitelia Distribuciones, S.L.U. with a term of one year, maturing on 31 December 2026, with subsequent renewals permitted for similar periods, at an interest rate of 4.81% per year. In 2025, principal and interest in the amount of EUR 3,223 thousand and EUR 8,057 thousand, respectively, were repaid. There was also an increase in the principal of EUR 4,033 thousand, EUR 2,172 thousand of that coming from setting-off debts between the Company and its subsidiary and EUR 860 thousand from capitalisation of interest. The outstanding balance at 2025 year end was just the loan principal, in the amount of EUR 159,785 thousand (EUR 160,516 thousand for principal plus interest at 31 December 2024).
- Inter-Group loan agreement with Sevisur Logistics, S.A. with a term of one year, maturing on 31 December 2026, with subsequent renewals permitted for similar periods, at an interest rate of 4.81% per year. In 2025, principal and interest were repaid totalling EUR 5,464 thousand and EUR 253 thousand, respectively, recording an increase in the principal of the loan of EUR 6,734 thousand, of which EUR 1,123 thousand originate from the offsetting of debts between the Company and its subsidiary. The outstanding balance at the close of 2025 was just the loan principal, in the amount of EUR 11,381 thousand (EUR 10,197 thousand for principal plus interest at 31 December 2024).
- Loan agreement with Parc Logistic, Zona Franca, S.A. This agreement has a term of one year, maturing on 31 December 2026, with subsequent renewals permitted for similar periods, at an interest rate of 4.81% per year. Over the course of the 2025 financial year, interest payments totalled EUR 2,562 thousand, and EUR 9,309 thousand in principal was repaid. Of this, EUR 3,880 thousand originated from the offsetting of debts between the Company and its subsidiary. Likewise, during the 2025 financial year, the principal of the loan was increased by EUR 54,915 thousand. The outstanding balance at 2025 year end was just the loan principal, in the amount of EUR 101,998 thousand (EUR 56,824 thousand for principal plus interest at 31 December 2024).
- Loan agreement with Innovación Collaborativa, S.L.U.. The agreement is for one year, maturing on 31 December 2026 with subsequent renewals for similar periods permitted, at an interest rate of 4.81% per year. The loan principal increased by EUR 4,807 thousand, EUR 459 thousand of that from capitalisation of interest and EUR 47 thousand from setting off debts between the Company and its subsidiary. The outstanding balance at 2025 year end was just the loan principal, in the amount of EUR 13,728 thousand. In 2024, an impairment loss recognised in 2023 was reversed based on the short-term loan with Innovación Collaborativa, S.L.U. in the amount of EUR 4,093 thousand after capitalising EUR 15,000 thousand of loan principal as an increase in the Company's stake in its subsidiary. In addition to this decrease, a principal repayment of EUR 2,434 thousand was recorded, originating from the offsetting of debts between the Company and its subsidiary. The Company also extended the loan by an additional EUR 18,288 thousand, of which EUR 488 thousand originated from the capitalisation of interest. At year-end 2024, there remained an outstanding balance of principal plus accrued and unpaid interest of EUR 8,922 thousand.
- Loan agreement between Group companies with Merlin Retail, S.L.U. maturing on 31 December 2026, with subsequent renewals permitted for similar periods, accruing an annual interest rate of 4.81%. In 2025, principal repayments of EUR 14,152 thousand and interest payments of EUR 1,110 thousand were made. In 2025, the principal of the loan was increased by EUR 26,170 thousand, of which EUR 4,356 thousand originated from the offsetting of debts between the Company and its subsidiary and EUR 314 thousand from the capitalisation of interest. The outstanding balance at the 2025 year-end was EUR 38,415 thousand (EUR 26,574 thousand for principal plus interest at 31 December 2024).
- At year-end 2023, the Company held two short-term loans with Slack Taiwind Systems, S.L.U. and Slow Rise Spain, S.L.U. (wholly owned by the Company), two short-term loans for the amounts of EUR 140 thousand and EUR 434 thousand, respectively, after having increased, during the 2023 financial year, the cost of its stake in both subsidiaries by EUR 1,011 thousand and EUR 7,721 thousand, respectively. On 27 May 2024, the two companies were merged by absorption by Merlin Oficinas, S.L.U., with the

debt that the two subsidiaries held with the Company being transferred as the principal increase to the loan of Merlin Oficinas, S.L.U., for a total amount of EUR 574 thousand. The absorbing subsidiary, for its part, increased the principal of the loan it held with the Company through successive drawdowns and the offsetting of the Company's debts with Merlin Oficinas, S.L.U. and with the merged subsidiaries, for a combined amount of EUR 51,292 thousand. During the 2024 financial year, Merlin Oficinas, S.L.U. fully repaid the loan it held with the Company, after paying EUR 54,096 thousand in principal and interest accrued to date.

- On 7 November 2023, the Company acquired 100% of the shares representing the share capital of the company Merlin Edged, S.L.U. In 2024, a loan was formalised between the Company and its subsidiary for a principal amount of EUR 14,075, maturing on 31 December 2026 with subsequent renewals for similar periods permitted and accruing interest at an annual rate of 4.81%. In 2025 the principal was increased by EUR 82,733 thousand, with EUR 1,833 thousand of that amount being capitalised interest. In addition, on 1 October 2025 principal in the amount of EUR 30,000 was capitalised (see Note 9) and EUR 8,428 thousand were repaid by setting off debts between the Company and its subsidiary. The outstanding balance at 2025 year end was just the loan principal, in the amount of EUR 58,379 thousand.
- Loan agreement with Exhibitions Company, S.A.U. The agreement is for one year, maturing on 31 December 2026 with subsequent renewals for similar periods permitted, at an interest rate of 4.81% per year. The loan principal was increased by EUR 834 thousand in 2025, EUR 34 thousand of that from capitalisation of interest. Additionally, principal repayments were made by setting off debts between the Company and its subsidiary in the amount of EUR 127 thousand. Total interest of EUR 11 thousand was paid in 2025. The loan principal accounted for the total outstanding balance at 2025 year end, in the amount of EUR 1,263 thousand.
- Loan agreement with Desarrollo Urbano de Patraix, SA. The agreement is for one year, maturing on 31 December 2026 with subsequent renewals for similar periods permitted, at an interest rate of 4.81% per year. Interest of EUR 372 thousand accrued in 2025. The loan principal was increased by EUR 362 thousand, EUR 302 thousand of that coming from capitalisation of interest. The outstanding balance at 3 December 2025, all loan principal, was EUR 8,048 thousand.
- Debt contract with the company Sadorma, S.A., whose balance originated in the financing from the business combination with Metrovacesa, carried out in the 2016 financial year, through current accounts with Group companies. This loan has a duration of one year and matures on 31 December 2025, with the possibility of subsequent renewals for similar periods, accruing interest at an annual rate of 4.81%. The outstanding balance at the end of the 2025 financial year of principal plus accrued and unpaid interest amounts to EUR 27,372 thousand.

At 31 December 2025, the Company had no recorded impairment losses on the loans granted to Group companies and associates except that held with The Exhibitions Company S.A., and a provision of EUR 708,502.44 thousand was recognised in fiscal year 2025 (see Note 9).

7.3 Third-party loans (current and non-current)

The loan granted to Desarrollos Urbanísticos Udra, S.A.U. amounting to EUR 86,397 thousand is recorded under the heading “Third-Party Loans” under non-current assets, with a market interest rate. In 2020, the first capitalisation of interest took place, amounting to EUR 1,423 thousand. Because of the annual capitalisation of interest, at 31 December 2025 the outstanding principal came to EUR 95,277 thousand (EUR 93,737 thousand at the end of 2024). The outstanding interest amounted to EUR 328 and 323 thousand at 31 December 2025 and 2024, respectively. In relation to the aforementioned loan, the Company has guarantees from the creditor associated with 10% of the shares it holds in Crea Madrid Nuevo Norte, S.A.

In addition, under this heading, rent linearisation, marketing costs and tenant installation costs amounting to EUR 40,618 thousand (EUR 28,981 thousand at the end of 2024) are recorded.

7.4 Trade and other receivables

At 31 December 2025, the heading “Trade and other receivables” includes the following items:

	Thousands of euros	
	12/31/2025	12/31/2024
Current assets:		
Trade and notes receivable	22,254	18,327
Group companies and associates	6,290	14,100
Sundry accounts receivable	205	491
Employee receivables	184	184
Other receivables from public authorities (Note 14)	24,578	9,599
	53,511	42,701

“Trade and notes receivable” in the balance sheet at 31 December 2025 mainly included the balances receivable from leasing investment property. In general these receivables are interest free and the terms of collection range from immediate payment on billing to payment at 30 days, while the average collection period is approximately 5 days (5 days in 2024).

The Company periodically analyses the risk of insolvency of its accounts receivable by updating the related provision for impairment losses. The Company’s directors consider that the amount of trade and other receivables approximates their fair value.

Movement in the provision for impairment and bad debt in 2025 was as follows:

	Thousands of euros	
	2025	2024
Initial balance	(6,083)	(7,088)
Charges for the year	(202)	(188)
Reversals/amounts used	428	1,193
Other	-	-
Closing balance	(5,857)	(6,083)

In 2025, losses on bad debts amounted to EUR 434 thousand (EUR 423 thousand in 2024).

The majority of impaired receivables are overdue by more than six months.

8. Cash and cash equivalents

“Cash and cash equivalents” includes the Company’s cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value. The balance of this heading of the accompanying balance sheet comprises mainly the current accounts in euros held by the Company at various financial institutions, which accrue interest at market rates, amounting to EUR 1,063,235 thousand (EUR 1,393,594 thousand in 2024).

At 31 December 2025, balances amounting to EUR 4,915 thousand had been pledged.

The interest earned in this regard in 2025 amounted to EUR 28,482 thousand and is recognised under “Other finance Income” in the accompanying income statement (EUR 34,723 thousand in 2024).

9. Non-current investments in Group companies and associates

The breakdown of and changes in the balance of “Equity instruments” at 2025 and 2024 year-end is as follows:

Company	Euros						
	Balance at 31/12/24	Additions	Retirement due to spin-off	Additions by spin-off	Deterioration	Retirement	Balance at 31/12/25
Group Companies:							
Merlin Retail, S.L.U.	390,432	-	-	-	-	-	390,432
Merlin Oficinas, S.L.U.	833,226	-	-	-	-	-	833,226
Merlin Logística, S.L.U.	353,842	-	-	-	-	-	353,842
Sevisur Logística, S.A.	37,629	-	-	-	-	-	37,629
Parc Logistic de la Zona Franca, S.A.	118,310	-	-	-	-	-	118,310
Slack Tailwind Systems, S.L.U.	-	3	-	-	(1)	-	2
Slow Rise Spain, S.L.U.	-	3	-	-	(1)	-	2
Innovación Colaborativa, S.L.U.	5,147	-	-	-	(4,516)	-	631
Exhibitions Company, S.A.U.	-	-	-	-	-	-	-
Gescentesta, S.L.U.	3	-	-	-	-	-	3
Metroparque	-	-	-	-	-	-	-
La Vital Centro Comercial y de Ocio, S.L.U.	56,788	-	-	-	-	-	56,788
Desarrollo Urbano de Patraix, S.A.U.	24,279	-	-	-	(373)	-	23,906
Sadorma 2003, S.L.U.	24,150	-	-	-	1,335	-	25,485
Varitelia Distribuciones, S.L.U	31,211	-	-	-	7,763	-	38,974
Global Carihuela Patrimonio Comercial, S.L.U	6,251	-	-	-	1,506	-	7,757
MPCVI - Compra e Venda Imobiliária, S.A.	6,418	-	-	-	-	-	6,418
MPEP - Properties Escritórios Portugal, S.A.	1,085	-	-	-	-	-	1,085
MP Monumental, S.A.	41,570	-	-	-	-	-	41,570
MP Torre A, S.A.	21,601	600	-	-	-	-	22,201
VFXIMO Investimentos Imobiliários, S.A.	50,382	-	-	-	-	-	50,382
Promosete, Invest Inmobiliaria	10,386	-	-	-	-	-	10,386
Praça do Marqués - Serviços Auxiliares, S.A.	56,359	-	-	-	-	-	56,359
Torre Dos Oceanus Investimentos Inmobiliarios, S.A.	15,912	-	-	-	-	-	15,912
Forum Almada – Gestão Centro Comercial Sociedade Unipessoal, Lda.	89,453	-	-	-	-	-	89,453
Torre Arts - Investimentos Imobiliarios, S.A.	80,281	-	-	-	-	-	80,281
Torre Fernao Magalhaes - Investimentos Imobiliarios, S.A.	13,055	-	-	-	-	-	13,055
Milos Asset Development, S.A.	954	-	-	-	(309)	-	645
MPLIB – Investimentos Imobiliários, Unipessoal Lda.	56,808	7,500	-	-	(930)	-	63,378
Merlin Edged, S.L.U	3	30,000	-	-	(2,240)	-	27,763
Global Murex Iberia, S.L.U.	-	-	-	-	-	-	-
Associates:							
Moregal Hotels, S.L.	1,582	9,250	-	-	3	-	10,835
Provitae Centros Asistenciales, S.L.	2,255	-	-	-	(55)	-	2,200
Paseo Comercial Carlos III, S.A.	25,668	-	-	-	-	-	25,668
Centro Intermodal de Logística, S.A.	95,688	-	-	-	-	-	95,688
Parking del Palau, S.A.II., S.L.U.	938	-	-	-	95	-	1,033
Crea Madrid Nuevo Norte, S.A.	214,616	9,540	-	-	(1,191)	-	222,965
G36, Development, S.A.	2	-	-	-	-	-	2
Edged Spain, S.L.	1	-	-	-	-	-	1
Silicius Real Estate, S.L.	88,572	-	-	-	-	(88,572)	-
HCG Levante, S.L	1,070	60	-	-	(11)	-	1,119
Total	2,755,927	56,956	-	-	1,075	(88,572)	2,725,386

2024

Company	Euros						Balance at 31/12/24
	Balance at 31/12/23	Additions	Retirement due to spin-off	Additions by spin-off	Deterioration	Others	
Group Companies:							
Merlin Retail, S.L.U.	390,432	-	-	-	-	-	390,432
Merlin Oficinas, S.L.U.	824,488	-	-	8,738	-	-	833,226
Merlin Logística, S.L.U.	353,842	-	-	-	-	-	353,842
Sevisur Logística, S.A.	37,629	-	-	-	-	-	37,629
Parc Logistic de la Zona Franca, S.A.	118,310	-	-	-	-	-	118,310
Slack Tailwind Systems, S.L.U.	940	-	(1,014)	-	74	-	-
Slow Rise Spain, S.L.U.	7,724	-	(7,724)	-	-	-	-
Innovación Colaborativa, S.L.U.	-	15,000	-	-	(9,853)	-	5,147
Exhibitions Company, S.A.U.	1,066	-	-	-	(1,066)	-	-
Gescentesta, S.L.U.	3	-	-	-	-	-	3
Metroparque	-	-	-	-	-	-	-
La Vital Centro Comercial y de Ocio, S.L.U.	56,788	-	-	-	-	-	56,788
Desarrollo Urbano de Patraix, S.A.U.	24,636	-	-	-	(357)	-	24,279
Sadorma 2003, S.L.U.	20,696	-	-	-	3,454	-	24,150
Varitelia Distribuciones, S.L.U	1,947	30,000	-	-	(736)	-	31,211
Global Carihuela Patrimonio Comercial, S.L.U	20,580	-	-	-	(14,329)	-	6,251
MPCVI - Compra e Venda Imobiliária, S.A.	6,418	-	-	-	-	-	6,418
MPEP - Properties Escritórios Portugal, S.A.	1,085	-	-	-	-	-	1,085
MP Monumental, S.A.	41,570	-	-	-	-	-	41,570
MP Torre A, S.A.	20,101	1,500	-	-	-	-	21,601
VFXIMO Investimentos Imobiliários, S.A.	30,182	20,200	-	-	-	-	50,382
Promosete, Invest Inmobiliaria	10,386	-	-	-	-	-	10,386
Praça do Marqués - Serviços Auxiliares, S.A.	56,359	-	-	-	-	-	56,359
Torre Dos Oceanus Investimentos Inmobiliarios,S.A.	15,912	-	-	-	-	-	15,912
Forum Almada – Gestão Centro Comercial Sociedade Unipessoal, Lda.	89,454	-	-	-	-	-	89,454
Torre Arts - Investimentos Imobiliarios, S.A.	80,281	-	-	-	-	-	80,281
Torre Fernao Magalhaes - Investimentos Imobiliarios, S.A.	26,055	-	-	-	-	(13,000)	13,055
Milos Asset Development, S.A.	-	1,600	-	-	(646)	-	954
MPLIB – Investimentos Imobiliários, Unipessoal Lda.	52,690	-	-	-	4,118	-	56,808
Merlin Edged, S.L.U	3	-	-	-	-	-	3
Associates:							
Moregal Hotels, S.L.	1,583	-	-	-	(1)	-	1,582
Provitae Centros Asistenciales, S.L.	2,320	-	-	-	(64)	-	2,256
Paseo Comercial Carlos III, S.A.	25,668	-	-	-	-	-	25,668
Centro Intermodal de Logística, S.A.	95,688	-	-	-	-	-	95,688
Parking del Palau, S.A.II., S.L.U.	872	-	-	-	66	-	938
Crea Madrid Nuevo Norte, S.A.	175,269	40,002	-	-	(658)	-	214,613
G36, Development, S.A.	2	-	-	-	-	-	2
Edged Spain, S.L.	1	-	-	-	-	-	1
Silicius Real Estate, S.L.	88,572	-	-	-	-	-	88,572
Total	2,679,552	112,036	(8,738)	8,738	(19,998)	(15,664)	2,755,926

In compliance with section 155 of the Corporate Enterprises Act, the Company reported the holdings that exceed 10% of share capital in the companies described in the table above.

The most significant transactions executed in 2025 are as follows:

- On 16 September 2025, the Company bought all the shares of Evergreen Eclipse Capital, S.L.U. and Solstice Sage Finance, S.L.U. for EUR 3 thousand each. These two companies recognised impairment losses of EUR 1 thousand each in 2025. Neither of these companies was doing business at the end of 2025.

- On 21 March 2025, the Group increased its holding in Moregal Hotels, S.L. from 7.32% to 35.04% by subscribing a cash capital increase for the sum of 9,250 thousand euros. Reversals of impairment losses amounting to EUR 3 thousand on the holding were recognised.
- The cost of the Company's stake in its subsidiary MP Torre A, S.A. increased by EUR 600 thousand through shareholder contributions to that company's equity in 2025.
- The cost of the Company's stake in its subsidiary MPLIB – Investimentos Imobiliários, Unipessoal Lda. increased by EUR 7,500 thousand through shareholder contributions to that company's equity in 2025. An impairment loss of EUR 930 thousand was also recognised.
- The Company increased the cost of its stake in its subsidiary Merlin Edged, S.L.U. by EUR 30,000 thousand on 1 October 2025 by partially capitalising the loan it had taken from that subsidiary. The company recognised a provision of EUR 2,240 thousand in 2025 to cover impairment in the amount of that stake.
- A share capital increase by Crea Madrid Nuevo Norte, S.A. was subscribed in 2025, and the value of the Company's holding therefore increased by EUR 9,542 thousand. Impairment of the value of that holding for a total of EUR 1,191 thousand was recognised in 2025.
- On 18 November 2025, the Extraordinary General Meeting of Silicius Real Estate SOCIMI, S.A., wholly owned by Merlin Properties SOCIMI, S.A., resolved to reduce its share capital by redeeming all of its shares and returning to the shareholder the non-cash contributions it had made, consisting of a residential building in Madrid and a hotel in Menorca. That resolution was placed on public record on 22 December 2025.

The most significant transactions executed in 2024 are described below:

- In 2024, the Company increased the cost of its stake in the subsidiary Innovación Colaborativa, S.L.U., through the partial capitalisation of the loan granted to it, amounting to EUR 15,000 thousand (see Note 7).
- In 2024, the Company increased the cost of its stake in the subsidiary Varitelia Distribuciones, S.L.U., through the partial capitalisation of the loan granted to it, amounting to EUR 30,000 thousand (see Note 7).
- In 2024, the Company increased the cost of its stake in the subsidiary Milos Asset Development, S.A., through the partial capitalisation of the loan granted to it, amounting to EUR 1,600 thousand.
- On 27 May 2024, the companies Slack Tailwind Systems, S.L.U. and Slow Rise Spain, S.L.U. were merged by absorption by Merlin Oficinas, S.L.U., all of them 100% owned by the Company (see Note 7).
- On 27 November 2024, the General Meeting of Global Murex Iberia, S.L. agreed to wind up and liquidate the company, 100% owned by the Company (see Note 7).
- On 17 December 2024, the Company acquired 5.84% of the shares representing the share capital of HCG Levante S.L. for EUR 1,070 thousand. This company owns land for tertiary use in the city of Valencia.
- In 2024 the investee company Crea Madrid Nuevo Norte recognised a share capital increase of EUR 40,002 thousand subscribed by the Company.
- During 2024, the cost of the Company's stake in its subsidiary VFXIMO Investimentos Imobiliários, S.A. increased by EUR 20,200 thousand through shareholder contributions to the subsidiary's equity.
- A share premium of EUR 13,000 thousand was distributed by the subsidiary Torre Fernao Magalhaes - Investimentos Imobiliários, S.A. in 2024, decreasing the cost of the Company's stake.

At 31 December 2024, the Company held a stake in Silicius Real Estate SOCIMI, S.A, equivalent to 17.80% of the share capital. As part of the terms and conditions agreed with Silicius Real Estate SOCIMI, S.A at the time of entry into the Company's capital, certain conditions were included in relation to the shares received:

On the fifth anniversary of the asset contribution, established in May 2025:

- Silicius Real Estate SOCIMI, S.A. had the option to proceed with the purchase of the shares at a price per share equivalent to the net asset value (NAV) per share available at the aforementioned date increased by 30%.
- If Silicius Real Estate SOCIMI, S.A. did not exercise the purchase option, Merlin will have the right to request the redemption of the interest through the return in kind of certain pre-selected assets.
- If the Board of Silicius Real Estate SOCIMI, S.A. had not been satisfied with the selection of assets made by the Company, it would have been obliged to purchase or redeem in cash from Merlin the Liquid B shares at the issue price (including par value and premium) at which they were issued.

The aforementioned option was valued by Merlin on a periodic basis and was presented as a liability derivative, in case it could result in a negative adjustment to the recoverable value of the aforementioned shareholding (See Note 12).

The directors annually assess the existence of signs of impairment on the holdings above and concluded that there are no further impairments at 31 December 2025.

To determine whether the shares in Group companies and associates have become impaired, the proportional part of equity of the investees, adjusted by any unrealised gains and goodwill at the valuation date, was considered to be the best evidence of the recoverable amount, which were mainly identified based on third-party valuations of those assets. An impairment loss totalling EUR 9,399 thousand was identified in 2025, chiefly related to the stakes held in Innovación Colaborativa, S.L.U., Merlin Edged, S.L.U and Crea Madrid Nuevo Norte, S.A. Similarly, an impairment loss of EUR 10,702 thousand was reversed. This impairment loss was mainly connected with the stakes held in Varitelia Distribuciones, S.L.U, Global Carihuela Patrimonio Comercial, S.L.U., and Sadorma 2003, S.L.U.

The most significant information in relation to investments in Group companies and associates at 2025 and 2024 year-end is detailed in Appendix I.

10. Equity and shareholder's equity

10.1 Share capital and share premium

The detail of and changes in equity are presented in the statement of changes in equity.

Share capital

At 31 December 2025, the share capital of Merlin Properties SOCIMI, S.A., amounted to EUR 563,725 thousand, represented by 563,724,899 fully subscribed and paid shares of EUR 1 par value each, all of which are of the same class and confer the holders the same rights.

On 23 July 2024, the Board of Directors of the Company approved a capital increase through the issuance of up to 93,954,149 new ordinary shares, representing approximately 20% of the share capital, of the same class and series as the then outstanding shares. The capital increase was to be made through cash contributions with no pre-emptive rights and by way of an accelerated private placement to qualified investors only.

The placement process described above was completed on 24 July 2024 under the following conditions:

- Issue of 93,954,149 shares with a par value of EUR 1 each, of the same class and series as the existing shares in circulation.
- Cash amount of the capital increase: EUR 920,750,660.
- The issue price was EUR 9.80 per share, of which EUR 1.00 represented the nominal value and EUR 8.80 represented the share premium.

The new shares were admitted to trading on the Madrid, Barcelona, Bilbao and Valencia stock exchanges on 25 July 2024 and on the Lisbon stock exchange on 29 July 2024.

All the Company's shares can be publicly traded and are listed on the Madrid, Barcelona, Bilbao and Valencia and Lisbon Stock Exchanges. The market price of the Parent's shares at 31 December 2025 and the average market price for the fourth quarter amounted to EUR 12.43 and EUR 12.90 per share, respectively.

At 31 December 2025, based on information extracted from the CNMV, in relation to the provisions of Royal Decree 1362/2007, of 19 October and Circular 2/2007, of 19 December, the shareholders with significant holdings in the share capital of Merlin Properties SOCIMI, S.A., both direct and indirect, in excess of 3% of the share capital, are the following based on public information:

	Shares			% of share capital
	Direct	Indirect	Total	
Banco Santander, S.A.	113,034,631	26,072,122	139,106,753	24.676%
Nortia Capital Investment Holding, S.L.	46,045,299	-	46,045,299	8.168%
BlackRock, INC	-	26,111,737	26,111,737	4.632%

The information on Banco Santander, S.A. was provided by the shareholder itself, and the information on Nortia Capital Investment Holding, S.L. was obtained from the Company's Register of Members at the end of 2025.

Share premium

The Consolidated Text of the Corporate Enterprises Act expressly permits the use of the share premium to increase capital and establishes no specific restrictions as to its use.

This reserve is unrestricted so long as its allocation does not lower equity to below the amount of share capital.

As a result of the capital increase described above, the amount of the share premium was increased by EUR 826,796 thousand.

On 30 April 2025, the General Meeting approved the distribution of an interim dividend charged to the "share premium" in the amount of EUR 113,065 thousand.

10.2. Reserves

Legal reserve

The legal reserve will be established in accordance with section 274 of the Consolidated Text of the Corporate Enterprises Act, which stipulates, in all cases, that 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

This reserve cannot be distributed, and if it is used to offset losses, in the event no other reserves are available for this purpose, it must be restored with future profits.

At 31 December 2025, the Company had not yet reached the legally required minimum established in the revised text of the Corporate Enterprises Act.

The legal reserve of companies which have chosen to avail themselves of the special tax regime established in Law 11/2009, of 26 October, regulating listed companies investing in the property market (REITs), must not exceed 20% of share capital. The articles of association of these companies may not establish any other type of restricted reserves.

Merger reserves

The mergers carried out in 2017 generated positive merger reserves of EUR 1,629 thousand. As a result of the merger by absorption of Testa Inmuebles en Renta SOCIMI, S.A. with the Company in 2016, this transaction generated negative merger reserves in the amount of EUR 308,131 thousand.

Other reserves

The change to "Other reserves" in 2025 was chiefly a result of allocating the provision under the 2025-2027 Incentive Plan (see Note 4).

"Other reserves" includes the undistributed profit earned on sales of the buildings and shares or stakes referred to in section 2(1) of Law 11/2009, of 26 October, regulating listed companies investing in the property market (REITs) after expiry of the time periods referred to in section 3(3) of that Law. That amount came from the undistributed profits from divestment of the investee company Tree Inversiones Inmobiliarias SOCIMI, S.A. in 2022, which was to be reinvested in other buildings or stakes suitable for performing the Company's primary corporate purpose within three years of the divestment date. The Company has obtained a binding opinion from the tax authorities approving the criteria it has employed for that purpose.

10.3 Treasury shares

At 31 December 2025, the Company held treasury shares amounting to EUR 10,033 thousand.

The changes in 2025 were as follows:

	Number of Shares	Thousands of euros
Balance at 1 January 2024	1,399,124	15,410
Additions	29,471	59
Disposals	(113,950)	(1,019)
Balance at 31 December 2024	1,314,645	14,450
Additions	14,052	171
Disposals	(417,456)	(4,588)
Balance at 31 December 2025	911,241	10,033

The shareholders at the Annual General Meeting held on 30 April 2025 revoked the unused portion of the authorisation granted by the shareholders at the General Meeting of 27 April 2023 and authorised the acquisition of treasury shares by the Company itself or by Group companies pursuant to section 146 et seq. of the Corporate Enterprises Act, complying with the requirements and restrictions established in current law during the five-year period.

The disposals of 417,456 treasury shares (average cost of EUR 10.99 per share) relate mainly to the delivery of shares valued at EUR 3,198 thousand under the 2022-2024 Incentive Plan (see Note 20) and the delivery of shares to employees as part of the flexible remuneration plan in the amount of EUR 1,223 thousand. And the sales made under the liquidity agreement that the Group has for securities listed on the Lisbon Stock Exchange. That liquidity agreement made net sales of 1,213 shares in 2025.

At 31 December 2025, the Company held treasury shares representing 0.162% of its share capital.

10.4 Valuation adjustments

This heading of the statement of financial position includes changes in the value of financial derivatives designated as cash flow hedges, as well as that corresponding to financial assets through profit and loss. Movement in this heading in 2025 was as follows:

:

	Thousands of euros
Balance at 31 December 2023	(9,475)
Changes in the fair value of hedges in 2023	(8,574)
Changes in the fair value of "Financial assets through profit and loss"	-
Balance at 31 December 2024	(18,049)
Changes in the fair value of hedges in 2024	10,443
Changes in the fair value of "Financial assets through profit and loss"	-
Balance at 31 December 2025	(7,606)

The balance at year-end 2025 relates to the assessment of the interest rate hedges that the Company took out in 2022 to 2025 to cover the floating interest syndicated mortgage financing entered into for the period from December 2022 to March 2034 (see Note 11).

11. Current and non-current financial liabilities

The detail of current and non-current liabilities at 31 December 2025 and 2024 is as follows (in thousands of euros):

	Thousands of euros	
	2025	2024
Non-current:		
Measured at amortised cost		
Syndicated loan	665,000	665,000
Syndicated loan arrangement expenses	(2,079)	(2,983)
Total syndicated loan	662,921	662,017
Mortgage loan	498,313	499,063
Non-mortgage loan	277,768	145,581
Arrangement costs	(6,363)	(6,064)
Total other loans	769,718	638,580
Debentures and bonds	2,550,000	2,800,000
Debenture issue expenses	(17,691)	(18,955)
Total debentures and bonds	2,532,309	2,781,045
Total amortised cost	3,964,948	4,081,642
Measured at fair value		
(*) Interest rate derivative financial instruments	7,606	18,049
Total at fair value	7,606	18,049
Total non-current	3,972,554	4,099,691
Current:		
Measured at amortised cost		
Syndicated loan	595	900
Debentures and bonds	821,631	621,654
Non-mortgage loan	426	298
Mortgage loan	2,201	2,462
Revolving credit facility	517	511
Loan arrangement expenses	(973)	(293)
Total amortised cost	824,397	625,532
Measured at fair value		
(*) Interest rate derivative financial instruments	325	(258)
Total at fair value	325	(258)
Total current	824,722	625,274

There is no material difference between the carrying amount and the fair value of financial liabilities at amortised cost.

The Company does not have any confirming contracts at 31 December 2025.

The detail of the Parent's credit rating is as follows:

Agency	Rating	Outlook	Last Review	Previous
Standard & Poor's	BBB+	Stable	07/09/2025	BBB Positive
Moody's	Baa1	Stable	09/25/2025	Baa2 Positive

Both ratings agencies have upgraded the Company's credit rating in 2024.

11.1 Loans

The detail of loans at 31 December 2025 and 2024 is as follows (in thousands of euros):

December 31, 2025

	Initial loan / Limit	Debt arrangement expenses	Long term	Short term	Short-term interest
Syndicated loan	665,000	(2,079)	665,000	-	595
Revolving credit facilities	740,000	(3,287)	-	-	517
Non-mortgage loan	202,904	(766)	277,769	-	426
Mortgage loan	500,000	(2,310)	498,313	750	1,451
Total	2,107,904	(8,442)	1,441,082	750	2,989

December 31, 2024

	Initial loan / Limit	Debt arrangement expenses	Long term	Short term	Short-term interest
Syndicated loan	665,000	(2,983)	665,000	-	900
Revolving credit facilities	740,000	(3,181)	-	-	510
Non-mortgage loan	202,904	(226)	145,581	-	298
Mortgage loan	570,000	(2,657)	499,063	656,250	1,806
Total	2,177,904	(9,047)	1,309,644	656	3,514

Syndicated loans and revolving credit facilities

On 18 November 2022, the Company arranged a senior syndicated loan for EUR 600 million. This facility will have a maturity of 5 years from its drawdown date and will accrue a market rate of interest of EURIBOR plus 130 basis points. On 20 April 2023, the Company drew down this facility in full.

Furthermore, on that date, a novation agreement was executed in relation to the senior syndicated loan including a Tranche B corresponding to a revolving credit line in the amount of EUR 700 million. This new credit line has a maturity of 5 years with the possibility of two optional one-year extensions. The revolving credit line accrues an interest rate of EURIBOR + 100 basis points and includes a cost adjustment mechanism based on four sustainability criteria.

On 18 July 2023, the novation of the syndicated loan and credit line was signed. The senior syndicated loan increased to EUR 665 million with the incorporation of the amounts of the two bilateral loans that the Company had arranged with Kutxabank and Unicaja. Additionally, the limit on the credit line was increased to EUR 740 million. On 31 December 2025, this line had not been drawn down. On 10 July 2025, this credit line was extended until 23 April 2030.

These facilities have the same commitment to maintain certain coverage ratios as the Company bonds and the Banco Sabadell and European Investment Bank facilities described below. These ratios are defined as the ratio between the value of the assets and the outstanding debt ("Loan to Value"), the ratio between the Group's revenue and the debt service ("ICR") and the ratio between assets and debt, both without mortgage guarantee ("Unencumbered Ratio"). The Company's directors have confirmed that these ratios were met at 31 December 2025 and do not expect that they will not be fulfilled in the coming years.

Bilateral loans without mortgage security

On 18 November 2022, the Company arranged drew down a loan without mortgage security with Banco Sabadell for EUR 60 million, maturing in January 2028 and accruing a market rate of interest of EURIBOR + 120 basis points.

On 31 March 2025, the Company arranged and drew down a mortgage-free loan with Mediobanca for EUR 100 million maturing 5 years plus an additional year after its drawdown and accruing a market rate of EURIBOR + 115 basis points.

The facility includes a commitment to meet certain coverage ratios. Those ratios are the ratio of the asset value to the outstanding debt ("Loan to Value"), the ratio between the Group's revenues and the debt service (the "ICR"), and the ratio of assets to debt, both unsecured (the "Unencumbered Ratio"). The Company's Directors checked that the ratios had been met at 31 December 2025 and do not anticipate non-compliance in the coming years.

European Investment Bank loans

On 20 December 2018, the Company formalised a loan without mortgage security with the European Investment Bank in an amount of EUR 51 million. On 4 November 2019, the Company formalised the second tranche of the loan without mortgage security with the European Investment Bank amounting to EUR 64 million, making EUR 115 million in total over the two tranches. This facility can be drawn down through several loans with a maturity of 10 years for each drawdown. This facility must be allocated to the development of logistics assets in the Castilla–La Mancha region.

On 10 March 2020 and 26 October 2020, the Company drew down EUR 23.4 million and EUR 5.6 million corresponding to the first tranche of the facility. This facility accrues fixed interest at a rate of 60 basis points. On 20 December 2022, the Company had EUR 22 million and 358 basis points, meaning the first tranche of EUR 51 million was drawn down in full.

On 20 December 2023, the Company drew down EUR 16.9 million accruing a fixed interest rate of 386 basis points. This loan corresponds to the first drawdown of the second tranche of EUR 64 million.

On 7 November 2024 a new limit was set for the second tranche, which went from the initial EUR 64 million to EUR 46.7 million. On 4 November 2025 a new limit was set for this tranche, which went from the EUR 46.7 million to EUR 34.6 million.

On 18 December 2024, the Company drew down EUR 17.7 million of the second tranche mentioned in the previous paragraph accruing a fixed interest rate of 326 basis points. This loan had been drawn down in full at the close of 2025.

On 16 December 2021, the Company arranged a loan without mortgage security with the European Investment Bank in an amount of EUR 45.2 million and with 10-year maturity. This facility will be used to make investments in energy efficiency. On 4 November 2025 a new limit was set for this loan, which went from the initial EUR 45.2 million to EUR 32.2 million.

At 16 December 2025 the Company had drawn down EUR 32,2 million of the loan mentioned in the preceding paragraph at a fixed interest rate of 354 basis points. At 2025 year-end, this loan had been drawn down in full

At 31 December 2025, all the facilities arranged with the European Investment Bank had been drawn down.

These facilities include the commitments to maintain certain coverage ratios. These ratios are defined as the ratio between the value of the assets and the outstanding debt ("Loan to Value"), the ratio between the revenue of the Group and the debt service ("ICR") and the ratio between assets and debt, both without mortgage guarantee ("Unencumbered Ratio"). The Company's directors have confirmed that these ratios were met at 31 December 2025 and do not expect that they will not be fulfilled in the coming years.

Mortgage loans

On 27 July 2023, the Company arranged a loan with BBVA secured by a mortgage on an office building in Madrid. The loan is for EUR 180 million, with a term of 7 years, and accrues interest at a market rate of EURIBOR + 110 basis points.

On 15 November 2023, the Company entered into a loan with Allianz secured by a mortgage on a portfolio of 4 office buildings in Madrid (three of them owned by the Company and one owned by a 100% owned investee). The loan is for EUR 170 million, with a term of 10 years, and accrues interest at a fixed rate of 4.523%.

On 17 January 2024 the Company arranged a loan with Caixabank, S.A. secured by 2 office buildings in Madrid. This loan is for EUR 150 million. It matures in 2034 and has a margin of 130 basis points.

At 31 December 2025, all the Company's loans secured by collateral had been drawn down in full.

These facilities include commitments to maintain and comply with certain coverage ratios, such as the loan-to-value ratio between the ratio of the subsidiary's income and the debt service (ICR). The Company's directors have confirmed that these ratios were met at 31 December 2025 and do not expect that they will not be fulfilled in the coming years.

Maturity of debt

The details on the maturity of the amounts provided in these loans is as follows (in thousands of euros):

	Syndicated loan	Non-mortgage loan	Mortgage loan	Total
2026	-	-	-	750
2027	-	-	-	1,313
2028	665,000	60,000	-	726,500
2029	-	-	350,000	1,781
	665,000	277,769	350,000	1,441,832

None of the Company's debt was denominated in non-euro currencies at 31 December 2025.

At 31 December 2025 the Company had the amount of EUR 740 million still undrawn on this facility).

There are no significant differences between the fair values and carrying amounts of the Company's financial liabilities.

The finance cost for interest on the loans and the revolving line of credit totalled EUR 52,004 thousand in 2025 (EUR 62,459 thousand in 2024) and is recognised in the accompanying income statement for 2025.

At 31 December 2025, the loan arrangement costs were recognised as a reduction in "Bank borrowings". In 2025, the Company recognised EUR 2,019 thousand (EUR 2,033 thousand in 2024) associated with the debt under "Finance costs" in the accompanying income statement for 2025, having capitalised EUR 1,415 thousand in 2025.

11.2 Debenture issues

On 12 May 2017, the Company subscribed a Euro Medium Term Notes (EMTN) issue programme of up to EUR 4,000 million, which will replace the original bond issue programme and its supplements subscribed on 06 April 2016 and 14 October 2016, respectively, for an overall maximum amount of EUR 2,700 million.

On 18 May 2018, the Company extended that bond-issue scheme (Euro Medium Term Notes – EMTN) up to an amount of EUR 5,000 million.

On 17 June 2020, the General Shareholders' Meeting approved the extension of this bond issuance program up to an amount of EUR 6,000 million, and the extension took place on 21 March 2021. Subsequently, on 4 August 2022, 11 May 2023 and 10 May 2024, the scheme was renewed for another year.

On 30 April 2025 the General Meeting resolved to extend that bond issue programme up to EUR 7,500 million. It was subsequently renewed for another year on 7 May 2025.

On 1 June 2022, the Company received the approval of its bondholders to convert all of its bonds into green bonds in accordance with the Green Funding Framework published by the Company on 25 April 2022. The reclassification of the bonds to green bonds does not entail changes to any other features of the bonds, either regarding their terms and conditions, interest or maturities. In April 2024, the Company renewed the Green Funding Framework.

On 2 February 2024, the Company increased the amount drawn down (tap) on the Bond maturing in September 2029 to 2.375% for an amount of EUR 100 million (implicit cost 3.93%).

The Company repaid the bond for that maturity date in the amount of EUR 600 million on 26 May 2025.

On 4 September 2025 the Company issued a bond for EUR 550 million, maturing in September 2033, at an interest rate of 3.5%.

The terms of the bonds issued by the Company abide by UK laws and are traded on the Luxembourg Stock Exchange. The bond issue scheme has the same guarantees and ratio compliance obligations as the new syndicated loan and the revolving credit facility. At year-end 2025, the Company is compliant with the covenants in this agreement and the directors believe they will be met in 2026.

The detail at 31 December 2025 and 2024 of the bonds issued by Company is as follows:

2025

Maturity	Nominal value (Millions of euros)	Coupon	Listed price	Return	Market
November 2026	800	1.875 %	MS +44 p.b.	2.64 %	Luxemburg
July 2027	500	2.375 %	MS +36 p.b.	2.55 %	Luxemburg
September 2029	400	2.375 %	MS +46 p.b.	2.91 %	Luxemburg
June 2030	500	1.375 %	MS +74 p.b.	3.26 %	Luxemburg
September 2033	550	3.500 %	MS +107 p.b.	3.85 %	Luxemburg
December 2034	600	1.875 %	MS +114 p.b.	4.00 %	Luxemburg
	3,350				

2024

Maturity	Nominal value (Millions of euros)	Coupon	Listed price	Return	Market
May 2025	600	1.750 %	MS +22 p.b.	2.84 %	Luxemburg
November 2026	800	1.875 %	MS +50 p.b.	2.69 %	Luxemburg
July 2027	500	2.375 %	MS +73 p.b.	2.91 %	Luxemburg
September 2029	400	2.375 %	MS +81 p.b.	3.04 %	Luxemburg
June 2030	500	1.375 %	MS +89 p.b.	3.14 %	Luxemburg
December 2034	600	1.875 %	MS +128 p.b.	3.64 %	Luxemburg
	3,400				

These bond issues include commitments to maintain certain coverage ratios. These ratios are defined as the ratio between the value of the assets and the outstanding debt ("Loan to Value"), the ratio between the Group's revenue and the debt service ("ICR") and the ratio between assets and debt, both without mortgage guarantee ("Unencumbered Ratio"). The Company's directors have confirmed that these ratios were met at 31 December 2024 and do not expect that they will not be fulfilled in the coming years.

In 2024 the finance cost for interest on the debenture issues amounted to EUR 64,978 thousand (EUR 64,799 thousand in 2024) and is recognised in the accompanying income statement for 2025. The accrued interest payable at 31 December 2025 amounted to EUR 21,613 thousand (EUR 21,654 thousand in 2024). Debt arrangement expenses taken to the income statement in 2025 amounted to EUR 5,220 thousand (EUR 5,391 thousand in 2024) having capitalised EUR 4,637 in 2025.

11.3 Interest rate derivatives

In 2024, the Company took out an interest rate hedge to cover the Caixabank mortgage-secured loan until its maturity in March 2034 for a notional amount of EUR 150 to EUR 135 million at a fixed cost of 2.598%.

In 2025 the Company took out an interest rate hedge to cover the Mediobanca loan until its maturity in March 2031 for a notional amount of EUR 100 million at a fixed cost of 2.263%.

The detail of the financial instruments as of 31 December 2025 and 2024 is as follows (in thousands of euros):

2025

Interest rate	Interest contracted	Fair Value	Thousands of euros					Subsequent years
			Outstanding notional amount at each date					
			2025	2026	2027	2028		
Syndicated	2.54 %	7,341	665,000	665,000	665,000	-	-	
Unsecured	2.356 %	221	160,000	160,000	160,000	100,000	100,000	
Mortgage loans	2.469 %	44	329,063	328,313	327,000	325,500	323,719	
		7,606	1,154,063	1,153,313	1,152,000	425,500	423,719	

2024

Interest rate	Interest contracted	Fair Value	Thousands of euros				Subsequent years
			Outstanding notional amount at each date				
			2024	2025	2026	2027	
Syndicated	—	10,958	665,000	665,000	665,000	665,000	-
Unsecured	2.512 %	883	60,000	60,000	60,000	60,000	-
Mortgage loans	2.363 %	6,208	329,719	329,063	328,313	327,000	325,500
		18,049	1,054,719	1,054,063	1,053,313	1,052,000	325,500

	Thousands of euros	Thousands of euros
	12/31/2025	12/31/2024
Non-current		
Interest rate derivatives	7,606	18,049
Total non-current	7,606	18,049
Current		
Interest rate derivatives	325	(258)
Total current	325	(258)

At 31 December 2025 and 2023, the impact for interest rate derivatives on liabilities and profit before tax of a 5% fluctuation in the estimated credit risk rate would be as follows:

2025

Scenario	Thousands of euros		
	Liabilities	Equity	Consolidated profit/(loss) before tax
5% rise in credit risk rate	(19,125)	19,125	-
5% reduction in credit risk rate	19,668	(19,668)	-

2024

Scenario	Thousands of euros		
	Liabilities	Equity	Consolidated profit/(loss) before tax
5% rise in credit risk rate	(21,499)	21,499	-
5% reduction in credit risk rate	22,181	(22,181)	-

12. Other current and non-current liabilities

The detail of non-current and current liabilities at 31 December 2025 and 2024 is as follows:

	Thousands of euros	
	12/31/2025	12/31/2024
Non-current:		
Provisions	12,453	10,778
Other non-current liabilities	3,000	16,739
Guarantees and deposits received	56,058	49,886
	71,511	77,403
Current:		
Other payables	-	-
Other current liabilities	10,966	5,162
	10,966	5,162
	82,477	82,565

“Non-current provisions” mainly includes provisions for the risk assessment associated with a series of legal proceedings and third-party claims arising from the Company's activity, which have been recognised in accordance with the best existing estimates, as well as the provision corresponding to the variable remuneration that will be paid in the long term amounting to EUR 6.322 thousand (EUR 4.511 thousand in 2024) and the provision of EUR 1,109 thousand under the 2025-2027 Incentive Plan (see Notes 4 and 17).

Additionally, the liabilities for tax debts on which there is uncertainty regarding their amount or maturity are recognised in the heading "Non-current provisions", and it is likely that the Company will have to pay out resources to cancel these obligations as a result of a present obligation. On 10 February 2022, the tax authorities informed the Company about the beginning of audits and investigations relating to corporate income tax, value added tax and withholding on account for various years. In this regard, and based on the best estimates of the tax assessments amounts and supplementary tax returns for the years subsequent to those inspected, in 2023 the Company recognised a provision of EUR 5,862 thousand under "Changes in provisions" in the accompanying income statement (see Notes 14.4 and 23).

On 21 February 2024, the following Conformity Certificates were signed:

- Corporate income tax for 2016 to 2019, under which an amount to be refunded to the Company of EUR 13,984 thousand was determined, comprising tax payable and late-payment interest. The above mentioned certificate recognises the effects of the ruling of 19 January 2024 of the Constitutional Court, which annulled certain provisions of Royal Decree-Law 3/2016 that had an impact on the taxable income for corporate income tax purposes for 2016 to 2019.
- Value Added Tax for the years 2018 to 2019, under which an amount of EUR 799 thousand was determined to be paid to the Tax Agency by the Company, comprising tax payable and late payment interest.
- Withholdings on account of non-resident income tax (IRNR) for 2018 to 2019, under which an amount of EUR 834 thousand was determined to be paid to the tax authorities by the Company, comprising tax payable and late payment interest.
- Withholdings and payments on account on capital assets for 2018 and 2019, under which no amount was determined to be paid or refunded.

On 2 April 2024, the Tax Agency made a net refund to the Company of the amounts relating to the aforementioned certificates.

During 2024, the Company made a voluntary adjustment by filing supplementary VAT and non-resident income tax (*IRNR - Impuesto sobre la Renta de No Residentes*) self-assessments for the years 2020 to 2024. These self-

assessments resulted in an amount payable by the Company to the tax authorities of EUR 2,234 thousand, comprising tax payable and late-payment interest, after which the Company reversed the remaining amount of the provision recognised in 2023, amounting to EUR 1,834 thousand, which is recognised under the heading “Provisions” in the accompanying income statement.

“Guarantees and deposits received” primarily comprise the amounts deposited by lessees to secure leases, which will be reimbursed at the end of the lease term.

At 31 December 2024 the amount included under “Other non-current liabilities” included the estimated value of the resulting put option on the stake held by the Company in Silicius for EUR 13,739 thousand (see Note 9). Because of the reduction in the share capital carried out by Silicius Real Estate SOCIMI, S.A. in 2025 by redeeming all its shares, wholly owned by Merlin Properties SOCIMI, S.A., and returning the non-cash contributions to the shareholder, the Company derecognised the derivative associated with the purchase option that company held vis-à-vis Merlin Properties SOCIMI, S.A. and recognised a financial expense of EUR 7,526 thousand

13. Trade and other payables

The detail of trade and other payables is as follows:

	Thousands of euros	
	12/31/2025	12/31/2024
Trade and other payables:		
Accounts Payables	42,004	45,309
Payable to suppliers, Group companies and associates	32,019	32,690
Sundry accounts payable	3,287	3,298
Remuneration payable	15,243	11,931
Other accounts payable to public authorities (see Note 14)	22,689	20,797
Advances from customers	-	3,001
	115,242	117,026

The directors consider that the carrying amount of trade payables approximates their fair value.

Information on the average period of payment to suppliers. Final Provision Two of Law 31/2014, of 3 December

The information required by additional provision three of Spanish Law 18/2022, of 28 September, on creating and growing companies [*Ley 18/2022, de 28 de septiembre, de creación y crecimiento de empresas*] and Spanish Law 15/2010, of 5 July (amended by final provision two of Spanish Law 31/2014, of 3 December), prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on the disclosures to be included in the notes to financial statements in relation to the average period of payment to suppliers in commercial transactions, is detailed below.

	Days	
	2025	2024
Average period of payment to suppliers	48	44
Ratio of transactions settled	49	44
Ratio of transactions not yet settled	38	45

	Thousands of euros	
	2025	2024
Total payments made	219,023	204,187
Total payments outstanding	21,797	26,446

In accordance with the ICAC Resolution, the average period of payment to suppliers was calculated by taking into account the commercial transactions relating to the supply of goods or services for which payment has accrued in each year.

For the sole purpose of the disclosures provided for in the Resolution, suppliers are considered to be the trade creditors for the supply of goods or services included in "Payable to suppliers" and "Sundry accounts payable" under current liabilities in the balance sheet and regardless of any financing due to the early collection of the supplier.

"Average period of payment to suppliers" is taken to be the period that elapses from the delivery of the goods or the provision of the services by the supplier to the effective payment of the transaction.

The monetary volume and number of invoices paid within the established legal period are detailed below.

	2025	2024
Monetary volume (thousands of euros)	180,986	166,814
<i>Percentage of total payments made</i>	<i>82.6%</i>	<i>81.7%</i>
Number of invoices	20,493	18,707
<i>Percentage of total invoices</i>	<i>86.2%</i>	<i>80.1%</i>

The maximum legal payment period applicable to the Company in 2025 in accordance with Law 3/2004 of 29 December, establishing the measures to fight against default in commercial transactions is 60 days.

14. Tax situation

The breakdown of the tax receivables and payables at 31 December 2025 and 2024 is as follows:

	Thousands of euros	
	12/31/2025	12/31/2024
Tax receivables:		
Non-current-		
Deferred tax assets	49,377	48,933
Current-		
VAT refundable	4,836	225
Other tax receivables	19,742	9,374
	73,955	58,532
Tax payables:		
Non-current-		
Deferred tax liabilities	338,740	341,277
Current-		
VAT payable	-	462
Personal income tax withholdings payable	22,235	20,058
Payable to the Social Security	315	268
Deferred output VAT	139	9
	361,429	362,074

14.1 Reconciliation of accounting profit, taxable profit and tax expense

At 31 December 2025, the taxable profit was calculated as the accounting profit for the year. The reconciliation of the accounting profit, the taxable profit from corporation tax, the corporation tax payable or refundable, and the corporation tax expenses at 31 December 2025 and 2024 is as follows:

	Thousands of euros	
	2025	2024
Accounting profit before tax	125,038	126,797
Temporary differences	39,167	36,664
Permanent differences	(8,464)	(16,045)
Taxable profit prior to offsetting tax losses	155,741	147,416
Offset of tax losses	(1,000)	(994)
Tax base	154,741	146,422
Tax base under the REIT regime	156,706	146,462
Tax base at the general tax rate	149	-
Tax charge under the REIT regime (0%)	-	-
Tax charge under the standard regime (25%)	37	-
Adjustments to the tax charge	-	-
Tax credit for reinvestment	-	-
Tax credit for temporary measures	-	-
Prepayments	-	-
Corporation tax payable / (receivable)	-	-
Tax base under the REIT regime	156,706	146,462
Tax base at the general tax rate	149	-
Tax charge under the REIT regime (0%)	-	-
Tax charge under the standard regime (25%)	37	-
Deductions	(37)	-
Special charge	-	-
Total current income tax expense	-	-
Tax bases	-	-
Deductions offset	-	-
Offset of prior years' corporation tax	-	(9,883)
Other corporation tax adjustments	-	(132)
Deferred tax asset adjustments	(1,190)	-
Deferred tax liability adjustments	(2,026)	7,649
Total deferred tax expense	(3,216)	(2,366)
Total corporation tax expense	(3,216)	(2,366)

The current tax expense recognised in 2025 relates mainly to the tax impact due to the sale of investment property whose portion of the margin has been taxed under the general regime.

The permanent differences in 2025 mainly correspond to the amortisation of goodwill arising from the merger by absorption of Testa Inmobilia en Renta, SOCIMI, S.A., as well as various expenses and provisions not tax deductible in 2025.

The temporary differences in 2025 correspond mainly to adjustments for differences between accounting and tax depreciation of the assets of Testa and Metrovacesa.

The detail of the corporation tax (expense)/income at year-end 2025 and 2024 is as follows:

	Thousands of euros	
	2025	2024
Current tax:		
Continuing operations	-	-
Deferred tax:		
Continuing operations	3,216	(2,366)
Total tax (income)/expense	3,216	(2,366)

14.2 Deferred tax assets recognised

The changes in 2025 and 2024 in the deferred tax assets recognised are as follows:

	Thousands of euros
Total deferred tax assets at 31 December 2024	48,933
Tax losses	9,854
Offset of deductions	(9,410)
Total deferred tax assets at 31 December 2025	49,377

	Thousands of euros
Total deferred tax assets at 31 December 2023	73,291
Offset of tax losses	(18,162)
Offset of deductions	(6,196)
Total deferred tax assets at 31 December 2024	48,933

On 10 January 2022, the Tax Agency notified the Company of the commencement of audits and investigations relating to Corporate Income Tax, Value Added Tax and withholdings on account for various years. On 21 February 2024, the conformity certificates were signed. The income tax assessment for 2016 to 2019 determined an amount to be refunded to the Company of EUR 13,984 thousand, comprising tax payable and late-payment interest. The above mentioned certificate recognises the effects of the ruling of 19 January 2024 of the Constitutional Court, which annulled certain provisions of Royal Decree-Law 3/2016 that had an impact on the taxable income for corporate income tax purposes for 2016 to 2019. The Company also filed supplementary income tax returns for the years 2021 to 2023. Based on the above, in 2024 the Company derecognised EUR 18,162 thousand of tax loss carryforwards and EUR 6,196 thousand of tax credits.

The detail of the tax loss carryforwards at 31 December 2025 is as follows:

	Thousands of euros	
	Recognised Tax base	Tax credit
Tax loss carryforwards:		
2009	59,924	14,981
2010	1,650	413
2011	86,402	21,600
2019	1,201	300
2020	8,307	2,077
2023	32,259	8,064
Total tax loss carryforwards	189,743	47,435
Other deferred taxes recognised	7,767	1,942
Total capitalised deferred tax assets	197,510	49,377

The "Other deferred taxes recognised" heading mainly includes the timing differences caused by the limitation of the depreciation of the assets generated by the acquisition of the Testa subgroup and Metrovacesa and the tax deductions pending application mainly due to reinvestment.

The deferred tax assets indicated above were recognised in the accompanying balance sheet because the Company's directors considered that, based on their best estimate of the Company's future earnings, including certain tax planning measures, it is probable that these assets will be recovered.

As a result of the merger of Testa Inmuebles en Renta SOCIMI, S.A. and the property business of Metrovacesa, S.A., tax gains were generated arising from the difference between the values at which the assets were included in the financial statements and their tax bases. In accordance with the REIT regime, the Company will pay tax on these gains when the property asset is sold. The directors estimate that the deferred tax assets detailed in the table above will be recovered when the property assets are sold, thus offsetting the aforementioned gains.

The Company had unused tax deductions and credits at 31 December 2025 amounting to EUR 1,942 thousand (EUR 11,352 thousand in 2024), mainly due to the tax credits for reinvestment.

Deferred tax assets not recognised

The detail of tax assets not recognised at 31 December 2025 is as follows:

	Thousands of euros
	No recognised Tax base
Tax loss carryforwards:	
2023	21,915
Total tax loss carryforwards	21,915

14.3 Deferred tax liabilities

The deferred tax liabilities mainly arose from the merger and the business combination executed in 2016 with Testa Inmuebles en Renta, SOCIMI, S.A. and the property business of Metrovacesa, S.A. and were caused by the differences existing between the book values and the tax values of the assets received in those transactions.

The changes in “Deferred tax liabilities” at 31 December 2025 and 2024 were as follows:

	Thousands of euros
Total deferred tax liabilities at 31 December 2024	341,277
Assest sales	(2,537)
Total deferred tax liabilities at 31 December 2025	338,740

	Thousands of euros
Total deferred tax liabilities at 31 December 2023	349,713
Corporate transactions (Notes 1.2 and 9)	(8,436)
Total deferred tax liabilities at 31 December 2024	341,277

As a result of the merger of Testa Inmuebles en Renta SOCIMI, S.A. and the property business of Metrovacesa, S.A., tax gains were generated arising from the difference between the values at which the assets were included in the financial statements and their tax bases. In accordance with the REIT regime, the Company will pay tax on these gains when the property asset is sold.

14.4 Years open for review and tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute of limitations has expired.

At year-end 2025, the Company had open for review the 2021 to 2024 financial years for corporation tax, the 2022 to 2025 financial years for VAT and personal income tax and non-resident income tax withholdings, and the 2023 to 2026 financial years for the economic activities tax and property tax.

The Company's Directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, the possible liabilities as might arise would not have a material effect on the consolidated financial statement. Also, Law 34/2015, of 21 September, partially amending Law 58/2003, of 17 December, on General Taxation establishes the right of the tax authorities to initiate a review and investigation procedure of the tax losses offset or carried forward or tax credits taken or carried forward, which will become statute barred after ten years from the day on which the regulatory period established for filing the tax return or self-assessment relating to the year or the tax period in which the right to offset the tax loss or to apply the tax credits arose.

15. Disclosure requirements arising from REIT status, Law 11/2009, amended by Law 16/2012 and Law 11/2021

- a. Reserves arising from the years prior to applying the tax regime established in Law 11/2009, as amended by Law 16/2012, of 27 December and subsequently.

There are no reserves from years prior to the Company's adherence to the REIT regime, taking into consideration the Company was incorporated in 2014, the year in which it requested to apply the aforementioned tax regime.

- a. Reserves arising from the years in which the tax regime established in this Act was applied, distinguishing between the portion that comes from income subject to a 0%, 15% and 19% tax rate and that which is taxed at the general tax rate, where applicable.

The following changes in reserves occurred in 2014 to 2025:

	Thousands of euros				
	Subject to a 0% tax rate	Subject to a 19% tax rate	Subject to a 15% tax rate	Subject to the general tax rate	Not Subject
2024					
2023	352,551	-	-	-	-
2022	8,961	-	-	-	-
2021	(25,467)	-	-	-	-
2020	17,940	-	-	-	-
2019	20,857	-	-	-	-
2018	11,453	-	-	-	(38)
2017	11,897	-	-	-	1,628
2016	2,986	-	-	-	(532,767)
2015	(54,543)	-	-	-	-

In 2023, among others, EUR 332,961 thousand in reserves generated at 0% were generated from the undistributed profit arising from the transfer of properties and shares referred to in section 2(1) of Law 11/2009, of 26 October, regulating REITs. That amount must be reinvested in other properties or shares assigned to performance of the Company's main corporate purpose within three years of the transfer date. That amount corresponds to the undistributed profits from the divestment of the investee company Tree Inversiones Inmobiliarias, SOCIMI, S.A. in 2022 and must be reinvested in other properties or shares assigned to performance of the Company's main corporate purpose within three years of the transfer date. The reinvestment obligation had been fulfilled in its entirety at 2025 year end.

- c. Dividends distributed charged to profit for each year in which the tax regime established in this Act was applied, distinguishing between the portion that comes from income subject to a 0%, 15% or 19% tax rate and that which is taxed at the general tax rate, where applicable.

	Thousands of euros			
	Subject to a 0% tax rate	Subject to a 19% tax rate	Subject to a 15% tax rate	Subject to the general tax rate
2024				
2023	207,023	-	-	-
2022	444,815	-	-	-
2021	70,033	-	-	-
2020	68,519	-	-	-
2019	185,857	-	-	1,275
2018	16,235	-	-	86,911
2017	102,687	-	-	38,081
2016	3,789	-	-	57,808
2015	25,035	-	-	-

(*) Based on the distribution year, including final dividends generated in the previous year.

- d. In the case of dividends distributed charged to reserves, indicate the year relating to the reserves applied and whether they were taxed at a rate of 0%, 15%, 19% or at the general tax rate.

No dividends were distributed charged to reserves in 2014 to 2025.

- e. Date of the resolution to distribute dividends referred to in letters c) and d) above.

On 13 November 2025, the Company's Board approved the distribution of an interim dividend out of 2025 profits in the amount of EUR 112,563 thousand.

On 30 April 2025 the General Meeting approved a dividend of EUR 113,065 thousand against a share premium and a dividend out of 2024 profits in the amount of EUR 10,753 thousand.

On 26 November 2024, the Company's Board approved the distribution of an interim dividend charged to the profits for 2023 in the amount of EUR 101,234 thousand.

On 9 May 2024, the General Meeting approved the distribution of a final dividend charged to the profits for 2023 in the amount of 3,937 thousand and the distribution of a dividend charged to the share premium in the amount of EUR 108,805 thousand.

On 16 November 2023, the Board of Directors of the Company approved the distribution of an interim dividend charged to profit for 2023 in the amount of EUR 93,673 thousand.

On 27 April 2023, the General Meeting approved the distribution of a final dividend charged to the profits for 2023 in the amount of EUR 113,350 thousand.

On 10 November 2022, the Company's Board approved the distribution of a dividend of EUR 93,646 thousand charged to profit for 2022.

On 28 July 2022, the Company's Board of Directors approved the distribution of an interim dividend charged to profit for 2022 in the amount of EUR 351,169 thousand.

On 4 May 2022, the General Shareholders Meeting approved the distribution of a dividend charged to the "share premium" reserve in the amount of EUR 106,497 thousand, and the distribution of a dividend charged to profit for 2021 for EUR 10,614 thousand.

On 11 November 2021, the General Shareholders Meeting approved the distribution of a dividend of EUR 70,033 thousand charged to the profit for 2021.

On 17 June 2020, the Company's General Shareholders Meeting approved the distribution of an interim dividend charged to profit for 2019 in the amount of EUR 68,518 thousand. That dividend was paid on 8 July 2020.

On 10 October 2019, the Company's Board of Directors resolved to distribute of an interim dividend charged to profit for 2019 in the amount of EUR 92,939 thousand. This interim dividend was paid to shareholders on 28 October 2019.

On 10 April 2019, the Company's General Shareholders Meeting approved the distribution of an interim dividend charged to profit for 2018 in the amount of EUR 94,193 thousand. That dividend was paid on 7 May 2019.

On 9 October 2018, the Company's Board of Directors resolved to distribute of an interim dividend charged to profit for 2018 in the amount of EUR 93,522 thousand. This interim dividend was paid to shareholders on 25 October 2018.

On 7 May 2018, the Company's General Shareholders Meeting approved the distribution of an interim dividend charged to profit for 2017 in the amount of EUR 9,624 thousand. That dividend was paid on 25 May 2018.

On 9 October 2017, the Company's Board of Directors resolved to distribute a dividend in the amount of EUR 93,457 thousand as an interim dividend charged to profit for 2017. This interim dividend was paid to shareholders on 25 October 2017.

The General Shareholders' Meeting held on 26 April 2017 approved the distribution of a dividend out of 2016 profit of EUR 47,311 thousand, which was paid to shareholders on 18 May 2017.

On 19 October 2016, the Company's Board of Directors resolved to distribute EUR 59,759 thousand as an interim dividend with a charge to profit for 2016. This interim dividend was paid to shareholders on 25 October 2016.

The General Shareholders' Meeting held on 6 April 2016 approved the distribution of a dividend out of 2015 profit of EUR 1,838 thousand, which was paid to shareholders on 27 April 2016.

On 14 October 2015, the Company's Board of Directors resolved to distribute EUR 25,035 thousand as an interim dividend with a charge to profit for 2015. This interim dividend was paid to shareholders on 28 October 2015.

- f. Acquisition date of the properties intended for lease and the shares in the share capital of companies referred to in section 2.1 of this Act.

Detail in Appendix II

- g. Identify the assets included in the calculation of the 80% referred to in section 3.1 of this Law.

100% of the Company's investment property is made up of urban properties intended for lease, as well as land intended for property development and subsequent lease. Accordingly, the majority of the shares in companies complies with the requirements of section 2.1 of Law 11/2009. These assets are identified in Appendix II, which is an integral part of these financial statements.

The Company's consolidated balance sheet of the Merlin Group for REIT purposes complies with the minimum investment requirement of 80%.

- h. Reserves arising from the years in which the special tax regime established in this Act was applied, that were drawn down in the tax period, that were not used for distribution or to offset losses, identifying the year relating to these reserves.

No reserves were provisioned in financial years 2014 to 2025.

16. Balances and transactions with related parties

16.1 Transactions with Group companies and associates

The detail of the transactions with Group companies and associates in 2025 and 2024 is as follows:

Society	2025	2024
Net amount of turnover	154,664	142,282
Sales		
Dividends	86,641	81,895
Merlin Retail, S.L.U.	10,866	12,146
Merlin Oficinas, S.L.U.	18,536	26,502
Merlin Logística, S.L.U.	24,379	9,616
Sevisur Logística, S.A.	4,769	3,857
Parc Logístic Zona Franca, S.A.	-	925
La Vital Centro Comercial, S.L.	4,357	4,123
Global Carihuela PC, S.L.U.		12,244
MPCVI Investim. Imobil., S.A.	344	188
MP Monumental, S.A.		12
Promosete Invest. Imobil., S.A.	861	1,221
Praça do Marquês Serv.Aux, S.A.	3,162	841
Torre dos Oceanus-Invest. Imob	1,065	838
Torre Arts-Invest. Imob., S.A.	3,017	2,267
Torre Fernão Magalhães-Invest.	1,042	1,193
Centro Intermodal de Logística, S.A.	6,882	5,922
MPEP Properties Escritórios	30	-
MPLIB Investimentos Imobiliarios, Unipessoal Lda.	7,143	-
Parking del Palau, S.A.	73	-
Merlin Edged, S.L.U.	115	-
Income from Loans to Group and Associated Companies	53,856	48,049
Merlin Retail, S.L.U.	1,311	1,159
Merlin Oficinas, S.L.U.		506
Merlin Logística, S.L.U.	15,936	12,935
Sevisur Logística, S.A.	428	474
Parc Logístic Zona Franca, S.A.	3,710	2,222
Innovación Colaborativa, S.L.U.	567	603
The Exhibitions Company, S.A.U	42	14
DeS.A.rrollo Urbano de Patraix, S.A.	372	357
Varitelia Distribuciones, S.L.U.	7,578	7,656
Global Carihuela PC, S.L.U.	3,024	2,720
MPCVI Investim. Imobil., S.A.	-	467
MPEP Properties Escritórios	936	939
MP Monumental, S.A.	-	1,128
MP Torre A, S.A.	1,131	1,066
VFXIMO Invest. Imobil., S.A.	1,852	813
Promosete Invest. Imobil., S.A.	-	214
Torre dos Oceanus-Invest. Imob	-	500

Forum Almada-Gestao Centr Com	10,688	10,717
Milos Asset Development, S.L.U.	306	365
MPLIB Investimentos Imobiliarios, Unipessoal Lda.	3,165	2,709
Provitae Centros Asistenc., S.L.	31	42
Pº Comer. Carlos III, S.A.	515	436
Renazca, S.A.	1	7
Merlin Edged, S.L.U.	2,263	-
Rental activity	8,602	6,900
Innovación Colaborativa, S.L.U.	8,506	6,867
Parking del Palau, S.A.	35	33
Silicius Real Estate SOCIMI, S.A.	61	-
Service activity	5,565	5,439
Merlin Retail, S.L.U.	714	702
Merlin Oficinas, S.L.U.	860	977
Merlin Logística, S.L.U.	1,042	1,047
Sevisur Logística, S.A.	158	178
Parc Logístic Zona Franca, S.A.	313	296
La Vital Centro Comercial, S.L.	101	99
Varitelia Distribuciones, S.L.U.	266	260
Global Carhuela PC, S.L.U.	104	99
MPCVI Investim. Imobil., S.A.	35	34
MPEP Properties Escritórios	30	29
MP Monumental, S.A.	156	150
MP Torre A, S.A.	52	12
VFXIMO Invest. Imobil., S.A.	86	39
Promosete Invest. Imobil., S.A.	77	71
Praça do Marquês Serv.Aux, S.A.	91	86
Torre dos Oceanus-Invest. Imob	59	56
Forum Almada-Gestao Centr Com	627	596
Forum Almada II, S.A.	346	346
Torre Arts-Invest. Imob., S.A.	125	106
Torre Fernão Magalhães-Invest.	50	48
MPLIB Investimentos Imobiliarios, Unipessoal Lda.	1	74
Edged Spain, S.L.U.	-	66
Pº Comer. Carlos III, S.A.	75	50
Renazca, S.A.	47	18
HCG Levante, S.L.	150	-
Other operating income	91	68
Edged Spain, S.L.U.	77	55
Centro Intermodal de Logística, S.A.	3	2
Silicius Real Estate SOCIMI, S.A.	11	11
Merlin Retail, S.L.U.		
Personnel expenses -	(3)	-
Innovación Colaborativa, S.L.U.	(3)	
Other operating expenses	511	64

Revenues from re-invoicing of expenses	2,151	1,553
Innovación Colaborativa, S.L.U.	2,153	1,553
Silicius Real Estate SOCIMI, S.A.	(2)	
External services	(1,636)	(1,489)
Merlin Properties SOCIMI, S.A.	12	(12)
Innovación Colaborativa, S.L.U.	(229)	(760)
Testa Residencial SOCIMI, S.A.	-	-
Edged Spain, S.L.U.	(1,286)	(617)
The Exhibitions Company, S.A.U	(2)	(1)
Varitelia Distribuciones, S.L.U.	(89)	(85)
Parking del Palau, S.A.	(15)	(14)
MP Monumental, S.A.	(27)	
Tributes	(5)	(5)
Varitelia Distribuciones, S.L.U.	(5)	(5)
Financial expenses	(2,470)	(1,936)
Merlin Oficinas, S.L.U.	(788)	(256)
The Exhibitions Company, S.A.U	-	(9)
Gescentesta, S.L.U.	(73)	(44)
La Vital Centro Comercial, S.L.	(444)	(422)
S.A.dorma 2003, S.L.	(1,165)	(1,092)
Global Murex Iberia, S.L.		(113)
Total	152,830	140,474

At 31 December 2025 and 2024, the Company had entered into services agreements with some companies of its Group, by virtue of which it earned income for the provision of services amounting to EUR 5,500 thousand and EUR 5,439 thousand, respectively. These services were recognised under “Revenue” in the accompanying income statement.

16.2 Balances with Group companies and associates

The amount of the balances in the balance sheet at 31 December 2025 detailed in Note 7 is as follows:

	Thousands of euros	
	12/31/2025	12/31/2024
Long-term loans to Group companies and associates	428,494	373,530,436
Current loans to Group companies and associates	873,392	671,716,904
Other current financial assets	85,113	81,843,207
Non-current payables to Group companies and associates	(9,165)	(4,461,183)
Current payables to Group companies and associates	(52,881)	(37,691,721)
Receivable from Group companies and associates	6,290	14,100,390
Payable to suppliers, Group companies and associates	(32,019)	(32,690,108)

16.3 Balances and transactions with related parties

The detail of the balances and transactions with related parties is as follows:

	Thousands of euros			
	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Balances:				
Banco Santander, S.A. (a) (*)	52,738	100,000	23,396	100,000
Banco Santander, S.A. (a)	-	361	-	-
Banco Santander, S.A. (b)	-	-	-	373
P ^o Comercial Carlos III (d)	13,398	-	13,056	-
Provitae Centros Asistenciales, S.L. (e)	1,322	-	1,262	-
Silicius Real Estate SOCIMI, S.A. (f)	-	-	-	450
Edged Spain, S.L.U. (g)	4,163	33,162	3,803	4,461
Total	71,621	133,523	41,517	105,284

(*) The liability corresponds to the part of the corporate credit line corresponding to Banco Santander, undrawn at 31 December 2025 and 31 December 2024.

	2025		2024	
	Income	Expenses	Income	Expenses
Transactions:				
Banco Santander, S.A (a, b y c)	1,736	577	2,015	1,748
P ^o Comercial Carlos III (d)	382	-	436	-
Provitae Centros Asistenciales, S.L. (e)	31	-	42	-
Edged Spain, S.L.U. (g)	-	1,687	-	837
Total	2,149	2,264	2,493	2,585

During 2025, only the shareholder Banco Santander, S.A. held the status of significant shareholder pursuant to the regulations in force.

(a) Balances with Banco Santander Group

At 31 December 2025, the Company had bank balances deposited at Banco Santander, S.A. in the amount of EUR 52,738 thousand.

At 31 December 2025, the Company had no loans contracted with shareholders except for a corporate line of credit in the amount of EUR 740 million, which was undrawn at 31 December 2025, in which Banco Santander, S.A. participated with EUR 100 million.

In 2025, the finance costs incurred in transactions with Santander, S.A. amounted to EUR 463 thousand, which included EUR 112 thousand in guarantee fees and EUR 2 thousand in current account management costs.

The Company also has guarantee lines granted by the Banco Santander, S.A. group in the amount of EUR 25,395 thousand.

(b) Transactions with Banco Santander Group

In 2025, the Company recognised financial income of EUR 1,080 thousand as remuneration for current accounts.

In 2025, the Company had 3 leases with Banco Santander group in different buildings. The duration of the leases covers a period of up to 5 years, and in 2025 they generated of EUR 656 thousand, including income from leasing, as well as parking spaces and transfers of ATM space in shopping centres. The securities deposited by the tenants amounted to EUR 361 thousand.

In addition, the Company has contracted General Shareholders Meeting and shareholder registration organisation services amounting to EUR 80 thousand, in addition to listing agent services on the Euronext Lisboa stock exchange, dividend agent and register of members management services for EUR 34 thousand.

(c) Company share capital increase

On 24 July 2024, MERLIN Properties S.A. SOCIMI carried out a capital increase by means of an accelerated placement against cash contributions and excluding pre-emptive rights through the issue of 93,954,149 ordinary shares of MERLIN, each with a par value of one euro (EUR 1), of the same class and series as the shares currently existing and outstanding (see Note 10.1).

As a result of their performance, the following transactions with significant shareholders have taken place:

- Participation of Banco Santander, S.A. as Agent Bank (EUR 50 thousand; 0.005% of the issue) and as Co-Global Coordinator, the amount of the fee invoiced in this transaction being EUR 1,250 thousand, of which EUR 50 thousand are raised as agent bank commission and EUR 1,200 thousand as basic commission and discretionary commission.
- Banco Santander, S.A., direct or indirect holder of approximately 24.6% of MERLIN's share capital, subscribed 23,094,534 new shares, thus maintaining its stake in MERLIN's share capital after the Capital Increase (at the same 24.6%).
- Nortia Capital Investment Holding, S.L., which directly or indirectly holds approximately 8.17% of MERLIN's share capital, subscribed 7,674,216 new shares, thus maintaining its interest in MERLIN's share capital after the Capital Increase (at the same 8.17%).

The above related-party transactions related to the capital increase were reported by the Audit and Control Committee to the Board of Directors on 22 July 2024. These reports, in compliance with current legislation, were notified to the CNMV (registration numbers 29819 and 29820) and published on the corporate website: <https://ir.merlinproperties.com/regulador/operaciones-vinculadas/>.

Transactions with Directors

In addition, the capital increase of 24 July 2024 in MERLIN Properties S.A. SOCIMI resulted in the following transaction involving the Company's Directors:

- The pre-emptive subscription by the Chief Executive Officer, holding approximately 0.14% of the share capital, and by the Managing Director, holding approximately 0.13% of the share capital, who subscribed to 131,893 and 124,392 new shares respectively in the capital increase, thus maintaining their shareholding in MERLIN's share capital after the capital increase.

(d) Paseo Comercial Carlos III, S.A.

At 31 December 2025, the Company has an outstanding loan in the amount of EUR 13,398 thousand with its associate Paseo Comercial Carlos III, S.A. (owner of a shopping centre in Madrid) (see Note 7). The initial loan was renewed in 2025 for EUR 2,500 thousand and the accrued interest of EUR 898 thousand (EUR 517 thousand at 31 December 2024). The financial income in 2025 was EUR 382 thousand.

During the first half of 2024, the Group novated this loan for an additional EUR 10,000 thousand. This additional facility is part of the guarantee requested from the shareholders by the company's financing entities.

In the fourth quarter of 2025, the Company repaid EUR 2,539 thousand of the initial loan (originally granted in two tranches in 2020 and 2021) and subsequently expanded the facility by EUR 2,500 thousand, for an overall net reduction of the indebtedness of EUR 39 thousand. It also paid accrued interest outstanding in the amount of EUR 134 thousand on the original loan.

(e) Provitae Centros Asistenciales, S.L.

At 31 December 2025, the Company had a loan in force in the amount of EUR 1,322 thousand (EUR 1,262 thousand at 31 December 2024), including EUR 255 thousand of accrued interest (EUR 224 thousand and 2024). The loan was granted on 10 January 2002 to the associate Provitae Centro Asistenciales, S.L., which holds land in Villajoyosa. The financial income for the year 2025 was EUR 31 thousand.

(f) Silicius Real Estate SOCIMI, S.A.

At 31 December 2025 the Company had no outstanding payment obligations.

(g) Edged Spain, S.L.U.

Under the contracts between the Company, owner of a data centre currently in operation, and Edged Spain, S.L., there are a number of commitments based on the overheads, turnover and future utility of these Data Centres, for which the Company has recorded in 2025, EUR 1,110 thousand of expenses, EUR 4,756 thousand of assets and EUR 9,165 thousand of liabilities, respectively (EUR 609 thousand, EUR 2,856 thousand and EUR 404 thousand in 2024).

Dividends and other profits distributed to related parties (thousands of euros)

	2025	2024
Significant shareholders	57,690	52,086
Banco Santander, S.A.	57,690	52,086
Directors and executives	3,096	2,966
Directors	1,840	1,757
Executives	1,256	1,209
Total	60,786	55,052

17. Information relating to the Company's Board of Directors and senior executives

The Company's directors and the parties related to them did not have any conflicts of interest that had to be reported in accordance with section 229 of the revised text of the Corporate Enterprises Act.

Directors' compensation and other benefits

At 31 December 2025 and 2024, salaries, per diem attendance fees and any other type of compensation paid to members of the Company's bodies totalled EUR 8,198 thousand and EUR 6,791 thousand, as detailed below:

	Thousands of euros	
	2025	2024
Fixed and variable remuneration	7,960	6,492
Statutory compensation	-	-
Termination benefits	-	-
Per diems	222	288
Life and health insurance	16	11
	8,198	6,791

In addition to the above amounts, in 2025, the executive directors received total payments of EUR 2,501 thousand corresponding to variable remuneration for 2024 and deferred variable remuneration for 2022 and 2023. At 31 December 2025, outstanding accrued amounts associated with the variable remuneration for 2023 to 2025, amounting to EUR 5,730 thousand, were maintained, of which EUR 2,549 thousand were recognised under "Non-current provisions" and EUR 3,181 thousand under "Trade and other accounts payable" in the accompanying balance sheet.

In 2025 the Executive Directors received 87,164 shares in settlement under the 2022-2024 Incentive Plan.

With regard to the 'golden parachute' clauses for executive directors of the Company in the event of dismissal or takeover, these clauses provide for compensation that represented a total commitment of EUR 12,100 thousand as of 31 December 2025.

The breakdown, by board member, of the amounts disclosed above is as follows:

		Thousands of euros	
		2025	2024
Director:			
Remuneration of board members			
José Luis de Mora Gil-Gallardo	Chairman - Proprietary director	450	280
Javier García Carranza Benjumea	Chairman - Proprietary director	-	170
Ismael Clemente Orrego	CEO	3,300	2,663
Miguel Ollero Barrera	Executive director	2,750	1,832
María Luisa Jordá Castro	Independent director	177	183
Ana García Fau	Independent director	52	211
George Donald Johnston	Independent director	211	189
Fernando Ortiz Vaamonde	Independent director	151	148
Juan María Aguirre Gonzalo	Independent director	196	183
Pilar Cavero Mestre	Independent director	174	158
Francisca Ortega Hernández Agero	Proprietary director	176	171
Emilio Novela Berlín	Independent director	68	193
Ignacio Gil-Casares Satrustegui	Proprietary director	-	51
Juan Antonio Alcaraz García	Proprietary director	143	148
Inès Archer Toper	Independent director	161	103
Julia Bayón Pedraza	Proprietary director	149	97
Fernando López Muñoz	Proprietary director	24	-
		8,182	6,780

On 16 May 2024, the Board of Directors of the Company accepted and approved the resignation of Mr Javier García Carranza Benjumea as a member of the Board of Directors. At the same meeting, following a favourable report from the Appointments and Remuneration Committee, the Board of Directors of the Company unanimously approved the appointment by co-option of Mr José Luis de Mora Gil-Gallardo as a director representing the shareholder Banco Santander, S.A. and his appointment as Chairman of the Board of Directors of the Company to fill the existing vacancy.

The Annual General Meeting held on 30 April 2025 set the size of the Company's Board of Directors at 14 members.

In 2025 the Board accepted the resignation of Ana García Fau as director and had to regret the passing of another director, Emilio Novela. The Board accepted the resignation of Juan Antonio Alcaraz García as director and unanimously accepted the appointment of Fernando López Muñoz by co-option in November 2025.

The term of office of director Ignacio Gil Casares Satrustegui expired in 2024.

At the Ordinary General Meeting of Shareholders held on 9 May 2024, the appointment of Inès Archer Toper as an independent director and Julia Bayón Pedraza as a nominee director representing the shareholder Banco Santander, S.A. was approved.

The Company has granted no advances, loans or guarantees to any of its directors.

The Company's directors are covered by the "Corporate Third-Party Liability Insurance Policies for Directors and Executives" taken out by the Parent to cover possible damages that may be claimed, and that are evidenced as a result of a management error committed by its directors or executives, as well as those of its subsidiaries, in discharging their duties. The premium amounted to an annual total of EUR 272 thousand in 2024).

Remuneration and other benefits for senior management

The remuneration of the Company's senior management, including the Head of Internal Audit, excluding those who are simultaneously members of the Board of Directors (whose remuneration is disclosed above) in 2025 and 2024, is summarised as follows:

2025

Thousands of euros			
Number of persons	Fixed and variable remuneration	Other remuneration	Total
9	9,035	38	9,073

2024

Thousands of euros			
Number of persons	Fixed and variable remuneration	Other remuneration	Total
9	5,856	35	5,891

In addition to the above amounts, in 2025 senior management received payments for a total amount of EUR 3,605 thousand corresponding the variable remuneration for 2024 and the deferred variable remuneration for 2022 and 2023. At 31 December 2025, outstanding accrued amounts associated with the variable remuneration for 2023 to 2025, amounting to EUR 8,431 thousand, were maintained, of which EUR 3.773 thousand were recognised under "Non-current provisions" and EUR 4.658 thousand under "Trade and other accounts payable" in the accompanying balance sheet.

In 2025 the Executive Directors received 76,231 shares in settlement under the 2022-2024 Incentive Plan.

The main features of the long-term incentive plans approved and/or settled at year end are discussed below.

2025-2027 Incentive Plan

The General Meeting held on 30 April 2025 approved a long-term remuneration plan consisting of delivering a number of shares and/or options over the Company's shares totalling 5,168,656 in number (representing 0.92% of the Company's share capital at the date of approval), aimed at the executive directors and the management team and other important members of the Group's workforce (the "2025-2027 Incentive Plan"). The allocation procedure will vary depending on whether the Company's Board decides to pay performance shares in cash or to deliver shares.

The 2025-2027 Incentive Plan consists of a single target measurement cycle lasting 3 years, from 1 January 2025 to 31 December 2027. If targets are met, the shares will be delivered in 2028 after the financial statement for 2027 has been drawn up and audited. Share options will be settled by differences (or in the manner decided by the Board from time to time) during the exercise windows in 2028, 2029, and 2030 (with a maximum of one exercise window per year). The maximum number of shares earmarked for the executive directors has been capped at 1,307,738. The executive directors will be required to hold all the shares allocated to them under the 2025-2027 Incentive Plan for a 2-year retention period.

The total number of Company shares, subject To the above cap, delivered to the beneficiaries upon completion of the 2025-2027 Incentive Plan will depend on the level of achievement of the following shareholder value creation and sustainability objectives.

Metric	Definition	Weight
Absolute Total Shareholder Return (TSR)	Return per share taking into account the cumulative change in the Company's share price, including dividends and other similar benefits received by shareholders in 2025-2027.	40%

EPRA NTA per share on 2027/12/31 + Dividends per share (2025-2027)	The EPRA NTA is calculated based on the Company's consolidated equity and by adjusting certain items according to EPRA recommendations (including the value of assets on the market but excluding certain items that are not expected to result in sustained property rental business). The EPRA NTA assumes that the Company buys and sells properties and thus reflects certain levels of deferred tax liabilities. Under the Plan the EPRA NTA as at 31 December 2027, as published in MERLIN's annual financial statement, will be considered together with the dividends paid per share and other similar benefits received by shareholders during the target measurement period (2025-2027).	25%
Data Centres – MW available for lease on 31 December 2027	Installed MW at Data Centres outfitted with electric power supply equipment rented or available for rent on 31 December 2027.	10%
Data Centres – Gross Rental Income (GRI) on 31 December 2027	Annualised gross income from the Data Centre business in December 2027.	10%
Data Centres – EBITDA on 31 December 2027	Annualised EBITDA from the Data Centre business in December 2027.	10%
Net carbon emissions	Level of reduction of MERLIN's scope 1 + 2 CO2 emissions as at 31 December 2027 compared to 31 December 2024, calculated for the like-for-like asset portfolio under the Company's operational control (scope of MERLIN's progress towards net zero emissions).	5%

For the "Total Shareholder Return" market metric, the Company applied a valuation method for the underlying assets on the date the incentive is awarded based on a Montecarlo simulation with a stochastic geometric Brownian model. Montecarlo simulation is a statistical method that uses repeated random sampling to mathematically model the probability of possible different outcomes (scenarios) subject to uncertainty.

In this regard, the Montecarlo simulation method applied by the Group was based on a geometric Brownian model for assets with an implied yield (dividend) useful in estimating the price of Company shares at a future date. Accordingly, the Montecarlo method enables the possible paths that can be taken by the underlying asset (the price of the Company's shares) to be simulated, yielding different numerical outcomes for the geometric Brownian model based on repeated random sampling.

The elements of the geometric Brownian model considered included the share price on the measurement date, the start of the measurement period for the Incentive Plan, historical share volatility, the risk-free rate, and the expected dividend yield for shares during the Incentive Plan measurement period. A standard normal distribution $N(0,1)$ was used to generate the stochastic variable.

This procedure yielded the statistical average or expected value for/of the spot price of the Company's shares on the incentive period end date.

On that basis the Company recognised an expense of EUR 12,472 thousand in 2025 with a balancing entry for reserves and an expense of EUR 1,109 thousand in 2023) with a balancing entry for long-term liabilities.

2022-24 Incentive Plan

The General Meeting held on 4 May 2022 approved a long-term remuneration plan consisting in the delivery of 3,491,767 shares ordinary shares of the Company (representing 0.74% of the Company's share capital at the date of approval), aimed at the management team and other important members of the Group's workforce (the 2022-24 Incentive Plan).

The 2022-24 Incentive Plan consisted in a single cycle with a target measurement period of 3 years, beginning on 1 January 2022 and ending on 31 December 2024. If the targets are met, the shares will be delivered in 2025, once the corresponding financial statements for 2024 have been prepared and audited. All shares delivered under the 2022-24 Incentive Plan to executive directors will be subject to a retention period of 2 years. The maximum number of shares assigned to the executive directors is 1,088,082 shares.

The specific number of shares of the Company that, within the maximum established, will be delivered to the Beneficiaries of the 2022-24 Incentive Plan at the end of the Plan will be conditional on the compliance with the following objectives related to the creation of value for shareholders and sustainability:

Metrics	Definition	Weighting
Absolute TSR Relative TSR	Absolute Total Shareholder Return (TSR) is the return on the share taking into account the cumulative change in the Company's listed share price, including dividends and other similar items received by shareholders in 2022-2024. The Relative TSR measures the evolution of the TSR of the Company's share in 2022-2024, in relation to the TSR experienced in the FTSE EPRA Nareit Developed Europe Index during the same period.	50%
EPRA NTA 31/12/24 + Dividends (2022-2024) / share	The EPRA NTA is calculated based on the Company's consolidated equity and by adjusting certain items following the recommendations of the EPRA. Moreover, the dividends paid and other similar items received by the shareholder during the targets measurement period (2022, 2023 and 2024) are taken into account.	35%
Net carbon emissions	Level of reduction of the Company's CO2 emissions at 31 December 2024, compared with 31 December 2021, calculated for the comparable asset portfolio over which the Company has operational control (perimeter of the Company's pathway to net zero).	10%
Environment and society	Progress on initiatives linked to improving the environment and society. The economic and social impact of the Company's assets on local communities in which these assets are based and the various stakeholders will be assessed.	5%

The measurement period under the 2022-2024 Incentive Plan ended on 31 December 2024.

After the Company's Board verified achievement of the 2022-2024 Incentive Plan's targets, 290,954 net shares were delivered to the plan's beneficiaries in 2025.

Transactions outside the normal course of business or not on an arm's length basis performed by the managing body

Apart from the transactions with related parties described in Note 16, the Company's managing body did not carry out any transactions with the Company or Group companies outside the normal course of business or were not on an arm's length basis in 2025.

Stakes held by directors and their affiliates in other companies

The Company's directors and the parties related to them did not have any conflicts of interest that had to be reported in accordance with section 229 of the revised text of the Corporate Enterprises Act.

18. Revenue and expenses

18.1 Ordinary revenue

The distribution of revenue is as follows:

	Thousands of euros	
	2025	2024
Lease income	258,189	245,211
Revenue from services provided	6,453	6,313
Dividend income	86,641	81,895
Interest income	53,857	48,047
Total revenue	405,140	381,466

The breakdown, by type of activity and geographical market, of rental income for 2025 is as follows:

	Thousands of euros	
	2025	%
Branch of activity		
Offices	207,757	81%
Shopping centres	40,564	16%
Logistics	8,827	3%
Data Centers	879	-
Other	162	-%
	258,189	100%

	Thousands of euros	
	2025	%
Autonomous regions:		
Madrid	176,673	68%
Catalonia	42,044	16%
Andalusia	13,709	5%
Valencia	9,947	4%
Castilla-La Mancha	5,204	2%
Rest of Spain	10,612	4%
	258,189	100%

18.2 Staff costs

The detail of the remuneration expenses for employees at 31 December 2025 and 2024 is as follows:

	Thousands of euros	
	2025	2024
Wages, salaries and similar expenses	33,583	26,093
Compensation	153	-
Other employee benefit costs and taxes	3,879	3,285
Long-term and extraordinary incentive plan	13,582	2,804
	51,197	32,182

18.3 Other operating expenses

The detail of this heading of the accompanying 2025 and 2024 income statements is as follows:

	Thousands of euros	
	2025	2024
Non-recoverable expenses of leased properties	20,212	27,467
Outside services -		
Professional services	13,199	13,612
Insurance	564	558
Costs associated with asset acquisitions and sales, financial investments and financing	1,654	6,887
Utilities and other outside services	2,810	3,275
Taxes other than income tax	(71)	3,064
Losses on, impairment of and change in allowances for trade receivables	208	(583)
Total other operating expenses	38,576	54,280

18.4 Finance income and finance costs

The detail of the balances of these headings in the income statement is as follows:

	Thousands of euros	
	2025	2024
Interest on credits and others	4,568	4,689
Interest on deposits and current accounts	28,473	34,724
Finance income	33,041	39,413
Interest on loans and other credits	(131,355)	(126,425)
Finance expenses	(131,355)	(126,425)
Changes in fair value of financial instruments	(7,526)	(3,427)
Impairment and other losses	(689)	-
Gains/(losses) on disposals	(108)	(1,001)
Gains/(losses) on disposals of financial instruments	(797)	(1,001)
Net finance expense	(106,637)	(91,440)

“Interest on loans and other credits” includes the repayment of the debt arrangement expenses in the amount of EUR 7,239 thousand for 2025 (EUR 7,424 thousand for 2024), applying the effective interest method to the financial debt.

Financial income on short-term bank deposits and remunerated current accounts in 2025 totalled EUR 28,473 thousand (EUR 34,724 thousand in 2024).

19. Information on employees

The average number of employees in the Company, by professional category, in 2025 and 2024 was as follows:

	Average number of employees	
	2025	2024
Professional category:		
Management	28	28
Middle management	68	65
Other professionals	109	103
	205	196

The distribution, by gender, of the Company's workforce at the end of 2025 and 2024 was as follows:

	2025		2024	
	Women	Men	Women	Men
Management	1	27	1	27
Middle management	24	44	26	40
Other professionals	57	55	59	54
	82	126	86	121

The average number of employees at the Group in 2025 and 2024 with a disability equal to or greater than 33%, by category, was as follows:

	Average number of employees	
	2025	2024
Professional category:		
Management	-	-
Middle management	-	-
Other professionals	5	5
	5	5

20. Fees paid to auditors

At the Annual General Meeting held on 27 April 2023, the shareholders approved the appointment of PricewaterhouseCoopers Auditores, S.L. as the Company's auditors to audit the financial statements for the financial years 2024, 2025 and 2026.

In 2025 and 2024, the fees for audit services of the Company provided by PricewaterhouseCoopers Auditores, S.L., auditor for 2024 and Deloitte, S.L. auditor for 2023, were as follows:

	Thousands of euros	
	2025	2024
Audit services	366	356
Other verification services	195	78
Total audit services	561	434
Services required under applicable regulations:		
Tax advisory services	-	-
Other services	-	38
Total	561	472

“Other audit-related services” includes the verification services performed by the auditor in the bond issue process, as well as certain agreed procedures related to the performance of covenants.

For its part, the audit services include, in addition to the statutory annual audit, services from revisions of intermediate periods.

21. Information on financial risk management

Financial risk factors

The Company’s activities are exposed to various financial risks: market risk, credit risk, liquidity risk and cash flow interest rate risk. The Company’s global risk management programme focuses on the uncertainty of the financial markets and aims to minimise the potential adverse effects on the Company’s financial returns.

Risk management is undertaken by the Company’s senior management in accordance with the policies approved by the Board of Directors. Senior management identifies, assesses and hedges financial risks in close cooperation with the Company’s operating units. The Board of Directors issues the written global risk management policies and the policies for specific areas, including those for covering market risk, interest rate risk and liquidity risk and investing cash surpluses.

Market risk

Given the current status of the real-estate sector and in order to mitigate its effects, the Group has specific measures in place to minimise that impact on its financial position.

These measures are applied pursuant to the results of sensitivity analyses carried out by the Company on a regular basis. These analyses involve:

- The economic environment in which it operates: Designing different economic scenarios and modifying the key variables potentially affecting the Group. Identifying interdependent variables and the extent of their relationship; and
- The time scale in which the assessment is being carried out: The time frame of the analysis and its possible deviations will be taken into account.

The Company is exposed to market risk from possible vacancies or renegotiations of leases when the leases expire. This risk could have a direct negative impact on the valuation of the Company’s assets.

However, market risk is mitigated by the customer acquisition and selection policies and the mandatory lease terms negotiated with customers. Therefore, at 31 December 2025, the average occupancy rate of the Company’s asset portfolio was 94.8%, with a weighted average unexpired lease term of 3.2 years (weighted by GRI).

Credit risk

Credit risk is defined as the risk of financial loss to which the Company is exposed if a customer or counterparty does not comply with its contractual obligations.

In general, the Company holds its cash and cash equivalents at banks with high credit ratings.

The Group does not have any material credit risk concentration and has policies in place to limit the volume of risks posed by customers. Exposure to the risk of being unable to recover receivables is mitigated in the normal course of business through funds or guarantees deposited as collateral.

The Company has formal procedures to identify any impairment of trade receivables. Delays in payment are detected through these procedures and individual analysis by business area and methods are established to estimate impairment loss.

Cash and cash equivalents

The Company has cash and cash equivalents of EUR 1,394 million, which represents its maximum exposure to the risk posed by these assets.

Cash and cash equivalents are deposited with banks and financial institutions.

Liquidity risk

Liquidity risk is defined as the risk of the Company encountering difficulties meeting its obligations regarding financial liabilities settled in cash or with other financial assets.

At 31 December 2025, the Company's working capital amounted to EUR 1,091,468 thousand.

The Company conducts prudent management of liquidity risk by maintaining sufficient cash to meet its payment obligations when they fall due, both in normal and stressed conditions, without incurring unacceptable losses or risking the Company's reputation.

In addition, liquidity risk has the following mitigating factors, which should be highlighted: (i) the generation of recurrent cash from the businesses in which the Company conducts its activity; and (ii) the credit facilities available in the amount of EUR 797,322 and (iii) the capacity to renegotiate and obtain new financing facilities based on the Company's long-term business plans and the quality of its assets.

At the date the financial statements were authorised for issue, taking into account the foregoing, the Company had covered all its funding requirements to fully meet its commitments to suppliers, funders, employees and the authorities based on the cash flow forecast for 2026. Likewise, the type of sector in which the Company operates, the investments it makes, the financing it obtains to make such investments, the EBITDA they generate and the occupancy rates of the properties, enables the liquidity risk to be mitigated and excess cash to be produced.

Any cash surpluses are used to make short-term investments in highly liquid deposits with no risk. The acquisition of share options or futures, or any other high-risk deposits as a method of investing cash surpluses, is not among the possibilities considered by the Company for investing cash surpluses.

Interest rate risk in cash flows

The Company manages its interest rate risk by borrowing at fixed and floating rates of interest. The Company's policy is to ensure non-current net financing from third parties is at a fixed rate.

Exchange rate risk

The Company's policy is to borrow in the same currency as that of the cash flows of each business. Consequently, currently there is no foreign currency risk. The Company is not exposed to exchange rate fluctuations as all its operations are in its functional currency.

Tax risk

As mentioned in Note 1, the Company and part of its subsidiaries are subject to the special tax regime for listed companies investing in the property market (REITs). The transitional period of the Parent ended in 2017 and, therefore, compliance with all requirements established by the regime (see Notes 1 and 4.11) became mandatory. Some of the more formal obligations that the Company must meet involve the inclusion of the term SOCIMI (REIT) in its company name, the inclusion of certain information in the notes to its separate financial statements, the share price on the stock market, etc., and other obligations that require estimates to be made and judgements to be applied by management that may become fairly complex, especially considering that the REIT regime is relatively recent and was developed by the Directorate-General of Taxes mainly in response to the queries posed by various companies. The Company management, based on the opinion of its tax advisers, assessed compliance with the requirements of the regime, concluding that such requirements were met at 31 December 2025.

Accordingly, and also for the purpose of taking into consideration the financial effect of the regime, it should be noted that, as established in section 6 of Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, on REITs, and following provisions, and in the percentages established in it, companies that have opted for the special tax regime are required to distribute the profit generated during the year to their shareholders in the form of dividends, once the related corporate obligations have been met. This distribution must be approved within six months from each year-end, and the dividends paid in the month following the date on which the pay-out is agreed (see Note 4.11).

If the Company does not comply with the requirements established in the regime or if the shareholders at the General Meetings of these companies do not approve the dividend distribution proposed by the Board of Directors, calculated in accordance with the requirements of this Act, it would not be complying therewith and, accordingly, tax would have to be paid under the general regime, not the regime applicable to REITs.

Risk in climate change management

Within the framework of the European Green Pact and the UN Sustainable Development Goals, the Group is performing various actions on sustainability.

First, the Company, in 2021, formed a Sustainability and Innovation Committee under the Board that has the main competencies to advise the Board, among other aspects, on environmental and sustainability issues; to advise the Board on the development of the Company's strategy on sustainability in its relationships with stakeholders and in its publication and public communication; and to supervise the communication and information to the market of any information that refers to sustainability issues and non-financial information and to keep the ESG risk map updated (Environmental Social and Governance).

In this regard, the Company included decision factors in relation to non-financial KPIs in its investment and financing policies. In this line, the investment studies of real estate acquisitions and investments in repositioning of the Company's assets take into account, among other factors, elements such as obtaining energy efficiency certificates with the highest rating, air conditioning, lighting, solar energy, irrigation of green areas, accessibility, etc.

When certifying assets, the Company selects the most appropriate framework and modality based on the asset's phase, the characteristics of the building, its occupancy rate at the time of certification or the tenants who occupy it.

We are continuing the process of certifying the portfolio under the standards of the leaders in this market, BREEAM and LEED, with the aim of certifying 99% of our portfolio. In 2025 the Group certified or obtained the renewal of 35 assets. The Group considers the certification process of its assets as an anticipated response to the demands that the market will place on property lessors in the medium term and which will enable it to maintain its current competitive position.

Additionally, the Group obtained a 83% rating in the 2023 edition of GRESB, a platform that makes it possible to harmonise and compare information related to sustainability criteria (environmental, social and corporate governance - ESG) in real estate investments.

In addition, the Group has an Environmental Management System (EMS) certified according to ISO 14001, which is the umbrella under which it manages its portfolios and that incorporates new properties into its scope every year.

From 2015, the Group performed plan for ISO 14001 (environmental management) and ISO 50001 (energy management) certifications to maintain and expand the number of real estate assets that have at least ISO 14001 certification, and subsequently ISO 50001 certification (based on the understanding that it is a natural step to obtain ISO 14001 certification before aspiring to ISO 50001). This plan includes office buildings, shopping centres and logistics warehouses. ISO 14001, in 2025, 93 buildings comprising a surface area of 1,355,743 m² were certified, 4 fewer buildings than in 2024 .(because of buildings that became single-tenant buildings and some properties located in Portugal)

Furthermore, the Group has also continued its process of implementing an Energy Management System under the ISO 50001 standard, which began in 2017. Currently, 89 buildings are certified composing a surface area of 1,303,546 m², 4 fewer than in 2024 (because of buildings that became single-tenant buildings and some properties located in Portugal). The assets included in this system aim to reduce total energy consumption by 8% compared to 2022, based on the implementation of MAEs (energy saving measures).

In 2025, the Group performed an analysis of the entire portfolio to determine the carbon footprint of each of its assets, and the measures necessary to reduce the above carbon footprint.

The Group's progress in 2025 has enabled the Company to comply with its emissions reduction objective and "Pathway to Net Zero" for 2030, thus getting a head start on the European strategy for decarbonisation of the economy and ensuring the present and future survival of the Company and its assets.

MERLIN's progress over the last few years has enabled the Company to define its emissions reduction strategy or "Pathway to Net Zero" for 2030, thus getting a head start on the European strategy for decarbonisation of the economy and ensuring the present and future survival of the Company and its assets.

The Group's Path to Net Zero is a road map that includes improving the performance not only of the Company itself and of those assets over which it has operational control, but of the main stakeholder responsible for the Group's issues throughout its entire value chain, including suppliers and tenants.

The Group's financing policies are also aligned with its sustainability objectives through the Green Financing Program published in April 2022 (subsequently renewed in 2024) and the conversion of 100% of its bonds in circulation into green bonds.

The Company issued a green bond for a value of EUR 550 million in September 2025.

The Green Financing Program, in line with best market practices, includes the following eligibility criteria:

1. Green assets with the best LEED/BREEAM certification levels or energy efficiency certificates and/or minimum carbon emission levels
2. Investments in Energy Efficiency
3. Investments in renewable energy
4. Investments in pollution control and prevention mechanisms
5. Investments in transport mechanisms with low carbon emissions

Financing linked to ESG targets includes a cost adjustment mechanism linked, in the Group's opinion, to own credit risk, based on management indicators calculated based on four sustainability criteria that must be met at least three times annually and cumulatively over the period of the financing programme.

In addition, the Group in its commitment to climate responsibility incorporated qualitative factors related to the Group's sustainability strategy into the measurement targets for short-term variable compensation for its staff and management team (see Note 17).

The above initiatives, while increasing the Group's operating costs, are aimed at anticipating regulatory developments and building customer loyalty.

The Group is also committed to reporting a Non-financial information statement (NFIS) as recommended by the TCFD¹.

Finally, the Group has also made progress in publishing its Path to Net Zero. The Group's Path to Net Zero is a road map that includes improving the performance not only of the Company itself and of those assets over which it has operational control, but of the main stakeholder responsible for the Group's issues throughout its entire value chain, including suppliers and tenants. This strategy has 5 axes of action:

- 1 Operational carbon reduction: 85% of operational carbon reduction from baseline (2018) to target (2028).
- 2 Reduction of embodied carbon: Embodied carbon footprint calculated in all new developments and repositions.
- 3 Offset of residual emissions: The inevitable footprint will be mostly offset by duly certified own initiatives.
- 4 Reduction in tenant emissions: Green clauses in all new contracts and reduction in the rental price associated with their own credit risk for net zero tenants.
- 5 Renewable energy: Acquisition of 100% renewable energy and on-site generation of energy through solar power panels (Sun Project).

All of the above is part of the Group's net zero path or commitment to combating climate change. By 2024, the decarbonisation targets included in its "Road to Net Zero" have been validated and approved by the SBTi initiative.

22. Securities issued to third parties and other contingent liabilities

At 31 December 2025 and 2024, the Company had granted bank guarantees amounting to EUR 122,383 thousand and EUR 33,591 thousand, respectively.

23. Events after the reporting period

In February 2026, the Company leased 18MW at the data center located in Madrid.

In February 2026, the Company signed a long-term lease agreement for 12,908 sqm with a leading university at the Cerro de los Gamos business park.

¹ Task Force on Climate-related Financial Disclosures (TCFD).

APPENDIX I - Group companies and associates 2025

Company	Line of business / Location	Ownership interest	Thousands of euros								Consolidation method	Auditor
			Share capital	Profit/(Loss)		Other	Total	Dividends	Carrying amount			
				From operations	Net	Shareholders' Equity	Equity	Received	Cost	Impairment		
Merlin Retail, S.L.U.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	24,212	27,452	25,956	379,846	430,014	10,866	390,432	-	Global integration	PwC
Merlin Oficinas, S.L.U.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	32,797	14,607	15,399	778,292	826,488	18,536	833,226	-	Global integration	PwC
Merlin Logística, S.L.U.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	34,290	61,951	43,974	313,721	391,985	24,379	353,842	-	Global integration	PwC
Sevisur Logística, S.A.	Urban development, construction and operation of logistics and common services buildings. Ctra. de la Esclusa, 15. 41011, Seville.	100%	17,220	4,456	4,031	11,214	32,465	4,769	37,629	-	Global integration	PwC
Parques Logísticos de la Zona Franca, S.A.	Real estate acquisition and development for leasing, Avda. 3 del Parc Logístic, nº 26, Barcelona	100%	15,701	20,200	16,495	103,614	135,810	-	118,310	-	Global integration	PwC
The Exhibitions Company, S.A.U.	Provision of all kinds of technical, commercial or economic services/ Paseo de la Castellana 257, Madrid	100%	180	(666)	(709)	(275)	(804)	-	4,287	(4,287)	Global integration	N/A
Gescentesta, S.L.U.	Provision of Services / Paseo de la Castellana 257, Madrid	100%	3	286	267	1,512	1,782	-	3	-	Global integration	N/A
La Vital Centro Comercial y de Ocio, S.L.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	14,846	3,954	4,440	19,310	38,596	4,357	56,788	-	Global integration	PwC
Desarrollo Urbano de Patraix, S.A.	Land management / Avda. Barón de Carcer, 50, Valencia	100%	2,790	-	(373)	21,488	23,905	-	25,090	(1,184)	Global integration	N/A
Sadorma 2003, S.L.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	73	4,845	5,909	24,078	30,060	-	25,485	-	Global integration	N/A
Varitelia Distribuciones, S.L.U.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	18,443	15,341	7,763	12,769	38,975	-	202,979	(164,004)	Global integration	PwC
Global Carihuela, Patrimonio Comercial S.L.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	3,303	4,525	1,506	2,947	7,756	-	34,102	(26,346)	Global integration	PwC
Innovación Colaborativa, S.L.	Selection, contracting, fitting out, organization and management of coworking spaces / Paseo de la Castellana 257, Madrid	100%	27	(3,930)	(4,497)	5,101	631	-	30,868	(30,237)	Global integration	PwC
Milos Asset Development,	Acquisition, ownership, administration, disposal and development of land located within the "Distrito Castellana Norte" project / Paseo de la Castellana 257, Madrid	100%	163	(5)	(311)	795	647	-	1,603	(958)	Global integration	N/A

Company	Line of business / Location	Ownership interest	Share capital	Thousands of euros							Consolidation method	Auditor
				Profit/(Loss)		Other	Total	Dividends	Carrying amount			
				From operations	Net	Shareholders' Equity	Equity	Received	Cost	Impairment		
Merlin Edged, S.L.U.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	591	22	(2,240)	29,412	27,763	115	30,003	(2,240)	Global integration	PwC
Solstice Sage Finance, S.L.U.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	3	(1)	(1)	-	2	-	3	(1,353)	Global integration	PwC
Evergreen Eclipse Capital, S.L.U.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	3	(1)	(1)	-	2	-	3	(1)	Global integration	PwC
MPCVI – Compra e Venda Imobiliária, S.A.	Real estate acquisition and development for leasing /Avda. Dom João, 45, Lisbon	100%	1,050	1,193	518	6,008	7,576	344	6,418	-	Global integration	PwC Portugal
MPEP – Properties Escritórios Portugal, S.A.	Real estate acquisition and development for leasing /Avda. Dom João, 45, Lisbon	100%	50	983	102	415	567	30	1,085	-	Global integration	PwC Portugal
MP Monumental, S.A.	Real estate acquisition and development for leasing /Avda. Dom João, 45, Lisbon	100%	50	3,006	480	25,534	26,064	-	41,570	-	Global integration	PwC Portugal
MP Torre A, S.A.	Real estate acquisition and development for leasing /Avda. Dom João, 45, Lisbon	100%	50	867	(263)	9,804	9,591	-	22,201	-	Global integration	PwC Portugal
VFX Logística, S.A.	Real estate acquisition and development for leasing /Avda. Dom João, 45, Lisbon	100%	5,050	11,324	9,405	54,615	69,070	-	50,382	-	Global integration	PwC Portugal
Promosete, Invest. Inmobil. SA.	Real estate acquisition and development for leasing /Avda. Dom João, 45, Lisbon	100%	200	1,841	861	7,630	8,691	861	10,384	-	Global integration	PwC Portugal
Praça Do Marquês serviços Auxiliares, SA	Real estate acquisition and development for leasing /Avda. Dom João, 45, Lisbon	100%	15,893	3,857	5,048	62,154	83,095	3,162	56,361	-	Global integration	PwC Portugal
Torre Dos Oceanus Investimentos Imobiliários,S.A.	Real estate acquisition and development for leasing /Avda. Dom João, 45, Lisbon	100%	50	2,212	1,257	3,319	4,626	1,065	15,912	-	Global integration	PwC Portugal
Forum Almada – Gestão Centro Comercial Sociedade Unipessoal, Lda.	Real estate acquisition and development for leasing /Avda. Dom João, 45, Lisbon	100%	5	21,414	12,439	104,984	117,428	-	89,453	-	Global integration	PwC Portugal
	Real estate acquisition and development for leasing /Avda. Dom João, 45, Lisbon	100%	10,000	13,353	9,499	93,736	113,235	-	353,611	-	Global integration	PwC Portugal
Torre Arts Investimentos Imobiliários, S.A.	Real estate acquisition and development for leasing /Avda. Dom João, 45, Lisbon	100%	100	5,946	4,707	78,153	82,960	3,017	80,281	-	Global integration	PwC Portugal
Torre Fernao Magalhaes Investimentos Imobiliários, S.A.	Real estate acquisition and development for leasing /Avda. Dom João, 45, Lisbon	100%	100	1,696	802	12,370	13,272	1,042	13,055	-	Global integration	PwC Portugal
MPLIB – Investimentos Imobiliários, Unipessoal Lda.	Real estate acquisition and development for leasing /Avda. Dom João, 45, Lisbon	100%	2,000	(142)	(3,426)	58,592	57,166	7,143	64,308	(930)	Global integration	PwC Portugal
Paseo Comercial Carlos III, S.A.	Real estate acquisition and development for leasing / Avda. San Martín Valdeiglesias, 20 28922 Madrid	50%	8,698	5,023	1,891	27,941	38,530	-	25,668	-	Equity method	PwC
Provitae Centros Asistenciales, S.L.	Real estate acquisition and development for leasing / C. Fuencarral, 123. Madrid	50%	6,314	(49)	(111)	(1,805)	4,398	-	5,061	(2,862)	Equity method	PwC
G36 Development, S.L.	Real estate acquisition and development for leasing / Paseo de la Castellana 93, Madrid	50%	3	21	21	8	n.d.	-	2	-	Equity method	N/A

Company	Line of business / Location	Ownership interest	Thousands of euros								Consolidation method	Auditor
			Share capital	Profit/(Loss)		Other	Total	Dividends	Carrying amount			
				From operations	Net	Shareholders' Equity	Equity	Received	Cost	Impairment		
Centro Intermodal de Logística S.A.	Development, management and implementation of logistics activities in the port system / Avenida Ports d'Europa 100, Barcelona	49%	18,920	27,097	18,324	133,032	170,276	6,882	95,688	-	Equity method	Mazars
Pazo de Congresos de Vigo, S.A.	Execution project, construction and operation of the Vigo Conference Center / Avda. García Barbón, I. Vigo	44%	n.d.	n.d.	n.d.	n.d.	-	-	3,600	(3,600)	Equity method	N/A
Parking del Palau, S.A.	Real estate acquisition and development for leasing / Paseo de la Alameda, s/n. Valencia	33%	1,698	294	304	343	2,345	73	2,137	(1,104)	Equity method	BDO
Araba Logística, S.A.	Real estate acquisition and development for leasing / Avda. Álava s/n Rivabellosa (Álava)	25%	1,750	(1,261)	(841)	14,068	14,977	4,847	2,257	-	Equity method	Mazars
Crea Madrid Nuevo Norte, S.A.	Performing all types of real estate activities / Paseo de la Castellana 216, Madrid	14%	570,191	13,250	(8,239)	(42,897)	519,055	-	227,032	(4,065)	Equity method	EY
HCG Levante, S.L.	Property management and administration under a rental regime /Calle Travessera de Gracia, 30, Barcelona	6%	64	(193)	(193)	14,304	14,175	-	1,130	(11)	Equity method	N/A
Moregal Hotels, S.L.	Real estate acquisition and development for leasing / Alameda de Colón , 9, Málaga	35%	7,572	(7)	50	8,149	15,771	-	10,835	-	Equity method	N/A

(*) Indirect holding

APPENDIX I - Group companies and associates 2024

Company	Line of business/Location	Ownership interest	Thousands of euros								Consolidation method	Auditor
			Share capital	Profit/(Loss)		Other	Total	Dividends	Carrying amount			
				From operations	Net	Shareholders' Equity	Equity	Received	Cost	Impairment		
Merlin Retail, S.L.U.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	24	20	19	372	415	12	390	-	Global Integration	PwC
Merlin Oficinas, S.L.U.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	33	30	30	767	830	27	833	-	Global Integration	PwC
Merlin Logística, S.L.U.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	34	28	12	326	372	10	354	-	Global Integration	PwC
Sevisur Logística, S.A.	Urban development, construction and operation of logistics and common services buildings. Ctra. de la Esclusa, 15. 41011, Seville.	100%	17	5	4	11	32	4	38	-	Global Integration	PwC
Parques Logísticos de la Zona Franca, S.A.	Real estate acquisition and development for leasing, Avda. 3 del Parc Logístic, nº 26, Barcelona	100%	16	-	(2)	105	119	1	118	-	Global Integration	PwC
The Exhibitions Company , S.A.U.	Provision of all kinds of technical, commercial or economic services/ Paseo de la Castellana 257, Madrid	100%	-	(1)	(1)	1	-	-	4	(4)	Global Integration	N/A
Gescentesta, S.L.U.	Provision of Services / Paseo de la Castellana 257, Madrid	100%	-	-	-	2	2	-	-	-	Global Integration	N/A
La Vital Centro Comercial y de Ocio, S.L.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	15	4	4	19	39	4	57	-	Global Integration	PwC
Desarrollo Urbano de Patraix, S.A.	Land management / Avda. Barón de Carcer, 50, Valencia	100%	3	-	-	22	24	-	25	(1)	Global Integration	N/A
Sadorma 2003, S.L.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	-	-	3	21	24	-	25	(1)	Global Integration	N/A
Varitelia Distribuciones, S.L.U.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	18	7	(1)	14	31	-	203	(172)	Global Integration	PwC
Global Carihuela, Patrimonio Comercial S.L.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	3	1	(2)	5	6	12	34	(28)	Global Integration	PwC

Company	Line of business/Location	Ownership interest	Thousands of euros								Consolidation method	Auditor
			Share capital	Profit/(Loss)		Other	Total	Dividends	Carrying amount			
				From operations	Net	Shareholders' Equity	Equity	Received	Cost	Impairment		
Innovación Colaborativa, S.L.	Selection, contracting, fitting out, organization and management of coworking spaces / Paseo de la Castellana 257, Madrid	100%	-	(5)	(6)	11	5	-	31	(26)	Global Integration	PwC
Milos Asset Development,	Acquisition, ownership, administration, disposal and development of land located within the "Distrito Castellana Norte" project / Paseo de la Castellana 257, Madrid	100%	-	-	-	1	1	-	2	(1)	Global Integration	N/A
Merlin Edged, S.L.U.	Real estate acquisition and development for leasing / Paseo de la Castellana 257, Madrid	100%	-	-	-	-	-	-	-	-	Global Integration	PwC
MPCVI – Compra e Venda Imobiliária, S.A.	Real estate acquisition and development for leasing / Av. Fontes Pereira de Melo, Nº 51, Lisbon	100%	1	1	-	6	7	-	6	-	Global Integration	PwC Portugal
MPEP – Properties Escritórios Portugal, S.A.	Real estate acquisition and development for leasing / Av. Fontes Pereira de Melo, Nº 51, Lisbon	100%	-	1	-	-	—	-	1	-	Global Integration	PwC Portugal
MP Monumental, S.A.	Real estate acquisition and development for leasing / Avda. Dom João, 45, Lisbon	100%	-	3	-	26	26	-	42	-	Global Integration	PwC Portugal
MP Torre A, S.A.	Real estate acquisition and development for leasing / Avda. Dom João, 45, Lisbon	100%	-	(1)	(2)	11	9	-	22	-	Global Integration	PwC Portugal
VFX Logística, S.A.	Real estate acquisition and development for leasing. Av. Fontes Pereira de Melo, Nº 51, Lisbon	100%	5	(6)	(7)	62	60	-	50	-	Global Integration	PwC Portugal
Promosete, Invest. Imobil. SA.	Real estate acquisition and development for leasing. Av. Fontes Pereira de Melo, Nº 51, Lisbon	100%	-	2	1	8	9	1	10	-	Global Integration	PwC Portugal
Praça Do Marquês serviços Auxiliares, SA	Real estate acquisition and development for leasing. Av. Fontes Pereira de Melo, Nº 51, Lisbon	100%	16	4	4	61	81	1	56	-	Global Integration	PwC Portugal
Torre Dos Oceanus Investimentos Imobiliários,S.A.	Real estate acquisition and development for leasing / Avda. Dom João, 45, Lisbon	100%	-	2	1	3	4	1	16	-	Global Integration	PwC Portugal
Forum Almada – Gestão Centro Comercial Sociedade Unipessoal, Lda.	Real estate acquisition and development for leasing / Avda. Dom João, 45, Lisbon	100%	-	20	11	94	105	-	89	-	Global Integration	PwC Portugal
Forum Almada II, S.A.	Real estate acquisition and development for leasing / Avda. Dom João, 45, Lisbon	100%	10	13	10	84	104	-	344	-	Global Integration	PwC Portugal

Company	Line of business/Location	Ownership interest	Thousands of euros								Consolidation method	Auditor
			Share capital	Profit/(Loss)		Other	Total	Dividends	Carrying amount			
				From operations	Net	Shareholders' Equity	Equity	Received	Cost	Impairment		
Torre Arts Investimentos Imobiliários, S.A.	Real estate acquisition and development for leasing / Avda. Dom João, 45, Lisbon	100%	-	4	3	78	81	2	80	-	Global Integration	PwC Portugal
Torre Fernao Magalhaes Investimentos Imobiliários, S.A.	Real estate acquisition and development for leasing / Avda. Dom João, 45, Lisbon	100%	—	2	1	12	14	1	13	-	Global Integration	PwC Portugal
MPLIB – Investimentos Imobiliários, Unipessoal Lda.	Real estate acquisition and development for leasing / Avda. Dom João, 45, Lisbon	100%	2	11	8	51	60	-	57	-	Global Integration	PwC Portugal
Paseo Comercial Carlos III, S.A.	Real estate acquisition and development for leasing / Avda. San Martín Valdeiglesias, 20 28922 Madrid	50%	9	6	2	26	37	-	26	-	Equity method	PwC
Provitae Centros Asistenciales, S.L.	Real estate acquisition and development for leasing / C. Fuencarral, 123. Madrid	50%	6	-	-	(2)	5	-	5	(3)	Equity method	PwC
G36 Development, S.L.	Real estate acquisition and development for leasing / Paseo de la Castellana, 93 Madrid	50%	—	-	-	-	—	-	-	-	Equity method	N/A
Centro Intermodal de Logística S.A.	Development, management and implementation of logistics activities in the port system / Avenida Ports d'Europa 100, Barcelona	49%	19	27	18	130	167	6	96	-	Equity method	Mazars
Pazo de Congressos de Vigo, S.A.	Execution project, construction and operation of the Vigo Conference Center / Avda. García Barbón, I. Vigo	44%	n.d.	n.d.	n.d.	n.d.	n.d.	-	4	(4)	Equity method	N/A
Parking del Palau, S.A.	Real estate acquisition and development for leasing / Paseo de la Alameda, s/n. Valencia	33%	2	-	-	-	2	-	2	(1)	Equity method	BDO
Araba Logística, S.A.	Real estate acquisition and development for leasing / Avda. Álava s/n Rivabellosa (Álava)	25%	2	12	12	22	35	-	2	-	Equity method	Mazars
Crea Madrid Nuevo Norte, S.A.	Performing all types of real estate activities / Paseo de la Castellana 216, Madrid	14%	504	(5)	(5)	(38)	461	-	217	(3)	Equity method	EY
HCG Levante, S.L.	Property management and administration under a rental regime /Calle Travessera de Gracia, 30, Barcelona	6%	—	-	-	14	14	-	1	-	Equity method	N/A
Moregal Hotels, S.L.	Real estate acquisition and development for leasing / Alameda de Colón, 9, Málaga	7%	5	-	-	1	6	-	2	-	Equity method	N/A
Silicius Real Estate, SOCIMI, S.A.	Performing all types of real estate activities / Calle de Velázquez, 123, Madrid	18%	31	5	(10)	288	309	-	89	-	Equity method	PwC

Company	Line of business/Location	Ownership interest	Thousands of euros								Consolidation method	Auditor
			Share capital	Profit/(Loss)		Other	Total	Dividends	Carrying amount			
				From operations	Net	Shareholders' Equity	Equity	Received	Cost	Impairment		
Edged Spain, S.L.	Provision of Data Center services / Paseo de la Castellana 257, Madrid	50%	3	-	-	(1)	2	-	2	-	Equity method	PwC

APPENDIX II - List of the properties intended for lease and the holding in the share capital of companies referred to in section 2.1 of Law 11/2009, amended by Law 16/2012

	ACQ. DATE	REIT DATE	ASSET NAME	ADDRESS	TOWN	ASSET TYPE	USE
1	1 Jan 15	1 Jan 15	Av. de Bruselas, 24	AV Bruselas 24	Alcobendas	Invest. Prop.	Offices
2	1 Jan 15	1 Jan 15	Av. de Bruselas, 26	AV Bruselas 26	Alcobendas	Invest. Prop.	Offices
3	1 Jan 15	1 Jan 15	Av. de Bruselas, 33	AV Bruselas 33	Alcobendas	Invest. Prop.	Offices
4	14 sep 16	14 sep 16	Encinar - Plazas de garaje	CL Manuel Pombo Angulo 20	Alcobendas	Invest. Prop.	Offices
5	14 sep 16	14 sep 16	Av. Europa, 1 - Edificio A-B	AV Europa 1	Alcobendas	Invest. Prop.	Offices
6	1 Jan 15	1 Jan 15	Naves Alovera I-II-III	CL Rio Henares 1	Alovera	Invest. Prop.	Logistics
7	1 Jan 15	1 Jan 15	Naves Azuqueca II y III	CL Milan 8 y 12	Azuqueca de Henares	Invest. Prop.	Logistics
8	1 Jan 15	1 Jan 15	Vilanova, 12-14	AV Vilanova 12	Barcelona	Invest. Prop.	Offices
9	14 sep 16	14 sep 16	Diagonal 199	AV Diagonal 199	Barcelona	Invest. Prop.	Offices
10	14 sep 16	14 sep 16	Diagonal 458	AV Diagonal 458	Barcelona	Invest. Prop.	Offices
11	1 Jan 15	1 Jan 15	Diagonal, 514	AV Diagonal 514	Barcelona	Invest. Prop.	Offices
12	1 Jan 15	1 Jan 15	Diagonal, 605	AV Diagonal 605	Barcelona	Invest. Prop.	Offices
13	14 sep 16	14 sep 16	Balmes	CL Balmes 236-238	Barcelona	Invest. Prop.	Offices
14	14 sep 16	14 sep 16	P.E. Poble Nou 22@ Ed. A-C-D	CL Bac de roda 52	Barcelona	Invest. Prop.	Offices
15	14 sep 16	14 sep 16	P.E. Poble Nou 22@ Ed. B	CL Fluviá 65	Barcelona	Invest. Prop.	Offices
16	28 Jan 25	28 Jan 25	Don Ramón de la Cruz	CL D. Ramón de la Cruz, 38	Madrid	Invest. Prop.	Offices
17	1 Jan 15	1 Jan 15	Naves Cabanillas I	CL Castilla la Mancha P. I. Cabanillas	Cabanillas del Campo	Invest. Prop.	Logistics
18	1 Jan 15	1 Jan 15	Naves Coslada I	AV de la Cañada 64	Coslada	Invest. Prop.	Logistics
19	1 Jan 15	1 Jan 15	Naves Coslada III	CL Torres Quevedo 1	Coslada	Invest. Prop.	Logistics
20	14 sep 16	14 sep 16	A4-Getafe (Data Center)	CA Polig. Industrial Los Ángles P-33	Getafe	Invest. Prop.	Other
21	1 Jan 15	1 Jan 15	P.E. Alvia Ed. 1-2-3	CL Jose Echegaray 8	Las Rozas	Invest. Prop.	Data Center
22	14 sep 16	14 sep 16	P.I. Európolis	CL Londres S/N	Las Rozas	Invest. Prop.	Others
23	1 Jan 15	1 Jan 15	Mangraners	CL Els Mangraners N-240 Km 88	Lerida	Invest. Prop.	Offices
24	14 sep 16	14 sep 16	Torre De Madrid	PL De España 18	Madrid	Invest. Prop.	Others
25	14 sep 16	14 sep 16	Torre de Madrid (Viviendas)	PL de España 18	Madrid	Invest. Prop.	Offices
26	1 Jan 15	1 Jan 15	Plaza de los Cubos	CL Princesa 3	Madrid	Invest. Prop.	Offices
27	1 Jan 15	1 Jan 15	Princesa, 3	CL Princesa 3	Madrid	Invest. Prop.	Offices
28	1 Jan 15	1 Jan 15	Princesa, 5	CL Princesa 5	Madrid	Invest. Prop.	Offices
29	1 Jan 15	1 Jan 15	Aparcamiento Princesa	CL Princesa 5	Madrid	Invest. Prop.	Offices
30	1 Jan 15	1 Jan 15	Ventura Rodríguez, 7	CL Ventura Rodríguez 7	Madrid	Invest. Prop.	Offices
31	14 sep 16	14 sep 16	Callao	PL Callao 5	Madrid	Invest. Prop.	Offices

	ACQ. DATE	REIT DATE	ASSET NAME	ADDRESS	TOWN	ASSET TYPE	USE
32	1 Jan 15	1 Jan 15	Partenón, 12-14	AV Partenon 12	Madrid	Invest. Prop.	Offices
33	1 Jan 15	1 Jan 15	Partenón, 16-18	AV Partenon 16	Madrid	Invest. Prop.	Offices
34	1 Jan 15	1 Jan 15	Eucalipto, 25	CL Eucalipto 25	Madrid	Invest. Prop.	Offices
35	1 Jan 15	1 Jan 15	Eucalipto, 33	CL Eucalipto 33	Madrid	Invest. Prop.	Offices
36	1 Jan 15	1 Jan 15	Josefa Valcárcel, 48	CL Josefa Valcarcel 48	Madrid	Invest. Prop.	Offices
37	1 Jan 15	1 Jan 15	Pedro de Valdivia, 10	CL Pedro de Valdivia 10	Madrid	Invest. Prop.	Offices
38	1 Jan 15	1 Jan 15	Juan Esplandiú, 11-13	CL Juan Esplandiu 11-13	Madrid	Invest. Prop.	Offices
39	1 Jan 15	1 Jan 15	Príncipe de Vergara, 187	CL Príncipe de Vergara 187	Madrid	Invest. Prop.	Offices
40	1 Jan 15	1 Jan 15	Ribera del Loira, 60	CL Ribera del Loira 60	Madrid	Invest. Prop.	Offices
41	14 sep 16	14 sep 16	P.E. Puerta de las Naciones Ed. 1 a 4	CL Ribera del Loira 38-50	Madrid	Invest. Prop.	Offices
42	1 Jan 15	1 Jan 15	Castellana, 83-85	PS de la Castellana 83	Madrid	Invest. Prop.	Offices
43	14 sep 16	14 sep 16	Cadagua	PS de la Castellana 93	Madrid	Invest. Prop.	Offices
44	14 sep 16	14 sep 16	Castellana, 278	PS de la Castellana 278	Madrid	Invest. Prop.	Offices
45	14 sep 16	14 sep 16	Torre Castellana 259	PS de la Castellana 259	Madrid	Invest. Prop.	Offices
46	14 sep 16	14 sep 16	Plaza Ruiz Picasso	PL Carlos Trias Bertrán 7	Madrid	Invest. Prop.	Offices
47	14 sep 16	14 sep 16	Santiago de compostela, 94	CL Santiago de Compostela 94	Madrid	Invest. Prop.	Offices
48	14 sep 16	14 sep 16	Jose María Churruga Ed. I-II	CL Almansa 101-105	Madrid	Invest. Prop.	Offices
49	14 sep 16	14 sep 16	Jose María Churruga Ed. III-IV	CL Beatriz de Bobadilla 14-18	Madrid	Invest. Prop.	Offices
50	14 sep 16	14 sep 16	Fuente De La Mora	CM Fuente de la Mora 9	Madrid	Invest. Prop.	Offices
51	14 sep 16	14 sep 16	P.E. Vía Norte Ed. 1 a 6	CL Quintanavides 11 a 21	Madrid	Invest. Prop.	Offices
52	14 sep 16	14 sep 16	P.E. Alvento A-B-C-D	VI de los Poblados 1	Madrid	Invest. Prop.	Offices
53	14 sep 16	14 sep 16	Cristalia	VI de los Poblados 3	Madrid	Invest. Prop.	Offices
54	14 sep 16	14 sep 16	P.E. Sanchinarro Ed. I-II	CL María de Portugal 9-11	Madrid	Invest. Prop.	Offices
55	14 sep 16	14 sep 16	P.E. Las Tablas Ed. 1-2-3	CL Federico Mompou 5	Madrid	Invest. Prop.	Offices
56	14 sep 16	14 sep 16	Elipse	AV Manoteras 18	Madrid	Invest. Prop.	Offices
57	22 dec 25	22 dec 25	Madrazo 6-10	CL Madrazo, 6-8-10	Madrid	Invest. Prop.	Others
58	1 Jan 15	1 Jan 15	C.C. Centro Oeste	CL El Carralero. Las Moreras	Majadahonda	Invest. Prop.	Shopping centre
59	1 Jan 15	1 Jan 15	C.C. Larios	AV de la Aurora 21	Málaga	Invest. Prop.	Shopping centre
60	1 Jan 15	1 Jan 15	C.C. Porto Pi	AV de Gabriel Roca 54	Palma de Mallorca	Invest. Prop.	Shopping centre
61	1 Jan 15	1 Jan 15	Nave Pedrola	CL General Motors 1. P.I. El Pradillo	Pedrola	Invest. Prop.	Logistics
62	1 Jan 15	1 Jan 15	Ática II, A-B-C	AV de Europa 19	Pozuelo de Alarcón	Invest. Prop.	Offices
63	1 Jan 15	1 Jan 15	Ática 1	AV de Europa 26	Pozuelo de Alarcón	Invest. Prop.	Offices
64	1 Jan 15	1 Jan 15	Ática 2	CL Inglaterra 2	Pozuelo de Alarcón	Invest. Prop.	Offices

	ACQ. DATE	REIT DATE	ASSET NAME	ADDRESS	TOWN	ASSET TYPE	USE
65	1 Jan 15	1 Jan 15	Ática 3 y 4	VI Dos Castillas 33 Edf. 3 y 4	Pozuelo de Alarcón	Invest. Prop.	Offices
66	1 Jan 15	1 Jan 15	Ática Ed. 6	VI Dos Castillas 33 Edf.6	Pozuelo de Alarcón	Invest. Prop.	Offices
67	1 Jan 15	1 Jan 15	Cerro Gamos I-II-III-V-VI	CL Cerro de los Gamos 1	Pozuelo de Alarcón	Invest. Prop.	Offices
68	1 Jan 15	1 Jan 15	Sant Cugat I	CL Alcalde Barnils 64	San Cugat del Valles	Invest. Prop.	Offices
69	1 Jan 15	1 Jan 15	Sant Cugat II	AV Via Augusta 71	San Cugat del Valles	Invest. Prop.	Offices
70	1 Jan 15	1 Jan 15	Borbolla	AV Borbolla 5	Sevilla	Invest. Prop.	Offices
71	14 sep 16	14 sep 16	C.C. El Saler	CA Autovía De El Saler 16	Valencia	Invest. Prop.	Shopping centre
72	1 Jan 15	1 Jan 15	Aparcamiento Palau	PS de la Alameda 34	Valencia	Invest. Prop.	Others
73	14 sep 16	14 sep 16	Rambra Salvador Sama	CL Rambla Salvador Samà 45/49	Vilanova I La Geltrú	Invest. Prop.	Others
74	12 Jan 17	12 Jan 17	Torre Glories	Av. Diagonal, 211	Barcelona	Invest. Prop.	Offices
75	21 Jan 20	21 Jan 20	Plaza Cataluña, 9	Plaza Cataluña, 9	Barcelona	Invest. Prop.	Offices
76	22 dec 25	22 dec 25	Barceló Nura	Carrer Biniancollet, 22	Baleares	Invest. Prop.	Others
77	30 Jul 14	21 Jan 20	Merlin Retail S.L.	PS Castellana 257	Madrid	Invest. Prop.	
78	4 Ago 14	30 Dec 21	Merlin Oficinas, S.L.	PS Castellana 257	Madrid	Invest. Prop.	
79	30 Jul 14	1 Jan 14	Merlin Logística, S.L.	PS Castellana 257	Madrid	Ownership interest	
80	14 sep 16	1 Jan 17	La Vital Centro Comercial y de Ocio, S.L.	PS Castellana 257	Madrid	Ownership interest	
81	14 sep 16	1 Jan 17	Varitelia Distribuciones, S.L.	PS Castellana 257	Madrid	Ownership interest	
82	14 sep 16	1 Jan 18	Global Carihuela Patrimonio Comercial, S.L.	PS Castellana 257	Madrid	Ownership interest	
83	28 Jul 17	1 Jan 17	Sevisur, S.A.	PS Castellana 257	Madrid	Ownership interest	
84	14 sep 16	1 Jan 17	Parc Logístic de la Zona Franca, S.A.U.	Avda. 3 del Parc Logístic, nº 26	Madrid	Ownership interest	
85	7-Nov-23	1 Jan 24	Merlin Edged, S.L.U.	PS Castellana 257	Madrid	Ownership interest	
86	27-Feb-20	1 Jan 19	Silicius Real Estate SOCIMI, S.A.	Velázquez, 123	Madrid	Ownership interest	
87	17-Oct-16	27 Dec 19	VFXIMO Investimentos Imobiliarios, S.A.	Av. D. João II, 45, 5ºC	Lisboa (Portugal)	Ownership interest	
88	18-Mar-15	5 Oct 18	MPEP - Properties Escritórios Portugal, S.A.	Av. D. João II, 45, 5ºC	Lisboa (Portugal)	Ownership interest	
89	18-Mar-15	5 Oct 18	MP Compra e Venda Imobiliária, S.A.	Av. D. João II, 45, 5ºC	Lisboa (Portugal)	Ownership interest	
90	31-Mar-16	5 Oct 18	MP Monumental, S.A.	Av. D. João II, 45, 5ºC	Lisboa (Portugal)	Ownership interest	
91	31-Mar-16	05 Oct 18	MP Torre A, S.A.	Av. D. João II, 45, 5ºC	Lisboa (Portugal)	Ownership interest	
92	07-Apr-17	07 Apr 17	Promosete Investimentos Imobiliarios, S.A.	Av. D. João II, 45, 5ºC	Lisboa (Portugal)	Ownership interest	
93	28 Sep 17	05 Oct 18	Praça do Marques - serviços auxiliares, S.A.	Av. D. João II, 45, 5ºC	Lisboa (Portugal)	Ownership interest	
94	30 Apr 18	05 Oct 18	Torre dos Oceanus - Investimentos Imobiliarios, S.A.	Av. D. João II, 45, 5ºC	Lisboa (Portugal)	Ownership interest	
95	17 Jan 19	13 Mar 19	Torre Arts, Investimentos imobiliários, S.A.	Av. D. João II, 45, 5ºC	Lisboa (Portugal)	Ownership interest	
96	17 Jan 19	13 Mar 19	Torre Fernão Magalhães Investimentos imobiliários, S.A.	Av. D. João II, 45, 5ºC	Lisboa (Portugal)	Ownership interest	
97	03 Ago 22	03 Ago 22	MPLIB – Investimentos Imobiliários, Unipessoal Lda.	Av. D. João II, 45, 5ºC	Lisboa (Portugal)	Ownership interest	

	ACQ. DATE	REIT DATE	ASSET NAME	ADDRESS	TOWN	ASSET TYPE	USE
			0	0	0		
			0	0	0		
			0	0	0	Ownership interest	

**MERLIN PROPERTIES,
SOCIMI, S.A.**

**Individual Directors' Report for
the year ended 31 December 2025**

1. Company description

Economic Situation

The macroeconomic environment in the Iberian Peninsula continues to show strength, buoyed mainly by domestic demand, improving employment and the progressive stabilisation of monetary policy.

In Spain, the economy is expected to maintain an expansionary cycle in 2026, with GDP growth above the Eurozone average and rates above 2%. The gradual moderation of inflation and the stabilisation of interest rates at around 2% are easing financing conditions and strengthening business and real estate investment. In this context, real estate investment in 2025 exceeded EUR 18,400 million, with a year-on-year growth of 31%, and is expected to continue to expand by 5% to 10% in 2026.

In addition, the growth of private consumption, the improvement in the labour market and the dynamism of tourism continue to act as key drivers of the real economy and the real estate sector.

In Portugal, a similarly positive scenario is continuing, although on a smaller economic scale. Private consumption, international tourism growth and the recovery of retail continue to drive economic activity. In 2025, household spending grew by 3.5% and retail sales increased by 4.8%, reflecting a strong demand environment.

Overall, both markets present favourable macroeconomic fundamentals for the real estate sector, supported by financial stability, robust domestic demand and an environment attractive to international investors.

1.1. Situation of the rental market by geographical area

Madrid

Madrid continues to consolidate its position as one of the main real estate hubs in Southern Europe, supported by a favourable macroeconomic environment, employment growth and high attraction of international investment. In the office segment, prime rents will be around EUR 44/sqm/month in 2025, with approximately 535,000 sqm under lease and availability levels close to 9%, with prime submarkets below 4%. Office investment reached approximately EUR 1.9 billion, reflecting the strong investment interest in core and sustainable assets. In logistics, Madrid exceeded one million sqm of annual absorption within the joint total with Catalonia, with an availability of around 9.6% and an investment volume of approximately EUR 506 million. Additionally, Madrid is reinforcing its strategic positioning in the data centre sector, driven by technological demand, the growth of artificial intelligence and the relative availability of energy infrastructure.

Barcelona

Barcelona has a dynamic real estate market, with high demand for prime assets and particular strength in the technology and innovation segment, particularly in the 22@ district. In offices, prime rents stood at around EUR 31.5/sqm/month in 2025, with approximately 321,000 sqm under contract and availability close to 8.8%, with strong pressure on grade A quality space. Office investment reached approximately EUR 912 million, with high investment activity in well-located and sustainable assets. In logistics, the Catalan market registered approximately 615,000 sqm of leasing, with reduced availability levels of around 4.3% and investment volumes of approximately EUR 595 million, demonstrating the structural shortage of product in prime locations. In retail, Barcelona maintains high demand on the High Street, with upward pressure on prime rents due to the scarcity of available supply.

Lisbon

Lisbon continues to consolidate its position as one of the most dynamic real estate markets in Southern Europe, supported by the growth in tourism, the improvement in private consumption, and the increase in international investment interest. In the retail segment, prime High Street rents were around EUR 155/m²/

month in 2025, with occupancy levels close to 100% in the main retail hubs, reflecting strong demand for prime locations and structural supply shortages. The Portuguese retail market also showed solid operating indicators, with occupancies close to 96.6% in shopping centres. In macro terms, the growth of household consumption and the dynamism of tourism continue to act as drivers of the city's real estate market. At the same time, Lisbon continues to gain prominence in the Iberian market as a destination for investment and expansion of international operators.

1.2. Situation of the rental market by branch of activity

Offices

The office market in Spain showed a solid performance during 2025, with a total take-up of close to 855,000 sqm, with Madrid standing out with approximately 535,000 sqm and Barcelona with approximately 321,000 sqm. Availability levels continue to fall, especially in prime areas, where in certain CBD submarkets they are below 4%. At the same time, investment in the office segment recorded strong year-on-year growth, driven by investor interest in core assets and in buildings with high ESG and technology standards, consolidating the polarisation towards higher quality assets.

Logistics

The logistics market maintains structurally sound fundamentals, supported by the growth of e-commerce, the reconfiguration of supply chains and demand linked to domestic consumption. In 2025, combined logistics procurement in the Madrid and Catalonia markets reached approximately 1.77 million sqm, remaining at well above historical averages. Availability levels continue to adjust, standing at around 9.6% in Madrid and approximately 4.3% in Catalonia. In terms of investment, the segment maintains investment interest, with volumes of approximately EUR 506 million in Madrid and EUR 595 million in Catalonia in 2025.

Shopping centres

The retail sector continues to show a solid operating performance in Spain and Portugal, supported by the recovery in consumption, the growth in tourism and the positive evolution of retail sales. In 2025, occupancy levels in shopping centres were around 94.5% in Spain and 96.6% in Portugal, reflecting the structural strength of the dominant assets. In terms of investment, shopping centres concentrated a significant volume of capital, amounting to around EUR 1,371 million in Spain in 2025, consolidating investment interest in assets with a strong commercial positioning and a high capacity to generate income.

Data Centers

The data centre market in Iberia continues to move towards a more mature phase, driven mainly by the structural growth of digital demand, the development of artificial intelligence and the need for resilient technological infrastructures. Madrid continues to solidify its position as one of the main data centre hubs in southern Europe, while the availability of energy and suitable land is one of the main strategic factors for the development of the sector. In this context, structural demand continues to grow, with limited supply in strategic locations and an increasing focus on energy efficiency, sustainability and advanced technological solutions.

1.3. Organisational and operational structure

The Company's main objective is to generate sustainable shareholder return through the acquisition, focused management and selective rotation of property assets in segments with a moderate risk profile ("Core" and "Core Plus").

Its strategy and operations are characterised by the following:

1. Focusing on Core and Core Plus assets in Spain and Portugal
2. An investment grade capital structure
3. Distribution, through dividends or return of premium, of 80% of the AFFO generated in the year
4. Being one of the most efficient REITs in Europe
5. Implementing best practices in corporate governance

Its internal organisational structure can be summarised as follows:

- A Board of Directors composed of 13 directors and advised by the Audit and Control Committee (ACC), the Appointments and Remuneration Committee (ARC) and the Sustainability and Innovation Committee (SIC). MERLIN's Board of Directors is composed of a majority of independent directors and its activities are focused on defining, supervising and monitoring the policies, strategies and general guidelines to be followed by the Group. The Board is responsible for long-term strategy and for monitoring its implementation.
- A General Management, composed of the Chief Executive Officer, (CEO) and the Chief Operating Officer (COO), which reports directly to the Board and sits on it.
- An Investment Committee is formed by the management team.

2. Business evolution and results

2.1. Business performance and results in 2025

The Company's business performed excellently during the year, with growth in comparable rents and release spread in all asset categories.

The Company closed the year with lease income of EUR 258 million, 5.3% more than in 2024 and an operating profit of EUR 234 million.

2.2. Outlook for the Company in 2026

In the absence of externalities, the four main asset classes (offices, logistics, shopping centres and Data Centers) are expected to maintain occupancy levels, while rents will continue to benefit from rising inflation as leases are indexed to the CPI.

3. Results information by branch of activities

a) Criteria

The Company's management has segmented its business into the branches of activity outlined below in accordance with the asset class it acquires and manages:

- Office buildings.
- Shopping centres.
- Logistics assets.
- Data Centers.
- Other: Assets not included in the above branches of activity, which essentially correspond to non-strategic land and smaller assets.

Any revenue or expense that cannot be attributed to a specific line of business or relate to the Company in general are attributed as a "Corporate unit/Other".

The profits of each branch of activity, and each asset within each of them, are used to measure performance as the Group considers this information to be the most relevant when evaluating the results of the branches of activity compared with other groups operating in the same businesses.

b) Basis and methodology of profit/loss by branch of activity

The information on profit/loss by branch of activity below is generated by the same computer application used to obtain the Company's accounting information, The branches of activity follow the same accounting policies as the Company, which are described in Note 2.

The ordinary income of the branch of activity relates to ordinary revenue directly attributable to the branch of activity plus the relevant proportion of the Company's general income that can be allocated to it on a reasonable basis.

The expenses of each branch of activity are calculated as the directly attributable expenses incurred in the operating activities, plus the corresponding proportion of the expenses that can be reasonably allocated to the branch of activity.

During 2024, the Company reclassified certain assets from the 'Other' business line to the 'Office' business line on the basis of their primary use.

Profit or loss of branches of activity

The profit or loss by branch of activity for 2025 and 2024 are presented below:

2025	Thousands of Euros						
	Office buildings	Shopping centres	Logistics	Data Centers	Other	Corporate Unit	Total
Dividend income	-	-	-	-	-	86,641	86,641
Interest income	-	-	-	-	-	53,857	53,857
Rental income	207,758	40,564	8,827	879	162	(1)	258,189
Services rendered	1,686	3,061	1,659	-	-	47	6,453
Revenue	209,444	43,625	10,486	879	162	140,544	405,140
Other operating income	916	49	9	77.454	2	1,561	2,614
Staff costs	(7,773)	(8,213)	(3,048)	(1,748)	-	(30,415)	(51,197)
Other operating expenses	(11,230)	(5,309)	(554)	(5,385)	(633)	(15,465)	(38,576)
Depreciation and amortisation	(34,177)	(6,375)	(2,304)	(8,447)	(140)	(24,211)	(75,654)
Change in provisions	-	-	-	-	12.5	629	642
Impairment and gains or losses on disposal of non-current	6,615	3,269	-	-	(22,113)	892.175	(11,337)
Allocation of grants relating to non-financial assets and others	28	15.549	-	-	-	(1)	43
Profit / (loss) from operations	163,823	27,062	4,589	(14,624)	(22,709)	73,534	231,675
Finance income	1,989.26	1.067	-	-	193.289	30,857	33,041
Finance Costs	(20,386)	-	-	(100.554)	-	(110,868)	(131,355)
Changes in fair value of financial instruments	1.249	-	-	-	-	(7,527)	(7,526)
Impairment and gains or losses on disposal of financial	(86.359)	(4)	-	-	-	(707)	(797)
Profit / (loss) before tax	145,341	27,059	4,589	(14,725)	(22,516)	(14,711)	125,038
Income tax	-	-	-	-	-	3,216	3,216
Profit / (loss) for the year	145,341	27,059	4,589	(14,725)	(22,516)	(11,495)	128,254

2024	Thousands of Euros						
	Office buildings	Shopping centres	Logistics	Data Centers	Other	Corporate Unit	Total
Dividend income	-	-	-	-	-	81,895	81,895
Interest income	-	-	-	-	-	48,047	48,047
Rental income	197,894	38,101	8,467	653	97	-	245,212
Services rendered	2,200	1,661	1,560	67	18	806	6,312
Revenue	200,094	39,762	10,027	720	115	130,748	381,466
Other operating income	1,675	149	26	-	26	1,690	3,566
Staff costs	(4,984)	(5,075)	(1,866)	(314)	-	(19,943)	(32,182)
Other operating expenses	(19,694)	(5,547)	(759)	(3,085)	(433)	(24,762)	(54,280)
Depreciation and amortisation	(33,812)	(6,386)	(2,206)	(1,855)	(122)	(24,652)	(69,033)
Change in provisions	-	-	-	-	-	8,019	8,019
Impairment and gains or losses on disposal of non-current	2,210	(5,804)	-	-	(74)	(15,668)	(19,336)
Profit / (loss) from operations	145,506	17,099	5,222	(4,534)	(488)	55,432	218,237
Finance income	-	-	-	-	-	39,413	39,413
Finance Costs	(13,549.681)	-	-	-	-	(112,875)	(126,425)
Changes in fair value of financial instruments	-	-	-	-	-	(3,427)	(3,427)
Impairment and gains or losses on disposal of financial	3	-	-	-	-	(1,004)	(1,001)
Profit / (loss) before tax	131,959	17,099	5,222	(4,534)	(488)	(22,461)	126,797
Income tax	-	-	-	-	-	(2,366)	(2,366)
Profit / (loss) for the year	131,959	17,099	5,222	(4,534)	(488)	(24,827)	124,431

4. Capital and Liquidity Resources

4.1. Debt

The Group's strategy is to actively manage both the Group's assets and the liabilities, In relation to liabilities, the goal is to extend the average maturity of the debt and to try to maintain borrowing costs and eliminate the risk arising from interest rate fluctuations. Currently, 100% of the Company's debt accrues interest at a fixed rate or is subject to interest rate hedges.

The Company carried out the following transactions involving its financial liabilities in 2025 and 2024:

- a. On 16 December 2025 the Company drew down EUR 32.2 million from the loan with the European Investment Bank at a fixed interest rate of 354 basis points. This loan had been drawn down in full at the close of 2025.
- b. On 4 September 2025 the Company issued a bond for EUR 550 million with a maturity date of September 2033 and an interest rate of 3.5%.
- c. The Company repaid the bond for that maturity date in the amount of EUR 600 million on 26 May 2025.
- d. On 31 March 2025, the Company arranged and drew down an unsecured loan with Mediobanca for EUR 100 million with a maturity of 5 years from drawdown plus 1 further year at a market rate of EURIBOR + 115 basis points.
- e. On 18 December 2024 the Company drew down EUR 17.7 million from the loan with the European Investment Bank at a fixed interest rate of 325.6 basis points.
- f. On 7 November 2024 a new limit in the amount of EUR 46.7 million was set for the second tranche from the European Investment Bank, and EUR 34.6 million from that loan was drawn down at the close of the 2024 financial year.
- g. On 2 February 2024, the Company increased the amount drawn down (tap) on the Bond maturing in September 2029 by EUR 100 million at 2.375% (implicit cost 3.93%).
- h. On 17 January 2024, the Company entered into a loan with Caixabank, S,A, secured by a mortgage on a portfolio of 2 office buildings in Madrid. The amount of the loan is EUR 150 million. It matures in 2034 and has a margin of 130 basis points, The loan was drawn down on 2 April 2024.

At the close of 2025 the Company had EUR 740 million that had not been drawn down from the revolving credit line.

At the end of 2025, the Group's financial debt amounted to EUR 4,790 million, made up of corporate financing without mortgage collateral (loans and bonds) and mortgages.

The Company's cash position at 31 December 2025 amounted to EUR 1,073 million, including EUR 10 million of treasury shares, This liquidity is increased by EUR 740 million through the revolving credit line, undrawn at year-end 2025.

Additionally, the Group has the ability to access the capital markets through the Euro medium-term note (EMTN) programme, which has a limit of EUR 7,500 million. At 2025 year end, EUR 4,150 million was available through this programme.

5. Environmental matters

Since the assets were acquired, the Company has incorporated sustainability into its decision-making process, aware of its impact on improving the performance of assets and the well-being of tenants. The Company is focused on creating value by developing and repositioning selected properties, incorporating sustainability into the process, as well as in obtaining better financing terms linked to meeting sustainability targets.

6. Staff management

a. Composition of the workforce

Merlin Properties SOCIMI, S.A.'s staff are its main asset. At year-end 2025, the Company's team was comprised a total of 208 employees, divided into 3 categories in keeping with MERLIN's strategy of maintaining a horizontal structure.

Total number of employees at 2025 year end. Country, Sex, Professional Category and Age

Professional category	Women	Men	Overall total
Executive directors	1	27	28
Middle management	24	44	68
Other staff	58	54	112
Total employees	83	125	208

Spain	Women	Men	Overall total
<30 years old	10	12	22
Middle management	3	4	7
Other staff	7	8	15
>50 years old	27	55	82
Executive directors	0	17	17
Middle management	11	18	29
Other staff	16	20	36
30-50 years old	45	59	104
Executive directors	1	10	11
Middle management	10	22	32
Other staff	34	27	61
Total Merlin	82	126	208

Total number of employees at 2025 year-end by type of employment contract

The Company has a team of professionals with permanent contracts and an average age of 46.

From the moment they join the Company, it offers its employees stable contracts to ensure their loyalty and improve its ability to attract talent to the organisation. At the end of 2025, 99.52% of the Company's employees had an indefinite contract.

Contract term	Time	Total
Open-ended	Full-time	200
	Part-time	7
Total open-ended		207
Temporary	Full-time	1
Total temporary		1
Overall total		208

7. Dividends policy

The Company's dividend policy takes into account sustainable levels of distribution and reflects the Company's expectation of obtaining recurring profits. The Company does not intend to create reserves that cannot be distributed to Shareholders, except as required by law.

Under the REIT regime, after complying with any relevant requirement of the Corporate Enterprises Act, the Company will be required to pass resolutions to distribute the profit obtained in the year to shareholders in the form of dividends and this distribution must be approved within six months of the end of each year, as follows: (i) at least 50% of the profit from the transfer of properties and shares in qualified subsidiaries, provided that the remaining profit is reinvested in other property assets within no more than three years of the date of the transfer, otherwise, 100% of the profit must be distributed as dividends after such period has elapsed; (ii) 100% of the profit obtained from receiving the dividends paid by qualified subsidiaries; (iii) at least 80% of the remaining profit obtained.

If the resolution to distribute dividends is not passed within the legally established period, the Company will lose its REIT status for the financial year to which the dividends refer. As established in the Company's IPO Prospectus, Merlin Properties, SOCIMI, S.A, has set itself the target of distributing an annual dividend of between 4% and 6% of the IPO value.

The Company's dividend policy establishes a minimum distribution of 80% of the AFFO ("Adjusted FFO"), understood as the cash flow from operations less interest paid and less ordinary maintenance expenses for the assets.

On 13 November 2025, the Company's Board of Directors approved the distribution of an interim dividend out of 2025 profits in the amount of EUR 112,563 thousand, which was paid on 10 December 2025.

On 30 April 2025, the General Meeting approved the distribution of a dividend charged to the share premium in the amount of EUR 113,065 thousand, as well as the distribution of a final dividend out of the profit for 2024 in the amount of EUR 10,753 thousand, both dividends having been paid on 26 May 2025.

8. Main risks and uncertainties

Financial risk factors

The Company's activities are exposed to various financial risks: market risk, credit risk, liquidity risk and cash flow interest rate risk. The Company's global risk management programme focuses on the uncertainty of the financial markets and aims to minimise the potential adverse effects on the Company's financial returns.

Risk management is undertaken by the Company's senior management in accordance with the policies approved by the Board of Directors. Senior management identifies, assesses and hedges financial risks in close cooperation with the Company's operating units. The Board of Directors issues the written global risk management policies and the policies for specific areas, including those for covering market risk, interest rate risk and liquidity risk and investing cash surpluses.

Market risk

Given the current status of the real-estate sector and in order to mitigate its effects, the Group has specific measures in place to minimise that impact on its financial position.

These measures are applied pursuant to the results of sensitivity analyses carried out by the Company on a regular basis. These analyses involve:

- The economic environment in which it operates: Designing different economic scenarios and modifying the key variables potentially affecting the Group. Identifying interdependent variables and the extent of their relationship; and
- The time scale in which the assessment is being carried out: The time frame of the analysis and its possible deviations will be taken into account.

The Company is exposed to market risk from possible vacancies or renegotiations of leases when the leases expire. This risk could have a direct negative impact on the valuation of the Company's assets.

However, market risk is mitigated by the customer acquisition and selection policies and the mandatory lease terms negotiated with customers. Therefore, at 31 December 2025, the average occupancy rate of the Company's asset portfolio was 9,6%, with a weighted average unexpired lease term of ,2,9 years (weighted by GRI).

Credit risk

Credit risk is defined as the risk of financial loss to which the Company is exposed if a customer or counterparty does not comply with its contractual obligations.

In general, the Company holds its cash and cash equivalents at banks with high credit ratings.

The Company does not have any material credit risk concentration and has policies in place to limit the volume of risks posed by customers. Exposure to the risk of being unable to recover receivables is mitigated in the normal course of business through funds or guarantees deposited as collateral.

The Company has formal procedures to identify any impairment of trade receivables. Delays in payment are detected through these procedures and individual analysis by business area and methods are established to estimate impairment loss.

Cash and cash equivalents

The Company has cash and cash equivalents of EUR 1,063,235 thousand, which represents its maximum exposure to the risk posed by these assets.

Cash and cash equivalents are deposited with banks and financial institutions.

Liquidity risk

Liquidity risk is defined as the risk of the Company encountering difficulties meeting its obligations regarding financial liabilities settled in cash or with other financial assets.

At 31 December 2025, the Company's working capital amounted to EUR 1,091,468 thousand.

The Company conducts prudent management of liquidity risk by maintaining sufficient cash to meet its payment obligations when they fall due, both in normal and stressed conditions, without incurring unacceptable losses or risking the Company's reputation.

In addition, liquidity risk has the following mitigating factors, which should be highlighted: (i) the generation of recurrent cash from the businesses in which the Company conducts its activity; and (ii) the drawable credit facilities in the amount of EUR 740 milion; and (iii) the capacity to renegotiate and obtain new financing facilities based on the Company's long-term business plans and the quality of its assets.

At the date of preparation of the financial statements, taking into account the foregoing, the Company had covered all its funding requirements to fully meet its commitments to suppliers, financiers, employees and the

authorities based on the cash flow forecast for 2026. Likewise, the type of sector in which the Company operates, the investments it makes, the financing it obtains to make such investments, the EBITDA they generate and the occupancy rates of the properties, enables the liquidity risk to be mitigated and excess cash to be produced.

Any cash surpluses are used to make short-term investments in highly liquid deposits with no risk. The acquisition of share options or futures, or any other high-risk deposits as a method of investing cash surpluses, is not among the possibilities considered by the Company for investing cash surpluses.

Interest rate risk in cash flows

The Company manages its interest rate risk by borrowing at fixed and floating rates of interest. The Company's policy is to ensure non-current net financing from third parties is at a fixed rate.

Exchange rate risk

The Company's policy is to borrow in the same currency as that of the cash flows of each business. Consequently, currently there is no foreign currency risk. The Company is not exposed to exchange rate fluctuations as all its operations are in its functional currency.

Tax risk

As mentioned in Note 1, the Company and part of its subsidiaries are subject to the special tax regime for listed companies investing in the property market (REITs). The transitional period of the Company ended in 2017 and, therefore, compliance with all requirements established by the regime (see Notes 1 and 4,11) became mandatory. Some of the more formal obligations that the Company must meet involve the inclusion of the term SOCIMI (REIT) in its company name, the inclusion of certain information in the notes to its separate financial statements, the share price on the stock market, etc., and other obligations that require estimates to be made and judgements to be applied by management that may become fairly complex, especially considering that the REIT regime is relatively recent and was developed by the Directorate-General of Taxes mainly in response to the queries posed by various companies. The Company's management, based on the opinion of its tax advisors, assessed compliance with the requirements of the regime, concluding that such requirements were met at 31 December 2025.

Accordingly, and also for the purpose of taking into consideration the financial effect of the regime, it should be noted that, as established in section 6 of Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, on REITs, and in the percentages established in it, companies that have opted for the special tax regime are required to distribute the profit generated during the year to their shareholders in the form of dividends, once the related corporate obligations have been met. This distribution must be approved within six months from each year-end, and the dividends paid in the month following the date on which the pay-out is agreed (see Note 4,11).

If the Company does not comply with the requirements established in the regime or if the shareholders at the General Meetings of these companies do not approve the dividend distribution proposed by the Board of Directors, calculated in accordance with the requirements of this Act, it would not be complying therewith and, accordingly, tax would have to be paid under the general regime, not the regime applicable to REITs.

Risk in climate change management

Within the framework of the European Green Pact and the UN's Sustainable Development Goals, the Group is carrying out various sustainability actions.

First, in 2021, the Company created a Sustainability and Innovation Committee reporting to the Board whose main functions are advising the Board, among other aspects, on environmental and sustainability issues; advising the Board on formulating the Company's strategy on sustainability in its relationships with stakeholders and publishing and communicating it to the public; supervising the reporting and communication to the market of any information that refers to sustainability issues and non-financial information; and keeping the ESG (Environmental, Social and Governance) risk map updated.

In this respect, the Company included criteria in relation to non-financial KPIs in its investment and financing policies. Along these lines, the investment studies of property acquisitions and investments in the repositioning of the Company's assets consider, among other factors, elements such as obtaining energy efficiency

certificates with the highest rating, air conditioning, lighting, solar power, irrigation of green areas, accessibility, etc.

When certifying assets, the Company selects the most appropriate framework and modality based on the asset's phase, as well as the characteristics of the building, its occupancy rate at the time of certification or the tenants who occupy it.

We are continuing the process of certifying the portfolio under the standards of the leaders in this market, BREEAM and LEED. In 2025, the Group certified or renewed the certification for 25 assets. The Group considers the certification process of its assets as an anticipated response to the demands that the market will require from property lessors in the medium term and that will allow it to maintain its current competitive position.

Additionally, the Group obtained a rating of 86% in the 2025 edition of GRESB, a platform that makes it possible to harmonise and compare information related to sustainability criteria (environmental, social and corporate governance - ESG) in real estate investments.

The Group has an Environmental Management System (EMS) certified in accordance with ISO 14001, which is the umbrella under which it manages its portfolios and that incorporates new properties into its scope every year.

Since 2015, the Group has carried out a plan for ISO 14001 (environmental management) and ISO 50001 (energy management) certifications to maintain and expand the number of property assets that have at least ISO 14001 certification, and subsequently ISO 50001 certification (based on the understanding that it is a natural step to obtain ISO 14001 certification before aspiring to ISO 50001). This plan includes office buildings, shopping centres and logistics warehouses. With regard to ISO 14001, in 2025, 92 buildings comprising a surface area of 1,355,743 sqm were certified, 4 fewer buildings than in 2024 (because of buildings that became single-tenant buildings and some properties located in Portugal).

Furthermore, the Group has continued a process of implementing an Energy Management System under the ISO 50001 standard, which began in 2017. Currently, 89 buildings are certified, comprising a surface area of 1,303,546 sqm, 4 fewer than in 2024 (because of buildings that became single-tenant buildings and some properties located in Portugal). In the assets included in said System, there is a target of reducing total energy consumption by 8% in 2026, measured in kilowatt hours of the square meters occupied, with respect to 2022, based on the implementation of ESMs (energy saving measures).

In 2025, the Group continued to carry out an analysis of the entire portfolio to determine the carbon footprint of each of its assets, as well as the additional measures necessary to reduce that carbon footprint.

The Group's progress in 2025 has enabled the Company to meet its objective of reducing its emissions and its "Pathway to Net Zero" for 2030, thus getting a head start on the European strategy for decarbonisation of the economy and ensuring the present and future survival of the Company and its assets.

The Group's Pathway to Net Zero is a roadmap that outlines the way to improve not only the performance of the Company and its assets under operational control, but also the behaviour of the key agents responsible for the Group's emissions along its value chain, including suppliers and tenants.

The Group's financing policies are also aligned with the Group's sustainability objectives through the Green Financing Programme published in April 2022, subsequently renewed in 2024, and the conversion of 100% of its bonds in circulation into green bonds.

The Company issued a green bond for a value of EUR 550 million in September 2025.

The Green Financing Programme, in line with best market practices, includes the following eligibility criteria:

1. Green assets with the best LEED/BREEAM rating levels or energy efficiency certificates and/or minimum carbon emission levels
2. Investments in energy efficiency
3. Investments in renewable energy

4. Investments in pollution control and prevention mechanisms
5. Investments in transport mechanisms with low carbon emissions

Financing linked to ESG targets includes a cost adjustment mechanism linked, in the Group's opinion, to own credit risk, based on management indicators calculated based on four sustainability criteria of which at least 3 must be met annually and cumulatively over the periods of this financing..

In addition, in its commitment to climate responsibility, the Group has incorporated qualitative factors related to the Group's sustainability strategy into the measurement targets for short-term variable compensation for its staff and management team (see Note 17).

These initiatives, while increasing the Group's operating costs, are aimed at anticipating regulatory developments and building customer loyalty.

The Group is also committed to reporting a Non-financial information statement (NFIS) as recommended by the TCFD².

Finally, the Group has also made progress in publishing its Pathway to Net Zero. The Group's Pathway to Net Zero is a roadmap that outlines the way to improve not only the performance of the Company and its assets under operational control, but also the behaviour of the key agents responsible for the Group's emissions along its value chain, including suppliers and tenants. This strategy has 5 main lines of action:

1. Operational carbon reduction: 85% reduction in operational carbon from baseline (2018) to target (2028).
2. Reduction of embodied carbon: Embodied carbon footprint calculated in all new developments and repositionings.
3. Offset of residual emissions: The unavoidable footprint will be mostly offset by own duly certified initiatives.
4. Reduction in tenant emissions: Green clauses in all new leases and reduction in rental price, linked to their own credit risk, for net zero tenants,
5. Renewable energy: Acquisition of 100% renewable energy and on-site generation of energy through solar panels (Sun Project).

All the above is part of the Company's pathway to net zero or commitment to combating climate change, In 2025, the decarbonisation objectives included in its "Pathway to Net Zero" were validated and approved by the SBTi initiative.

9. Acquisition and disposal of treasury shares

At 31 December 2025, the Company held treasury shares amounting to EUR 10,033 thousand.

The changes in 2024 were as follows:

² Task Force on Climate-related Financial Disclosures (TCFD).

	Number of Shares	Thousands of euros
Balance at 1 January 2024	1,399,124	15,410
Additions	29,471	59
Disposals	(113,950)	(1,019)
Balance at 31 December 2024	1,314,645	14,450
Additions	14,052	171
Disposals	(417,456)	(4,588)
Balance at 31 December 2025	911,241	10,033

The shareholders at the Annual General Meeting held on 30 April 2025 revoked the unused portion of the authorisation granted by the shareholders at the General Meeting of 27 April 2023 and authorised the acquisition of treasury shares by the Company itself or by Group companies pursuant to section 146 et seq, of the Corporate Enterprises Act, complying with the requirements and restrictions established in current law during the five-year period.

The retirement of 417,456 treasury shares (average cost of EUR 10.99 per share) corresponds mainly to the delivery of shares for a value of EUR 3,198 thousand under the 2022-2024 Incentive Plan (see Note 20) and delivery to employees under the flexible remuneration plan in the amount of EUR 1,223 thousand and to sales under the Group's liquidity agreement for securities listed on the Lisbon Stock Exchange. This liquidity agreement made net sales of 1,213 shares in 2025.

At 31 December 2025, the Company held treasury shares representing 0.162% of its share capital.

10. Other relevant information

10.1. Stock market information

On 31 December 2025, the Company shares closed at a price of EUR 12.43, representing a 22.3% rise in their price compared with the closing price on 31 December 2024 (EUR 10.16 per share).

10.2. Average period of payment to suppliers

The information required by additional provision three of Law 18/2022, of 28 September, on creating and growing companies and Spanish Law 15/2010, of 5 July (amended by final provision two of Law 31/2014, of 3 December), prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on the disclosures to be included in the notes to financial statements in relation to the average period of payment to suppliers in commercial transactions, is detailed below.

	Days	
	2024	2023
Average period of payment to suppliers	21	39
Ratio of transactions settled	18	39
Ratio of transactions not yet settled	45	36

	Thousands of euros	
	2024	2022
Total payments made	230,671	252,107
Total payments outstanding	26,446	18,942

In accordance with the ICAC Resolution, the average period of payment to suppliers was calculated by taking into account the commercial transactions relating to the supply of goods or services for which payment has accrued in each year.

For the sole purpose of the disclosures provided for in the Resolution, suppliers are considered to be the trade creditors for the supply of goods or services included in “Payable to suppliers” and “Sundry accounts payable” under current liabilities in the balance sheet and regardless of any financing due to the early collection of the supplier.

“Average period of payment to suppliers” is taken to be the period that elapses from the delivery of the goods or the provision of the services by the supplier to the effective payment of the transaction.

The monetary volume and number of invoices paid within the legally established period are detailed below.

	2023	2022
Monetary volume (thousands of euros)	226,278	233,676
<i>Percentage of total payments made</i>	<i>98.1 %</i>	<i>92,7 %</i>
Number of invoices	23,793	19,950
<i>Percentage of total invoices</i>	<i>98.7 %</i>	<i>80.6 %</i>

The legal maximum payment period applicable to the Company in 2024 in accordance with Law 3/2004, of 29 December, establishing measures to combat late payment in commercial transactions is 60 days.

10.3. R&D&I activities

In relation to R&D+I activities and other innovating initiatives, the Company is committed to offering tenants and users comprehensive services of the highest quality that go beyond pure asset management, incorporating the most innovative solutions into its assets to enhance the user’s experience, In line with this philosophy, the Company continues to focus on improving the quality of life of the users of its assets.

The Company is also focused on LOOM flexible workspaces as a solution to the hybrid work model, During the year, the Company has continued to drive several projects of a technological nature to position itself at the forefront in terms of solutions for its clients and internal management.

11. Events after the reporting period

In February 2026, the Company leased 18MW at the data center located in Madrid.

In February 2026, the Company signed a long-term lease agreement for 12,908 sqm with a leading university at the Cerro de los Gamos business park.

12. Alternative Performance Measures

See the definitions of the APMs, as well as their reconciliation with MERLIN' financial statements, in the consolidated directors' report accompanying the 2025 consolidated financial statements.

13. Annual Corporate Governance Report

The Annual Corporate Governance Report is available in full on the website of the Spanish Securities Market Commission (www.cnmv.es) and the Company's website (www.merlinproperties.com).

In addition, the Annual Corporate Governance Report has been filed as Other Relevant Information (OIR) with the Spanish Securities Market Commission.

14. Annual Board Remuneration Report

The Annual Board Remuneration Report is available in full on the website of the Spanish Securities Market Commission (www.cnmv.es) and the Company's website (www.merlinproperties.com).

In addition, the Annual Board Remuneration Report has been filed as Other Relevant Information (OIR) with the Spanish Securities Market Commission.

MERLIN PROPERTIES, SOCIMI, S.A.
Preparation (*formulación*) of the Individual Financial Statements and individual Directors' Report relating to the fiscal year ended December 31, 2025.

In accordance with articles 365 and 366 of the Companies Registry Regulations, in relation to subarticle one of article 253 of the Capital Companies Law in force, the Board of Directors of MERLIN Properties, SOCIMI, S.A. (the "**Company**") has prepared (*formulado*) (in English) the individual financial statements and the individual directors' report (which has attached, as a separate section, the Annual Corporate Governance Report and the Annual Director Remuneration Report), relating to the year ended December 31, 2025, in single electronic format according with the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 and included in the electronic file/s with the following hash code/s

Number:

(The "**Individual Financial Statements File**").

The Statement of Non-Financial Information is included in the consolidated directors' report.

In addition, through the execution and signature of this signature page, and pursuant to subarticle two of said article 253, the members forming the Company's Board of Directors declare that they have signed, in their own handwriting, the entire contents of the Individual Financial Statements File.

Signatories:

Mr. José Luis de Mora Gil-Gallardo
Chairman

Mr. Ismael Clemente Orrego
Vice-Chairman

Mrs. Francisca Ortega Hernández-Agero
Member

Mr. Fernando López Muñoz
Member

Mrs. María Luisa Jorda Castro
Member

Mrs. Pilar Caveró Mestre
Member

Mr. Juan María Aguirre Gonzalo
Member

Mr. Miguel Ollero Barrera
Member

Mrs. Inès Archer Toper
Member

Mr. Fernando Javier Ortiz Vaamonde
Member

Mrs. Julia Bayón Pedraza
Member

Mr. George Donald Johnston
Member

Madrid, February 26, 2026

MERLIN Properties, SOCIMI, S.A.
DECLARATION OF RESPONSIBILITY FOR THE 2025 FINANCIAL STATEMENTS

The members of the Board of Directors of Merlin Properties, SOCIMI, S.A. declare that, to the best of their knowledge, the individual financial statements of Merlin Properties, SOCIMI, S.A. and the consolidated financial statements with its subsidiaries, for the year ended December 31, 2025, prepared (*formuladas*) (in English) by the Board of Directors at the meeting held on February 26, 2026, in accordance with the applicable accounting principles and in single electronic format, offer a true and fair view of the net worth, financial situation and results of Merlin Properties, SOCIMI, S.A. and of the subsidiaries included in the consolidated group, taken as a whole, and that the directors' reports accompanying the individual and consolidated financial statements (along with their attachments and supplementary documentation including the Statement of Non-Financial Information as part of the Consolidated Directors' Report) include a true analysis of the business performance, results and position of Merlin Properties, SOCIMI, S.A. and of the subsidiaries included in the consolidated group, taken as a whole, and a description of the main risks and uncertainties they face.

Signatories:

Mr. José Luis de Mora Gil-Gallardo
Chairman

Mr. Ismael Clemente Orrego
Vice-Chairman

Mrs. Francisca Ortega Hernández-Agero
Member

Mr. Fernando López Muñoz
Member

Mrs. María Luisa Jorda Castro
Member

Mrs. Pilar Cavero Mestre
Member

Mr. Juan María Aguirre Gonzalo
Member

Mr. Miguel Ollero Barrera
Member

Mrs. Inès Archer Toper
Member

Mr. Fernando Javier Ortiz Vaamonde
Member

Mrs. Julia Bayón Pedraza
Member

Mr. George Donald Johnston
Member

In Madrid, on February 26, 2026