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Contents

Highlights
FY19 Financial results
Offices
Shopping centers
Logistics
Valuation and debt position
ESG & Technology
Value creation
Closing remarks
FINANCIAL PERFORMANCE

- Compelling growth in cash flow, with FFO per share of € 0.67, +9.2% YoY and +6.4% above guidance
- EPRA NAV per share up 5.4% YoY to reach € 15.60
- Leverage reduced to 40.6%, while improving all financial ratios

OPERATING PERFORMANCE

- Excellent business performance, with solid growth in occupancy, LfL rents and release spread across the board
- High LfL rental growth in offices (+7.3% YoY), highest recorded to date, combined with strong rise in occupancy (+264 bps)
- Solid numbers in shopping centers with tenant sales up 4% underpinning healthy rental growth and meaningful hike in occupancy (+204 bps)
- Logistics continues showing robust performance

VALUE CREATION

- Strategic asset recycling increasing exposure to logistics and reducing exposure to secondary retail and peripheral offices
- Very positive advance in Landmark, Flagship and Best II & III, with 11 projects delivered in 2019, at very attractive returns
- ESG at the core of our business, accelerating sustainability initiatives in 2019
- DPS of € 0.52, meeting guidance
Logistics gaining weight while reducing retail exposure

2018
- Offices: 21%
- Net leases: 16%
- Shopping centers: 50%
- Logistics: 4%
- Other: 9%

2019 PF(2)
- Offices: 19%
- Net leases: 15%
- Shopping centers: 50%
- Logistics: 6%
- Other: 10%

(1) Other includes hotels, non core land, miscellaneous and minority stakes including DCN
(2) Pro-forma to include logistics WIP and offices WIP and the disposal of Mercury portfolio (post-closing)
Compelling return to shareholders achieved in FY 2019

(€ per share)

TSR + 8.8%
FY 2019 dividend to reach € 244m, meeting guidance

### Highlights

<table>
<thead>
<tr>
<th>Date</th>
<th>Dividend Type</th>
<th>Amount</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2019</td>
<td>Interim (paid)</td>
<td>0.20</td>
<td>0.52</td>
</tr>
<tr>
<td>May 2020</td>
<td>Complementary (subject to AGM)</td>
<td>0.32</td>
<td>0.52</td>
</tr>
</tbody>
</table>

**MERLIN FY 19 Dividend**

€ 244M

Source: Company
Excellent year in cash flow generation (+12.1% AFFO growth YoY)

<table>
<thead>
<tr>
<th></th>
<th>FY 2019 (€ million)</th>
<th>FY 2018 (€ million)</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross rents</td>
<td>525.9</td>
<td>499.7</td>
<td>+5.2%</td>
</tr>
<tr>
<td>Gross rents after incentives</td>
<td>511.5</td>
<td>475.6</td>
<td>+7.5%</td>
</tr>
<tr>
<td>Net rents</td>
<td>463.3</td>
<td>433.5</td>
<td>+6.9%</td>
</tr>
<tr>
<td>EBITDA(^1)</td>
<td>425.5</td>
<td>403.6</td>
<td>+5.4%</td>
</tr>
<tr>
<td>FFO</td>
<td>313.3</td>
<td>286.9</td>
<td>+9.2%</td>
</tr>
<tr>
<td>AFFO</td>
<td>303.3</td>
<td>270.5</td>
<td>+12.1%</td>
</tr>
<tr>
<td>IFRS net profit</td>
<td>563.6</td>
<td>854.9</td>
<td>(34.1%)</td>
</tr>
<tr>
<td>EPRA NAV</td>
<td>7,330.7</td>
<td>6,955.9</td>
<td>+5.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2019 (€ per share)</th>
<th>FY 2018 (€ per share)</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFO</td>
<td>0.67</td>
<td>0.61</td>
<td>+9.2%</td>
</tr>
<tr>
<td>AFFO</td>
<td>0.65</td>
<td>0.58</td>
<td>+12.1%</td>
</tr>
<tr>
<td>EPS</td>
<td>1.20</td>
<td>1.82</td>
<td>(34.1%)</td>
</tr>
<tr>
<td>EPRA NAV</td>
<td>15.60</td>
<td>14.81</td>
<td>+5.4%</td>
</tr>
</tbody>
</table>

Source: Company
\(^1\) Excludes non-overheads items (€ 4.9m) and LTIP accrual (€ 44.2m)
Robust LfL growth in all asset categories reaching historical high in offices (+7.3%)
Outstanding occupancy growth in offices (+264 bps YoY) and retail (+204 bps YoY)

**OCCUPANCY AND WAULT PER ASSET TYPE**

- **Offices:**
  - Occupancy: 92.8% (2) vs. 93.3%
  - WAULT: 3.0 years

- **Shopping centers:**
  - Occupancy: 2.4
  - WAULT: 4.0

- **Net leases:**
  - Occupancy: 100.0%
  - WAULT: 18.4

- **Logistics:**
  - Occupancy: 3.2
  - WAULT: 3.2

- **Other:**
  - Occupancy: 100.0%
  - WAULT: 72.1%

**MERLIN Average**

- **2018:**
  - Occupancy: 94.8% vs 93.4%
  - WAULT: 5.6 years

Source: Company

(1) WAULT by rents means the weighted average unexpired lease term, calculated as of 31 December 2019

(2) 92.0% on a like-for-like basis, excluding assets sold
Steep LfL rental growth in 2019, after a very strong last quarter in Madrid and Barcelona

<table>
<thead>
<tr>
<th>Area</th>
<th>FY 2018</th>
<th>LfL (%)</th>
<th>FY 2019</th>
<th>Occupancy (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madrid</td>
<td>228.1</td>
<td>+5.2%</td>
<td>243.4</td>
<td>88.8% → 91.0% +219 bps</td>
</tr>
<tr>
<td>Barcelona</td>
<td>228.1</td>
<td>+16.2%</td>
<td>243.4</td>
<td>94.2% → 96.0% +184 bps</td>
</tr>
<tr>
<td>Lisbon</td>
<td>228.1</td>
<td>+13.4%</td>
<td>243.4</td>
<td>92.9% → 100.0% +714 bps</td>
</tr>
</tbody>
</table>

(1) Office portfolio in operation for FY18 (€ 198.3m of GRI) and for FY19 (€ 212.8m of GRI)
Rental growth continues to be robust (+7.2% release spread)

### Madrid
- **Contracted sqm**: 290,017
- **Release spread**: +6.0%
- **#contracts**: 142
- Tenants:
  - Puerta Naciones: Roche
  - Cristalia: Aktua
  - Beatriz Bobadilla: FIIAPP
  - Partenon 16-18: Johnson & Johnson
  - Size: 11,444 sqm, 5,394 sqm, 3,177 sqm, 3,096 sqm

### Barcelona
- **Contracted sqm**: 44,494
- **Release spread**: +19.5%
- **#contracts**: 24
- Tenants:
  - Sant Cugat 1: bodas.net, Benetton, everis
  - Diagonal 605:
    - Size: 2,210 sqm, 968 sqm, 5,228 sqm

### Lisbon
- **Contracted sqm**: 12,037
- **Release spread**: +11.2%
- **#contracts**: 14
- Tenants:
  - Marqués de Pombal 3: Best Bank, Danone
  - Torre Zen: Size: 2,011 sqm, 1,984 sqm

### TOTAL
- **Contracted sqm**: 346,548
- **Release spread**: +7.2%
- **#contracts**: 180
Rapid expansion of LOOM...

**Madrid**

- **Operating**
  - 6 spaces
  - 1,474 desks
  - 72% Occ.

- **New opening**
  - Torre Chamartín
  - 126 desks
  - Opening 2Q20

**Barcelona**

- **Operating**
  - 1 space
  - 160 desks
  - 94% Occ.

- **New openings**
  - Cornellá
    - 188 desks
    - Opening 1Q20
  - Ferretería 22@
    - 293 desks
    - Opening 1Q21
  - Plaza Cataluña 9
    - 342 desks
    - Opening 1Q21
... while providing an integral space solution to our core clients

<table>
<thead>
<tr>
<th>Offices</th>
<th>Flex space</th>
<th>CORPORATES REPRESENT 70% OF LOOM’S CUSTOMER BASE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>70%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LOOM’s customer base</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Traditional (sqm)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Flex (desks)</td>
</tr>
<tr>
<td>Comunidad de Madrid</td>
<td>3,949 sqm (Princesa)</td>
<td>70 desks (LOOM Princesa)</td>
</tr>
<tr>
<td>HP</td>
<td>10,380 sqm (PE Alvia)</td>
<td>40 desks (LOOM Pozuelo)</td>
</tr>
<tr>
<td>Ferrovial</td>
<td>10,619 sqm (PE Puerta de las Naciones)</td>
<td>32 desks (LOOM Eucalipto)</td>
</tr>
<tr>
<td>Securitas</td>
<td>5,189 sqm (PE Cerro de los Gamos)</td>
<td>156 desks (LOOM Pozuelo)</td>
</tr>
<tr>
<td>Other landlord</td>
<td>Other landlord</td>
<td>Other landlord</td>
</tr>
<tr>
<td>Other landlord</td>
<td>233 desks (LOOM Eucalipto)</td>
<td>90 desks (LOOM Glòries)</td>
</tr>
</tbody>
</table>
Shopping centers
Positive LfL rental growth, underpinned by strong growth in tenant sales (+4.0%)
Upward trend in performance with a release spread of 4.2% and meaningful growth in occupancy to end at 93.3% (+204 bps YoY)

<table>
<thead>
<tr>
<th>All portfolio</th>
<th>Release spread</th>
<th>#contracts</th>
<th>Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+4.2%</td>
<td>139</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>All portfolio</th>
<th>Contracted sqm</th>
<th>Net Absorption</th>
<th>Occupancy</th>
<th>Change vs 31/12/18 (bps)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>78,306</td>
<td>9,018</td>
<td>93.3%</td>
<td>+204</td>
</tr>
</tbody>
</table>
Transforming our centers... ... and opening flagships

**Shopping centers** | **Active retenanting**
--- | ---

**a arenas**

<table>
<thead>
<tr>
<th>13 new stores</th>
<th>4 new stores</th>
</tr>
</thead>
</table>

**marineda city**

<table>
<thead>
<tr>
<th>14 new stores</th>
<th>8 new stores</th>
</tr>
</thead>
</table>

**PORTO PI CENTRO COMERCIAL**

<table>
<thead>
<tr>
<th>ARTURO SORIA PLAZA</th>
<th>la vital</th>
</tr>
</thead>
<tbody>
<tr>
<td>14 new stores</td>
<td>9 new stores</td>
</tr>
</tbody>
</table>

**Larios**

<table>
<thead>
<tr>
<th>21 new stores</th>
<th>27 new stores</th>
</tr>
</thead>
</table>

**ALMADA FORUM**

<table>
<thead>
<tr>
<th>Larios</th>
<th>4,251 sqm</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAISONS DU MONDE</td>
<td>2,029 sqm</td>
</tr>
<tr>
<td>PLAZA ARTURO SORIA</td>
<td>2,959 sqm</td>
</tr>
<tr>
<td>OZONE</td>
<td>2,380 sqm</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRIMARK</th>
<th>8,266 sqm</th>
</tr>
</thead>
</table>
A strong market and the quality of MERLIN’s portfolio translates into good LfL rental growth

(€m)

50.3

+1.7

+1.8

53.8

FY 2018
Like-for-Like growth
Balance acquisitions, disposals, other
FY 2019

LfL\(^{(1)}\)
+3.6%

Lfl growth by area

<table>
<thead>
<tr>
<th>Area</th>
<th>LfL Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madrid</td>
<td>+4.3%</td>
</tr>
<tr>
<td>Barcelona</td>
<td>+2.2%</td>
</tr>
<tr>
<td>Other</td>
<td>+3.3%</td>
</tr>
</tbody>
</table>

Occupancy by area

<table>
<thead>
<tr>
<th>Area</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madrid</td>
<td>97.4%</td>
<td>97.2%</td>
</tr>
<tr>
<td>Barcelona</td>
<td>99.6%</td>
<td>96.6%</td>
</tr>
<tr>
<td>Other</td>
<td>99.1%</td>
<td>99.1%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Logistics portfolio in operation for FY19 (€ 47.9m of GRI) and for FY19 (€ 49.6m of GRI)
### Logistics | Leasing activity

#### Outstanding release spread (7.6% all portfolio)

<table>
<thead>
<tr>
<th>Location</th>
<th>Contracted sqm</th>
<th>Release spread</th>
<th>#contracts</th>
<th>Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madrid</td>
<td>195,522</td>
<td>+7.3%</td>
<td>4</td>
<td>DACHSER, instapack (3 contracts renewed)</td>
</tr>
<tr>
<td>Barcelona</td>
<td>14,025</td>
<td>+9.4%</td>
<td>2</td>
<td>Telefónica, Aldisca</td>
</tr>
<tr>
<td>Other</td>
<td>49,091</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>258,638</strong></td>
<td><strong>+7.6%</strong></td>
<td><strong>6</strong></td>
<td></td>
</tr>
</tbody>
</table>
ZAL Port

Contracted sqm: 202,857
Release spread: +6.6%
#contracts: 34
Tenants: ZAL Port

Occupancy by area:
FY18: 97.6% ▶(80 bps)▶ FY19: 96.8%

€m FY19 FY18 YoY
Gross rents 45.7 44.1 +3.5%
Net rents 45.1 43.5 +3.5%
EBITDA 43.2 41.7 +3.6%
FFO(2) 24.6 24.8 (1.1%)
Net earnings 8.8 9.1 (3.7%)
MERLIN attributed 4.2 4.4 (3.7%)

Stock: 469,370 sqm
WIP(1): 258,138 sqm
Stock incl. WIP: 727,508 sqm
Third parties stock: 178,433 sqm
Stock under management: 905,941 sqm

Investment: €138m
ERV: €22m

Delay in the delivery of UPS to Jan 2020

(1) 35,144 sqm delivered to Damm in January 2020
(2) After deducting leasehold concession charge
Valuation and debt position
Gross asset value exceeding €12.75bn

Valuation and debt position | GAV summary

Source: Company

(1) Other includes logistics WIP, Office land for development, non-core land and miscellaneous

(2) Including DCN and the DCN loan
Solid revaluation in the year of +5.9% (+3.3% LfL)

(€m)

- **GAV Dec-18**: 12,041.1
- **Acquisitions 2019**: 450.0
- **Disposals 2019**: (270.7)
- **Capex & WIP\(^{(1)}\)**: 166.4
- **Revaluation\(^{(2)}\)**: 364.4
- **GAV Dec-19**: 12,751.3

\(^{(1)}\) Including acquisition of logistics assets to be developed

\(^{(2)}\) € 364.4m revaluation 2019 equals € 355.0m P&L revaluation plus € 10.6m equity method revaluation (€ 1.6m off B/S) minus € 1.1m of other adjustments
Appraisals reflecting income growth

**GAV LIKE-FOR-LIKE EVOLUTION**

- **Offices**: +4.8%
- **Shopping centers**: -0.1%
- **Net Leases**: +0.5%
- **Logistics**: +9.0%

**MERLIN average**

- **Office**: +4.8%
- **Shopping centers**: -0.1%
- **Net Leases**: +0.5%
- **Logistics**: +9.0%

**YIELD COMPRESSION (BASED ON EXIT YIELDS)**

- **Offices**: 27 bps
- **Shopping centers**: (9 bps)
- **Net Leases**: 0 bps
- **Logistics**: 42 bps

**MERLIN average**

- **Office**: 27 bps
- **Shopping centers**: (9 bps)
- **Net Leases**: 0 bps
- **Logistics**: 42 bps

---

(1) GAV of WIP projects included under offices and logistics for LfL purposes.
(2) Including equity method
Intense debt management further softening the maturity profile

- **€ 1,617m** ESG-linked financings
- **€ 500m** 15-year bond
- **+€ 100m** add-on 15-year post closing
Valuation and debt position

<table>
<thead>
<tr>
<th></th>
<th>31/12/2019</th>
<th>31/12/2018</th>
<th>31/12/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net debt</strong></td>
<td>€ 5,182m(1)</td>
<td>€ 4,902m(1)</td>
<td>€ 4,904m</td>
</tr>
<tr>
<td><strong>LTV</strong></td>
<td>40.6%(2)</td>
<td>40.7%</td>
<td>43.6%</td>
</tr>
<tr>
<td><strong>Average cost (spot)</strong></td>
<td>2.09% (1.79%)</td>
<td>2.13% (1.84%)</td>
<td>2.23%</td>
</tr>
<tr>
<td><strong>Average maturity (years)</strong></td>
<td>6.4</td>
<td>5.9</td>
<td>6.1</td>
</tr>
<tr>
<td><strong>Unsecured debt/Total debt</strong></td>
<td>82.7%</td>
<td>81.3%</td>
<td>78.5%</td>
</tr>
<tr>
<td><strong>Fixed rate debt</strong></td>
<td>99.5%</td>
<td>96.3%</td>
<td>98.6%</td>
</tr>
</tbody>
</table>

Source: Company
(1) Cash balance includes Treasury stock (€ 56.8m) and Juno’s receivable (€ 70.0m)
(2) Excluding transfer costs. If included LTV would amount to 39.5%
Remarkable progress in ESG

ESG & Technology  |  ESG achievements

Gold since 2017

ESG Benchmarks

MERLIN has obtained an excellent mark in the 2019 edition

<table>
<thead>
<tr>
<th>MERLIN</th>
<th>European average</th>
<th>Global average</th>
<th>Our peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>82%</td>
<td>71%</td>
<td>72%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Certifications

Accessibility

<table>
<thead>
<tr>
<th>Target</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Efficiency

<table>
<thead>
<tr>
<th>Offices</th>
<th>Shopping centers</th>
<th>Logistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>99%</td>
<td>75%</td>
<td>97%</td>
</tr>
<tr>
<td>100%</td>
<td>77%</td>
<td>66%</td>
</tr>
</tbody>
</table>

Social engagement

Direct contributions

- 0.1% of GRI
- 17 foundations

Matching program

- 2X employee contribution
- 47 foundations

Volunteering hours

- 61 foundations

Quality

>850k sqm certified

Connectivity

Wiredscore kicks-off in Europe with MERLIN

Remarkable progress in ESG

(1) Excluding WIPs and Portugal
(2) 3 foundations are benefitted both from direct contributions and matching program
MERLIN is focusing its technology efforts through 3 pillars

**Deployment in our portfolio**

**Sensorization**

**Digitalization**

Tenant engagement App

**User experience**

**Mentoring**

**Proptech challenge**

MERLIN teamed up with ISDI and Impact accelerator

The program allowed us to identify Proptech opportunities

**Sponsoring**

MERLIN has invested in Fifth Wall, a venture capital proptech fund

**Prized proptechs**

**Portfolio companies**

**Proptech Ecosystem**
Value creation | Capital recycling - Acquisitions

Art

• Located in Dom Joao II, main avenue in Parque das Nações in Lisbon
• 3 blocks in “U” shape
• Grade A specifications and 3 metres floor-to-ceiling height
• Fully let to best-in-class companies such as BNP Paribas, Huawei, Sage and DHL
• Strong reversionary potential

GLA 22,150 sqm
ERV € 4.6m
Yield on cost 5.4%
ERV yield 6.1%

TFM

• Located in Dom Joao II, main avenue in Parque das Nações in Lisbon
• Fully let to shared services companies such as Webhelp and Bold International
• Strong reversionary potential

GLA 7,837 sqm
ERV € 1.6m
Yield on cost 5.7%
ERV yield 6.5%

Nestlé HQ

• Located in the highly dynamic “western corridor” (A5 motorway)
• The building is divided into two wings connected by a common hall at the center
• 100% let to Nestlé on a long term basis

GLA 12,260 sqm
GRI € 1.4m
Yield on cost 7.0%
Value creation | Capital recycling - Acquisitions

Cabanillas Park I ext.
• Development of 4 logistics modules, adjacent to Cabanillas Park I, with a total GLA of 92,994 sqm
• MERLIN Cabanillas Park I + extension (314,867 sqm GLA) will become the largest logistics park in Madrid
• Delivery in two phases: 2020 and 2021

GLA 92,994 sqm
Total investment € 56.0m
ERV € 3.8m
Yield on cost 6.9%

22@ Ferreteria
• Located in 22@ district in Barcelona
• The asset, formerly a hardware store, enjoys a special charm, ideal for coworking
• Cluster of common services and events management together with LOOM Torre Glòries

GLA 2,018 sqm
ERV € 0.4m
ERV yield 6.1%

Plaza de Cataluña 9(1)
• Historical asset designed by the renowned modernist architect Josep Puig i Cadafalch
• Located in Plaza Cataluña, one of the most touristic and emblematic squares in Barcelona
• Spectacular terrace on the top floor

GLA 3,048 sqm
ERV € 0.8m
ERV yield 4.5%

(1) Transaction closed on January 2020
**Value creation | Madrid Nuevo Norte**

**Acquisition of a strategic stake in Distrito Castellana Norte, the future of Madrid Prime CBD**

---

**The Project**

- **Largest development in Europe** with a total investment of € 6bn
- **Future Prime CBD area in Madrid** with second-to-none fast connections by air or train
- **Comprises 4 independent phases**, one of which could be divided in two sub-projects

---

**Distrito Castellana Norte (DCN)**

**DCN is the largest owner of the development,** with a total buildability of 1.2m sqm, 81% of which has office use and 19% residential

**14.46%** MERLIN Properties stake
Value creation | Madrid Nuevo Norte

The most ambitious real estate scheme in Europe
€ 281m of divestments in 2019, at an average premium of 4.3%

**Offices**

- Successful sale of a portfolio of **26 office buildings**, totalling **133,218 sqm** and **€ 11.8m** of gross annual rents

**Exposure to Prime CBD + NBA**

- Dec 2018: 88%
- Dec 2019: 91%

**Shopping centers**

- Contribution of **3 secondary retail assets** (Thader, La Fira and Nassica) in exchange for 34.4% of Silicius, a multi-product vehicle. Executed on a NAV neutral basis
- **€ 175m** of disposal, out of which 50% are accounted for as true sale. The remaining 50% can be exchanged for non-retail assets of Silicius if not bought out within the next 5 years
- Sale of **2 assets** in Bonaire Retail Park

**Exposure to shopping centers**

- Dec 2018: 21%
- Dec 2019: 19%

**Exposure to secondary retail**

- Dec 2018: 2.9%
- Dec 2019: 0.9%

<sup>(1)</sup> Pro-forma to exclude Thader, La Fira and Nassica by GAV
Value creation | Landmark I - 2019 Deliveries

Torre Glòries

Returns
• Acquisition € 142.0m
• Capex € 26.7m
• Total investment € 168.7m
• ERV € 11.8m
• Yield on cost 7.0% (vs 6.5% underwriting)

Tenants
• 100% Let

Torre Chamartín

Returns
• Acquisition € 31.2m
• Capex € 38.0m
• Total investment € 69.2m
• ERV € 4.3m
• Yield on cost 6.2% (vs 6.2% underwriting)

Tenants
• 100% Let
## Value creation | Landmark I - Update

<table>
<thead>
<tr>
<th>GLA (sqm)</th>
<th>Torre Charmartín</th>
<th>Torre Glòries</th>
<th>Marqués de Pombal 3</th>
<th>Castellana 85</th>
<th>Diagonal 605</th>
<th>Monumental</th>
<th>Plaza Ruiz Picasso</th>
<th>Adequa 4</th>
<th>Adequa 7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18,295</td>
<td>37,614</td>
<td>12,460</td>
<td>15,254</td>
<td>13,244</td>
<td>22,387</td>
<td>31,576</td>
<td>15,793</td>
<td>32,109</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Acquisition (€m)</th>
<th>Torre Charmartín</th>
<th>Torre Glòries</th>
<th>Marqués de Pombal 3</th>
<th>Castellana 85</th>
<th>Diagonal 605</th>
<th>Monumental</th>
<th>Plaza Ruiz Picasso</th>
<th>Adequa 4</th>
<th>Adequa 7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.2</td>
<td>142.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>28.2</td>
<td>64.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capex (€m)</th>
<th>Torre Charmartín</th>
<th>Torre Glòries</th>
<th>Marqués de Pombal 3</th>
<th>Castellana 85</th>
<th>Diagonal 605</th>
<th>Monumental</th>
<th>Plaza Ruiz Picasso</th>
<th>Adequa 4</th>
<th>Adequa 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>38.0</td>
<td>26.7</td>
<td>1.6</td>
<td>32.1</td>
<td>8.7</td>
<td>34.8</td>
<td>50.3</td>
<td>16.8</td>
<td>61.5</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rent ▲(€m)</th>
<th>Torre Charmartín</th>
<th>Torre Glòries</th>
<th>Marqués de Pombal 3</th>
<th>Castellana 85</th>
<th>Diagonal 605</th>
<th>Monumental</th>
<th>Plaza Ruiz Picasso</th>
<th>Adequa 4</th>
<th>Adequa 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.3</td>
<td>11.8</td>
<td>0.2</td>
<td>2.6</td>
<td>1.3</td>
<td>3.3</td>
<td>6.3</td>
<td>3.6</td>
<td>8.3</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Yield on Cost</th>
<th>Torre Charmartín</th>
<th>Torre Glòries</th>
<th>Marqués de Pombal 3</th>
<th>Castellana 85</th>
<th>Diagonal 605</th>
<th>Monumental</th>
<th>Plaza Ruiz Picasso</th>
<th>Adequa 4</th>
<th>Adequa 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2%</td>
<td>7.0%</td>
<td>9.4%</td>
<td>8.1%</td>
<td>15.5%</td>
<td>9.4%</td>
<td>12.6%</td>
<td>7.9%</td>
<td>6.6%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Delivery</th>
<th>Torre Charmartín</th>
<th>Torre Glòries</th>
<th>Marqués de Pombal 3</th>
<th>Castellana 85</th>
<th>Diagonal 605</th>
<th>Monumental</th>
<th>Plaza Ruiz Picasso</th>
<th>Adequa 4</th>
<th>Adequa 7</th>
</tr>
</thead>
</table>

- **Total Acquisition**: €266.0m
- **Total Capex**: €270.5m
- **Total investment**: €536.4m
- **Pending Capex**: €175.5m
- **Additional Rents**: €41.7m
- **Yield on Cost**: 7.8%
**Value creation**

Flagship - X-Madrid

---

**Comercialization status**

95% commercialized as of February

Tenants demanding more space

---

We have turned the mix upside down: 70% experience / 30% retail

- Climbing Spanish cup
- Harley gathering
- Bowling Tournament
- Spanish freestyle cup
- >1,500 surfers

>1.2 million visitors since opening (less than 2 months)
Value creation | Flagship - Larios and Tres Aguas

Larios

- Total investment €47.3m(1)
- ERV €3.1m
- Yield on cost 6.6%
  (vs 6.4% underwriting)

- Top-of-mind mall for retailers in Malaga
- Full occupancy
- After reform the center is achieving the highest footfall in 6 years

- New tenants(3)
  21 contracts 15,518 sqm

- Anchor tenants are upscaling and upgrading their units

- New tenants

Tres Aguas

- Total investment €12.1m(2)
- ERV €1.4m(3)
- Yield on cost 11.2%
  (vs 15.1% underwriting)

- Occupancy gain of + 900 bps after the refurbishment
- After reform, the center has achieved the highest sales in 5 years

- Anchor tenants
  are upscaling and upgrading their units

- New tenants

(1) €19.9m GLA + €27.5m Capex
(2) Only including MRL 50%
(3) Or upscaled units
## Value creation | Flagship - update

<table>
<thead>
<tr>
<th>Larios</th>
<th>Arturo Soria Plaza</th>
<th>X-Madrid</th>
<th>Tres Aguas(^{(1)})</th>
<th>El Saler</th>
<th>Porto Pi</th>
<th>Callao 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>GLA (sqm)</td>
<td>41,460</td>
<td>7,054</td>
<td>47,170</td>
<td>67,690</td>
<td>47,471</td>
<td>58,779</td>
</tr>
<tr>
<td>GLA MERLIN (sqm)</td>
<td>37,957</td>
<td>6,069</td>
<td>47,170</td>
<td>33,845</td>
<td>28,861</td>
<td>32,963</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capex (€m)</th>
<th>Works: 27.5</th>
<th>5.4</th>
<th>Works: 46.4</th>
<th>12.1(^{(1)})</th>
<th>Works: 24.0</th>
<th>Ad. GLA: 12.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad. GLA: 19.9</td>
<td>Investment: 10.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Rent △(€m) | 3.1 | 0.6 | 5.2 | 1.4\(^{(1)}\) | 1.9 | 1.7 | 3.9 |

| Yield on Cost | 6.6% | 11.3% | 9.1% | 11.2% | 5.2% | 4.2% | 18.9% |


\[\text{△ GLA + X-Mad inv.} \] \[\text{Total Capex} \] \[\text{Total investment} \] \[\text{Pending Capex} \] \[\text{Additional Rents} \] \[\text{Yield on Cost} \]

\[\text{€ 57.5m} \] \[\text{€ 162.6m} \] \[\text{€ 220.1m} \] \[\text{€ 86.0m} \] \[\text{€ 17.7m} \] \[8.1\%\] \n
\(^{(1)}\) Only including MRL 50%
\(^{(2)}\) Equity method investments are not included in the GRI
## Value creation | Best II - Update

<table>
<thead>
<tr>
<th>Location</th>
<th>Pinto II B (1)</th>
<th>Guadalajara Cabanillas III</th>
<th>Toledo Seseña</th>
<th>Guadalajara Cabanillas F</th>
<th>Madrid San Fernando II</th>
<th>Guadalajara Azuqueca III</th>
<th>Guadalajara Cabanillas Park I extension</th>
<th>Guadalajara Azuqueca II</th>
<th>Guadalajara Cabanillas Park II</th>
</tr>
</thead>
<tbody>
<tr>
<td>GLA (sqm)</td>
<td>29,473</td>
<td>21,879</td>
<td>28,731</td>
<td>20,723</td>
<td>34,224</td>
<td>51,000</td>
<td>92,994</td>
<td>98,757</td>
<td>210,678</td>
</tr>
<tr>
<td>Capex (€m)</td>
<td>13.7</td>
<td>11.8</td>
<td>15.5</td>
<td>10.8</td>
<td>21.7</td>
<td>30.1</td>
<td>56.0</td>
<td>54.7</td>
<td>114.2</td>
</tr>
<tr>
<td>ERV (€m)</td>
<td>1.2</td>
<td>0.9</td>
<td>1.2</td>
<td>0.9</td>
<td>1.9</td>
<td>2.3</td>
<td>3.8</td>
<td>4.4</td>
<td>9.2</td>
</tr>
<tr>
<td>ERV YoC</td>
<td>8.6%</td>
<td>7.8%</td>
<td>7.7%</td>
<td>7.9%</td>
<td>8.9%</td>
<td>7.7%</td>
<td>6.8%</td>
<td>8.1%</td>
<td>8.1%</td>
</tr>
</tbody>
</table>

- **GLA:** 588k sqm
- **Total investment:** €328.4m
- **Pending Capex:** €193.4m
- **Additional Rents:** €25.9m
- **Yield on Cost:** 7.9%

(1) 2nd phase of Pinto II only
Launch of Best III to expand footprint to other areas of the Iberian Peninsula

<table>
<thead>
<tr>
<th>Location</th>
<th>GLA (sqm)</th>
<th>Capex (€m)</th>
<th>ERV (€m)</th>
<th>ERV YoC</th>
<th>Delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valencia Ribarroja</td>
<td>34,992</td>
<td>26.3</td>
<td>1.9</td>
<td>7.2%</td>
<td>2019</td>
</tr>
<tr>
<td>Zaragoza Plaza II</td>
<td>11,421</td>
<td>7.1</td>
<td>0.5</td>
<td>7.2%</td>
<td>2020</td>
</tr>
<tr>
<td>Sevilla (2) ZAL WIP</td>
<td>42,632</td>
<td>24.4</td>
<td>2.0</td>
<td>8.4%</td>
<td>2019/2020</td>
</tr>
<tr>
<td>Lisbon Park</td>
<td>224,864</td>
<td>147.6</td>
<td>10.5</td>
<td>7.1%</td>
<td>2020/2023</td>
</tr>
<tr>
<td>Madrid San Fernando III</td>
<td>98,942</td>
<td>54.9</td>
<td>5.1</td>
<td>9.3%</td>
<td>2022/2023</td>
</tr>
<tr>
<td>Valencia</td>
<td>96,572</td>
<td>56.2</td>
<td>4.4</td>
<td>7.8%</td>
<td>2022/2023</td>
</tr>
</tbody>
</table>

GLA | 509k sqm
Total investment | € 317m(1)
Pending Capex | € 261.2m
Additional Rents | € 24.5m
Yield on Cost | 7.7%

(1) € 163m total investment until 2022
(2) 8.798 sqm already delivered to Amazon
Attractive growth profile with high degree of lets and pre-lets

(€m)

Value creation | Potential rental growth (2019-2022)

+24%
## Value creation | Sources & uses

**Capex program now self-funded**

Cash from further non-core disposals to be used mainly for DCN and debt repayment

<table>
<thead>
<tr>
<th>(€m)</th>
<th>Landmark</th>
<th>Flagship</th>
<th>Best II &amp; Best III (1)</th>
<th>Total Capex 2018-2022</th>
<th>Capex invested as of Dec-19</th>
<th>Cash available as of Dec-19</th>
<th>Cash flow retention until FY22 (2)</th>
<th>Non-core disposals requirements</th>
<th>DCN 2020-2022</th>
<th>&gt; 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>536</td>
<td>220</td>
<td>645</td>
<td>1,401</td>
<td>(685)</td>
<td>(328)</td>
<td>(182)</td>
<td>206</td>
<td>49</td>
<td></td>
</tr>
</tbody>
</table>

(1) Includes €154m investments post 2022 (San Fernando III, Lisbon Park and Valencia)

(2) 3 years cash retention based on 20% of FY19 AFFO

+€ 191m until completion of infrastructure and urbanization
Outlook 2020
### Outlook | Guidance

Execution of Capex plans translate into a net loss of FFO of approximately € 19.1m in 2020

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Assets</th>
<th>FFO Increase</th>
<th>FFO Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acquisitions 2019</strong></td>
<td>• Art</td>
<td></td>
<td>+€ 1.5m</td>
</tr>
<tr>
<td></td>
<td>• TFM</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Nestlé</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Valencia Ribarroja</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Disposals 2019</strong></td>
<td>• Juno portfolio + other</td>
<td></td>
<td>(€ 11.9m)</td>
</tr>
<tr>
<td></td>
<td>• 3 secondary retail assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assets taken out from inventory</strong></td>
<td>• Castellana 85</td>
<td></td>
<td>(€ 13.0m)</td>
</tr>
<tr>
<td></td>
<td>• Monumental</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Plaza Ruiz Picasso</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assets added-back to inventory</strong></td>
<td>• Torre Glòries</td>
<td></td>
<td>+€ 4.3m</td>
</tr>
<tr>
<td></td>
<td>• Torre Chamartín</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Toledo-Seseña-Madrid</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• X-Madrid</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Temporary net effect</strong></td>
<td></td>
<td></td>
<td>(€ 19.1m)</td>
</tr>
</tbody>
</table>

**FFO Guidance**

- € 0.65 per share

**AFFO Guidance**

- € 0.62 per share

**DPS**

- € 0.52 per share
  - € 0.50 from AFFO
  - € 0.02 from disposals
Closing remarks

Performance
• Remarkable year in cash flow generation, with **FFO per share growing +9.2% YoY**
• **Offices. Outstanding increase both in rents** (+7.3% LfL) and occupancy (+264 bps)
• **Shopping centers proving its resilience**, with tenant sales rising and good business behaviour
• **Logistics** continue showing **strong momentum**

Value creation
• **Landmark/Flagship/Best II & III.** Substantial deliveries in 2019, all of them at very compelling returns
• Active management of capital recycling resulting in **enhanced quality of offices and retail portfolios**, as well as strategic stake in the most ambitious real estate scheme in Europe
• **+24% growth potential in rents**, with lower risk of execution at this point

Outlook 2020
• **Positive market backdrop** underpinning fundamentals in all asset categories
• **FFO guidance of € 0.65 per share.** Temporary loss of **FFO** due to buildings vacated for the execution of works
• **DPS guidance of € 0.52**