



## CONSOLIDATED PERFORMANCE

(2.9%)

Gross rents like-for-like YoY

(15.3%)

FFO per share YoY

+0.3%

NTA per Share YoY

- Business performance impacted by further mandatory closures. Tenants heavily affected by now
- Heavier restrictions than anticipated result in rent reliefs of €11.6m, recorded as a one-off expense
- FFO per share of € 0.13 represents a 15.3% decline compared to 3M20, a mostly undisturbed period
- Cash flow on track to meet the guidance for 2021 (€ 0.56 per share) with additional rents from WIP
- WIP deliveries this quarter amount to 135,315 sqm and € 5.3m of incremental rents to FY21
- No revaluation in the period. NTA p.s at € 15.56

(€ million)	3M21	3M20	YoY
Total revenues	126.4	131.8	(4.1%)
Gross rents	124.6	130.4	(4.5%)
Gross rents after incentives	107.8	123.3	(12.6%)
Net rents after propex & collection losses	96.3	112.6	(14.5%)
Gross-to-net margin <sup>(1)</sup>	89.4%	91.3%	
EBITDA <sup>(2)</sup>	87.9	103.9	(15.5%)
Margin	70.5%	79.7%	
FFO <sup>(3)</sup>	63.3	74.7	(15.3%)
Margin	50.8%	57.3%	
AFFO	62.2	67.9	(8.4%)
Net earnings	55.7	38.6	44.3%
(€ per share)	3M21	3M20	YoY
FFO	0.13	0.16	(15.3%)
AFFO	0.13	0.14	(8.4%)
EPS	0.12	0.08	44.3%
NTA	15.56	15.50	+0.3%

## BUSINESS PERFORMANCE

(2.9%)

Offices

+0.8%

Logistics

(2.9%)

S. Centers

Rents like-for-like YoY

+2.8%

Offices

+2.9%

Logistics

+5.5%

S. Centers

Release spread

(111 bps)

Occupancy vs 31/12/2020

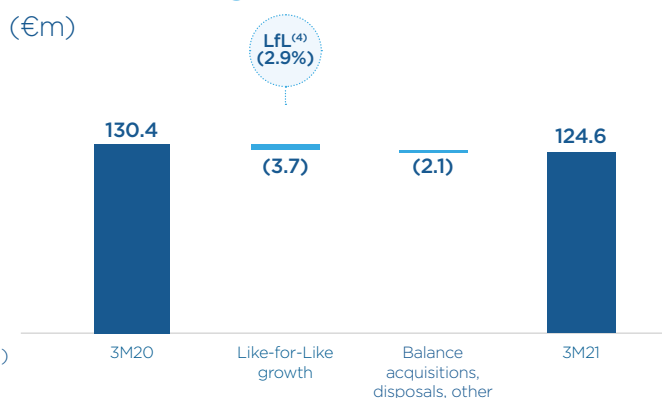
93.1%

- **Offices:** 70,662 sqm contracted. LfL of (2.9%) and release spread of +2.8%
- **Logistics:** 143,804 sqm contracted. LfL of +0.8% and release spread of +2.9%
- **Shopping centers:** 7,608 sqm contracted. LfL of (2.9%) and release spread of +5.5%

3M21	Contracted sqm	Rent		Leasing activity	Occ. vs 31/12/20
		€ m	Lfl change	Release spread	Bps
Offices	70,662	56.1	(2.9%)	+2.8%	(177)
Logistics	143,804	16.0	+0.8%	+2.9%	(287)
Shopping centers	7,608	28.7	(2.9%)	+5.5%	(88)
Net leases	n.a.	21.5	(0.1%)	n.m.	29
Other	n.a.	2.3	(34.7%)	n.m.	2,497
<b>Total</b>	<b>222,074</b>	<b>124.6</b>	<b>(2.9%)</b>		<b>(111)</b>

### Gross rents bridge

(€m)



<sup>(1)</sup> Net of incentives

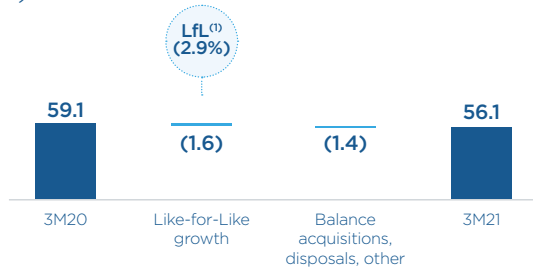
<sup>(2)</sup> Excludes non-overhead costs items (€ 0.7m) plus LTIP accrual (€ 3.3m)

<sup>(3)</sup> FFO equals EBITDA less net interest payments, less minorities, less recurring income taxes plus share in earnings of equity method

<sup>(4)</sup> Portfolio in operation for 3M20 (€ 125.3m of GRI) and for 3M21 (€ 121.6m of GRI)

# OFFICES

## Gross rents bridge (€m)



## Rents breakdown

	Gross rents 3M21 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
Madrid	40.1	18.0	2.9
Barcelona	9.5	18.1	2.7
Lisbon	5.7	18.9	4.0
Other	0.7	10.9	5.3
<b>Total</b>	<b>56.1</b>	<b>17.9</b>	<b>3.0</b>

## Leasing activity

- LfL rental decrease (2.9%) due to vacancy and negative CPI Indexation. Positive release spread both on a 3M21 and LTM basis
- 3M21 leasing activity highlights:
  - 10,495 sqm renewal with Vass in Avenida de Europa, Madrid
  - 5,934 sqm renewal with Capgemini in Diagonal 199, Barcelona
  - 4,225 sqm renewal with Transcom in Atica 5, Madrid
  - 3,024 sqm new lease with Essity in Central Office, Lisbon
  - 3,008 sqm new leases with VM Energy and Parques Reunidos in PE Las Tablas, Madrid
  - 2,767 sqm new lease with Generalitat de Catalunya in PLZFB, Barcelona
  - 1,994 sqm renewal with IEB in Alfonso XI, Madrid

	Contracted sqm	Out	In	Renewals <sup>(2)</sup>	Net	Release spread	# Contracts
Madrid	43,351	(27,261)	5,648	37,703	(21,613)	(1.9%)	126
Barcelona	21,359	(6,620)	8,570	12,789	1,950	+24.2%	31
Lisbon	5,952	(6,608)	5,952	-	(656)	+21.0%	17
<b>Total</b>	<b>70,662</b>	<b>(40,489)</b>	<b>20,170</b>	<b>50,492</b>	<b>(20,319)</b>	<b>+2.8%</b>	<b>174</b>

## Occupancy

- Occupancy impacted by job destruction in a challenging market environment (-177 bps QoQ)
- We expect the market to recover during 2H21 and maintain our guidance for FY21 occupancy
- By markets, best performer this quarter has been Barcelona CBD 22@

Stock	1,185,786 sqm
WIP	145,008 sqm
Stock incl. WIP	1,330,794 sqm

	Occupancy rate <sup>(3)</sup>		
	3M21	FY20	Change bps
Madrid	87.0%	89.5%	(249)
Barcelona	93.1%	92.6%	47
Lisbon	99.3%	100.0%	(69)
Other	100.0%	100.0%	-
<b>Total</b>	<b>89.3%</b>	<b>91.1%</b>	<b>(177)</b>

<sup>(1)</sup> Office portfolio in operation for 3M20 (€ 56.9m of GRI) and for 3M21 (€ 55.2m of GRI)




<sup>(2)</sup> Excluding roll-overs

<sup>(3)</sup> MERLIN policy excludes buildings under complete refurbishment. Buildings excluded this period are Plaza Ruiz Picasso, Castellana 85, Monumental, Arturo Soria 343, Plaza Cataluña 9, Pere IV, Avenida de Burgos 208, Atica 1 and Adequa 2

## OFFICES (CONT.)

### INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

#### LANDMARK I

WIP	GLA (sqm)	Scope	Budget	Delivery	YoC
	16,474	Full refurb	€ 34.8m	2Q21	8.1%
	25,385	Full refurb (incl. SC)	€ 34.8m	2Q21	9.4%
	36,899 <sup>(1)</sup>	Full refurb	€ 57.5m	4Q22	10.4%

<sup>(1)</sup> Post refurbishment

# LOGISTICS

## Gross rents bridge

(€m)



## Rents breakdown

	Gross rents 3M21 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
Madrid	9.3	3.9	4.1
Barcelona	2.9	6.1	2.5
Other	3.7	3.6	2.8
<b>Total</b>	<b>16.0</b>	<b>4.2</b>	<b>3.5</b>

## Leasing activity

- Logistics continues delivering a strong performance, with positive LfL growth (+0.8%) despite negative CPI indexation and temporary vacancy related to flexible contracts
- Good release spread (+2.9%)
- Extraordinary quarter in terms of leasing activity, with over 143k sqm contracted
- **3M21 leasing activity highlights:**
  - 98,757 sqm new lease with Carrefour in A2-Azuqueca II
  - 22,506 sqm new lease with 4PX in A2-Cabanillas Park I G
  - 5,849 sqm new lease with Asmodee Editions Iberica in Sevilla ZAL
  - 4,320 sqm renewal with Rhenus Logistics in Sevilla ZAL

	Contracted sqm	Out	In	Renewals	Net	Release spread	# Contracts
Madrid	125,466	(22,817)	125,466	-	102,649	+0.3%	4
Barcelona	6,351	(6,526)	6,351	-	(175)	+10.9%	2
Other	11,987	(26,292)	7,667	4,320	(18,625)	+19.9%	4
<b>Total</b>	<b>143,804</b>	<b>(55,635)</b>	<b>139,484</b>	<b>4,320</b>	<b>83,849</b>	<b>+2.9%</b>	<b>10</b>

## Occupancy

- Lower occupancy (-287 bps vs FY20) due to **clean up of flexible contracts, plus one eviction. 25,000 sqm vacant space as of 3M21 have been relet in April**
- All **Best II & III delivered assets** are **100% let**

Stock	1,306,127 sqm
WIP <sup>(2)</sup>	823,749 sqm
Best II	365,758 sqm
Best III	435,482 sqm
A4-Getafe (Data Center)	22,508 sqm
Stock incl. WIP	2,129,875 sqm
ZAL Port	632,176 sqm
ZAL Port WIP	103,784 sqm
Stock managed	2,865,835 sqm

	Occupancy rate		bps
	3M21	FY20	
Madrid	95.2%	97.2%	(201)
Barcelona	93.2%	93.3%	(12)
Other	93.9%	100.0%	(607)
<b>Total</b>	<b>94.7%</b>	<b>97.5%</b>	<b>(287)</b>

<sup>(1)</sup> Logistics portfolio in operation for 3M20 (€ 13.8m of GRI) and for 3M21 (€ 13.9m of GRI)

<sup>(2)</sup> WIP includes in progress and Landbank Best II & III and A4-Getafe (Data Center)

## LOGISTICS (CONT.)

### INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

#### Best II (as from 31/03/2021)

	GLA (sqm)	ERV (€m)	Investment (€m)	ERV YoC
<b>Delivered</b>	<b>222,069</b>			
A4-Pinto II <sup>(1)</sup>	29,473	1.2	13.7	8.6%
A2-Cabanillas III <sup>(1)</sup>	21,879	0.9	11.8	7.8%
A2-Cabanillas Park I F <sup>(1)</sup>	20,723	0.9	10.8	7.9%
A2-Cabanillas Park I G <sup>(1)</sup>	22,506	0.9	13.5	6.8%
A4-Seseña <sup>(1)</sup>	28,731	1.2	15.5	7.7%
A2-Azuqueca II	98,757	4.4	54.7	8.1%
<b>In progress</b>	<b>151,483</b>			
A2-San Fernando II	33,592	1.9	22.1	8.5%
A2-Cabanillas Park II	47,403	2.1	25.7	8.1%
A2-Cabanillas Park I H-I-J	70,488	2.9	42.5	6.8%
<b>Landbank</b>	<b>214,275</b>			
A2-Cabanillas Park II	163,275	7.1	88.5	8.1%
A2-Azuqueca III	51,000	2.3	30.1	7.7%
<b>Total</b>	<b>587,827</b>	<b>25.8</b>	<b>328.9</b>	<b>7.8%</b>

#### Best III (as from 31/03/2021)

	GLA (sqm)	ERV (€m)	Investment (€m)	ERV YoC
<b>Delivered</b>	<b>73,940</b>			
Valencia-Ribarroja <sup>(1)</sup>	34,992	1.9	26.3	7.2%
Sevilla ZAL WIP <sup>(1)</sup>	27,528	1.4	11.9	12.0%
Zaragoza-Plaza II <sup>(2)</sup>	11,421	0.5	7.1	7.2%
<b>In progress</b>	<b>60,095</b>			
Sevilla ZAL WIP	15,122	1.6	18.0	9.0%
Lisbon Park	44,973	2.1	29.5	7.1%
<b>Landbank</b>	<b>375,387</b>			
Lisbon Park	179,891	8.4	118.1	7.1%
Madrid-San Fernando III	98,924	5.1	54.9	9.3%
Valencia	96,572	4.4	56.2	7.8%
<b>Total</b>	<b>509,423</b>	<b>25.5</b>	<b>322.1</b>	<b>7.9%</b>

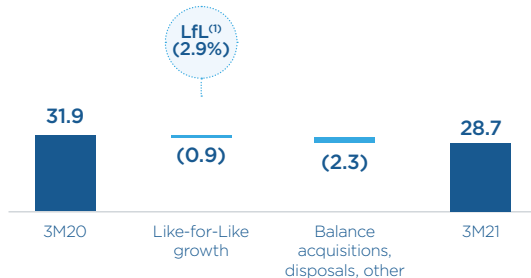
<sup>(1)</sup> Reclassified as part of the existing stock

<sup>(2)</sup> Sold in February 2021

# SHOPPING CENTERS

## Gross rents bridge

(€m)



## Rents breakdown

	Gross rents 3M21 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
MERLIN	28.7	21.3	2.3

## Footfall and tenant sales

	3M21 LTM	YoY
Tenant sales <sup>(2)</sup>	636.7	(40.3%)
Footfall	59.0	(40.2%)
OCR <sup>(3)</sup>	12.5%	

## Leasing activity

- **Footfall and tenant sales affected by heavy restrictions. Consumer behaviour** has proven to be highly responsive to reopenings
- **OCR decreased** during the quarter **to 12.5% as tenant sales recovered faster** than anticipated by our commercial policy
- **3M21 leasing activity highlights:**
  - 986 sqm new lease with Decimas in Saler
  - 657 sqm new lease with Code in Vilamarina
  - 505 sqm new lease with Stradivarius in Artea
  - 465 sqm new lease with Tifossi in Vilamarina
  - 450 sqm new lease with Decimas in Bonaire

	Contracted sqm	Out	In	Renewals	Net	Release spread	# Contracts
Total	7,608	(9,783)	6,564	1,044	(3,219)	+5.5%	69

## Occupancy

- **Covid-19 commercial policy continues paying off, delivering high collection rates** while protecting occupancy and enhancing brand image
- **Intense quarter in terms of retenanting with new leasing activity (6,564 sqm)** more than 50% above 3M19
- **Best performer** this quarter has been **Centro Oeste**

Stock	461,742 sqm
Tres Aguas <sup>(4)</sup>	67,691 sqm
Stock with Tres Aguas	529,433 sqm

	Occupancy rate		bps
	3M21	FY20	
Total	92.9%	93.7%	(88)

<sup>(1)</sup> Shopping centers portfolio in operation for 3M20 (€ 29.6m of GRI) and for 3M21 (€ 28.7m of GRI)


<sup>(2)</sup> Excluding X-Madrid as it does not have comparable data

<sup>(3)</sup> Including the impact of the commercial policy

<sup>(4)</sup> Tres Aguas at 100% allocation

## SHOPPING CENTERS (CONT.)

### FLAGSHIP

IN STOCK <sup>(1)</sup>	GLA (sqm)	Scope	Budget	Delivery	YoC
	50,747	Full refurb	€ 25.8m	2Q21	5.7%
	58,779	Full refurb	€ 28.5m	2Q21	4.1%

<sup>(1)</sup> GLA and Capex budget for shopping centers refurbishments include 100% of the asset, regardless of the stake owned by MERLIN in the owners' community

## BALANCE SHEET

- LTV stands at **39.7%**
- MERLIN enjoys a strong **liquidity position of € 1.3bn**

Ratios	31/03/2021	31/12/2020
LTV	39.7%	39.9%
Av. Interest rate	2.12%	2.12%
Av. Maturity (years)	5.8	6.0
Unsecured debt to total debt	86.7%	86.7%
Interest rate fixed	99.8%	99.8%
Liquidity position (€m) <sup>(1)</sup>	1,291	1,253

Corporate rating		Outlook
<b>S&amp;P Global</b>	BBB	Stable
<b>Moody's</b>	Baa2	Negative

	€ million
GAV	12,796
Gross financial debt	5,734
Cash and equivalents <sup>(2)</sup>	(505)
Net financial debt	5,229
NTA	7,308

## INVESTMENTS, DIVESTMENTS AND CAPEX

- **No acquisitions during 3M21**
- **€ 44.0m** of successful **divestments at 5% premium** vs pre-Covid GAV in the period including 3 non-core logistics assets comprising 50,904 sqm and 1 BBVA branch
- **Landmark I, Flagship and Best II & III continue progressing.** Castellana 85, Monumental, Saler, Porto Pi and Lisbon Park (Phase 1) reaching completion

	Offices	Retail	Logistics	€ million
Acquisitions				0.0
Development	Av. de Burgos 208	X-Madrid	A2-Cabanillas Park I G Lisbon Park A4-Getafe (Data Center)	14.5
Investment properties	Castellana 85 Monumental Plaza Ruiz Picasso Arturo Soria 343	Saler Porto Pi	A2-Coslada Complex A2-Azuqueca II	14.5
Like-for-like portfolio (Defensive Capex) <sup>(3)</sup>				1.5
<b>Total</b>				<b>30.5</b>

<sup>(1)</sup> Includes cash (€ 320.4m) and treasury stock (€ 33.5m), Juno's receivable (€ 70.0m), Silicius receivable (€ 81.0m) and undrawn credit facilities (€ 786m) in 3M21

<sup>(2)</sup> Includes cash (€ 320.4m) and treasury stock (€ 33.5m), Juno's receivable (€ 70.0m) and Silicius receivable (€ 81.0m)

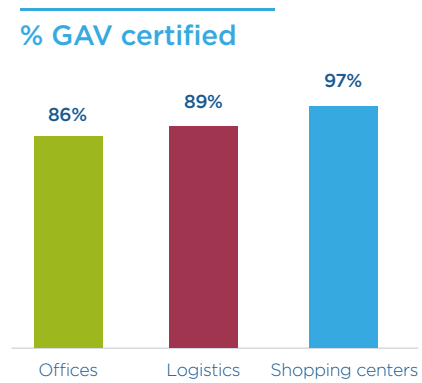
<sup>(3)</sup> € 1.0m are capitalized in balance sheet and € 0.5m are expensed in P&L



## SUSTAINABILITY

- **Intensive effort in terms of portfolio certification**, having obtained 11 new LEED/BREEAM certificates
- **All certificates have obtained the highest scores** (LEED Gold or Platinum or BREEAM Very Good), proving MERLIN’s sustainability commitment
- **The program is nearing completion**, with 97% of Shopping Centers, 89% of Logistics warehouses and 86% of Office assets already certified

Adequa 3, 5 & 6	A4 Seseña	Avenida de Bruselas 33	Almada
			
LEED Platinum	LEED Gold	LEED Gold	BREEAM Very Good



## POST CLOSING

- Over **25,000 sqm** of logistics vacancy **have been relet in April** replacing 2020 flexible contracts by standard **long term contracts**. Additionally, MERLIN has signed a **47.000 sqm** turnkey project with **Logista** in Cabanillas Park II
- On April 7<sup>th</sup> MERLIN **delivered the last module of A2-San Fernando II**

# COVID-19 UPDATE

## 2021 COMMERCIAL POLICY

- In October, the Company approved **Phase III** of its commercial policy for 1H21. The goal is to continue supporting our tenants through incentives commensurate with current sales in order **to maintain effort rates (OCR) at sustainable levels**
- The policy is applicable during the first half of 2021, with an estimated revised impact of € 19.6m in the period (€ 18.6m for shopping centers and € 1.0m for the retail component in offices) due to longer lockdowns than initially forecasted. € 11.6m Covid-19 rent reliefs have already been charged in 3M21 results

<b>Eligibility</b>	▶▶▶	Retail tenants up-to-date in their contractual obligations, including payment of past rents and common expenses
<b>Eligible period</b>	▶▶▶	January 1 <sup>st</sup> - June 30 <sup>th</sup> 2021
<b>Policy</b>	▶▶▶	<ul style="list-style-type: none"> <li>• 100% rent relief in case of a mandatory lockdown exclusively during the period in which tenants are not legally authorized to open</li> <li>• 25% average rent relief granted to retailers (30% for Leisure and Food &amp; Beverage)</li> <li>• Common service charges continue to be paid by tenants</li> <li>• Not cumulative to any potential measures approved by public authorities</li> </ul>

## COLLECTION RATE

- Collection rate remains extremely high for the fifth consecutive quarter after the Covid-19 outbreak, although some tenants are reaching their limit

(as a % of total invoices due)

1Q21	Offices	Logistics	Shopping centers	Net leases
Collected	99.4%	99.8%	60.6%	100%
Commercial policy	0%	0%	35.0%	0%
In process	0.3%	0.2%	0%	0%
Uncollected	0.3%	0%	4.4%	0%

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# APPENDIX

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1. Consolidated Profit and loss
2. Consolidated Balance sheet

## 1. Consolidated Profit and loss

(€ thousand)	31/03/2021	31/03/2020
<b>Gross rents</b>	<b>124,565</b>	<b>130,377</b>
Offices	56,071	59,122
Logistics	15,983	14,276
Shopping centers	28,696	31,865
Net Leases	21,501	21,796
Other	2,314	3,318
<b>Other income</b>	<b>1,787</b>	<b>1,404</b>
<b>Total Revenues</b>	<b>126,352</b>	<b>131,781</b>
Incentives	(5,131)	(3,760)
Covid-19 relief	(11,648)	(3,308)
<b>Total Operating Expenses</b>	<b>(25,693)</b>	<b>(28,354)</b>
Propex	(11,452)	(10,685)
Personnel expenses	(7,429)	(7,583)
Opex general expenses	(2,816)	(2,506)
Opex non-overheads	(681)	(1,542)
LTIP Provision	(3,315)	(6,038)
<b>ACCOUNTING EBITDA</b>	<b>83,880</b>	<b>96,359</b>
Depreciation	(376)	(359)
Gain / (losses) on disposal of assets	(1,396)	(13,854)
Provisions	494	(235)
Change in fair value of investment property	-	-
<b>EBIT</b>	<b>82,602</b>	<b>81,911</b>
Net financial expenses	(28,304)	(28,508)
Debt amortization costs	(3,631)	(4,157)
Change in fair value of financial instruments	4,027	(9,832)
Share in earnings of equity method instruments	1,540	476
<b>PROFIT BEFORE TAX</b>	<b>56,234</b>	<b>39,890</b>
Income taxes	(510)	(1,260)
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>55,724</b>	<b>38,630</b>
Minorities	0	0
<b>PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE</b>	<b>55,724</b>	<b>38,630</b>

## 2. Consolidated Balance sheet

(€ thousand)

ASSETS	31/03/2021	EQUITY AND LIABILITIES	31/03/2021
<b>NON CURRENT ASSETS</b>	<b>13,031,502</b>	<b>EQUITY</b>	<b>6,760,194</b>
Intangible assets	1,087	Subscribed capital	469,771
Property, plant and equipment	6,961	Share premium	3,813,409
Investment property	12,125,782	Reserves	2,536,031
Investments accounted for using the equity method	431,666	Treasury stock	(33,457)
Non-current financial assets	378,537	Other equity holder contributions	540
Deferred tax assets	87,469	Interim dividend	-
		Profit for the period	55,724
		Valuation adjustments	(81,824)
		Minorities	-
		<b>NON-CURRENT LIABILITIES</b>	<b>6,580,048</b>
		Long term debt	5,877,800
		Long term provisions	17,756
		Deferred tax liabilities	684,492
<b>CURRENT ASSETS</b>	<b>491,330</b>	<b>CURRENT LIABILITIES</b>	<b>182,590</b>
Trade and other receivables	32,627	Short term debt	78,791
Short term investments in group companies and associates	1,091	Trade and other payables	88,753
Short-term financial assets	73,164	Other current liabilities	15,046
Cash and cash equivalents	320,352		
Other current assets	64,096		
<b>TOTAL ASSETS</b>	<b>13,522,832</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13,522,832</b>



**MERLIN**

PROPERTIES

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