MERLIN PROPERTIES

Press release

26 April 2019

MERLIN completes its refinancing with an ESG Indexed Loan

• The Sustainability-Linked Facility is the largest in European Real Estate sector to date and the second largest ever in Spain across all industries

• MERLIN's continued management of its debt positions over the last six months report LfL savings of € 8.2 million per annum

Madrid, 26 April.- MERLIN Properties ("MERLIN" or the "Company") has completed today the refinancing of its existing Term Loan and Revolving Credit Facility through a €1.55bn Sustainability-Linked transaction which incorporates a pricing adjustment mechanism based on several indicators. This ESG Indexed financing is the largest in the European Real Estate sector to date and the second largest ever in Spain across all industries.

With this transaction, MERLIN takes a step further in integrating sustainability into the Company's business strategy, associating part of its financing cost to it. The €1.55bn facility consists of a €850m Term Loan and a €700m Revolving Credit Facility (RCF). It has a five-year tenor with two one-year extension options to be exercised in 2024 and 2025 for the RCF. This financing replaces the €1.7bn Term Loan signed in December 2015 (partially repaid through a bond issue) and the €320m RCF signed in June 2016.

MERLIN will measure yearly KPIs based on four criteria: (1) continuous investment in energy efficiency improvements across the portfolio; (2) external LEED/BREEAM energy certifications achieved in office, logistics and retail assets; (3) handicapped access for all tenants and customers through AIS certification of its buildings; and (4) electric consumption sourced by renewable energies.

This initiative illustrates MERLIN Properties' consistent effort to embody Corporate Social Responsibility principles, not only by integrating sustainability considerations throughout all its assets life-cycle capex, but also on the management of the liability-side of its balance sheet

Aligned with the "Sustainability Linked Loan Principles" released in March 2019 by the Loan Market Association ("LMA"), MERLIN's Sustainability-Linked facility is an additional step forward to develop this innovative market. The syndicate financing includes the following leading national and international financing institutions: Société Générale (acting as Facility Agent), BNP Paribas, Intesa San Paolo, Natixis, BBVA, Crédit Agricole CIB, Caixabank, Mediobanca, Santander, ING, Citigroup, Bankinter, HSBC, Sabadell, Unicaja and Liberbank. Both Crédit Agricole CIB, ING and Santander have acted as Joint Sustainability Coordinators.

MERLIN's recent actions on its liability positions will report LfL savings of € 8.2 million per annum

The successful closing of this Sustainability-Linked Facility, together with the refinancing of our fully owned subsidiary Tree Inversiones Inmobiliarias SOCIMI, SA executed in November 2018, plus some minor ancillary actions executed over the period, will generate interest savings of € 8.2 million per annum. In terms of maturity, the average debt maturity has been extended 1.4 years up to 6.4 years.

MERLIN Properties SOCIMI, S.A
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About MERLIN Properties

MERLIN Properties SOCIMI, S.A. (MC:MRL) is the largest real estate company trading on the Spanish Stock Exchange, with a market capitalization of approximately 5.7 billion euros, specialized in the acquisition and management of commercial property in the Iberian region. MERLIN Properties mainly invests in offices, shopping centers and logistics facilities, within the Core and Core Plus segments, forming part of the benchmark IBEX-35, Euro STOXX 600, FTSE EPRA/NAREIT Global Real Estate, GPR Global Index, GPR-250 Index, and MSCI Small Caps indices.

Please visit www.merlinproperties.com to learn more about the company.

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