



CONSOLIDATED PERFORMANCE

(2.2%)

Gross rents like-for-like YoY

(3.8%)

FFO per share YoY

+0.6%

NTA per share YTD

- **Covid-19 rent reliefs** to tenants amount to **€ 19.6m** in the period, recorded as a one-off expense (not straight lined)
- **FFO per share** of **€ 0.27**, 3.8% decline compared to 6M20. We **reconfirm the guidance for 2021 (€ 0.56 per share)**
- Flat valuation (+0.5% LfL vs FY20). Offices and net leases resilient. Logistics up. Shopping centers and hotels down. **NTA per share** stands at **€ 15.55 (+0.6% vs FY20) after paying a € 0.30 dividend** during the semester

(€ million)	6M21	6M20	YoY
Total revenues	252.7	259.4	(2.6%)
Gross rents	248.5	256.6	(3.2%)
Gross rents after incentives	219.8	221.2	(0.6%)
Net rents after propex & collection losses	196.1	198.7	(1.3%)
Gross-to-net margin ⁽¹⁾	89.2%	89.8%	
EBITDA ⁽²⁾	179.2	184.1	(2.7%)
Margin	72.1%	71.8%	
FFO ⁽³⁾	129.2	134.3	(3.8%)
Margin	52.0%	52.3%	
AFFO	124.4	125.4	(0.8%)
Net earnings	190.3	70.9	+168.3%
(€ per share)	6M21	6M20	YoY
FFO	0.27	0.29	(3.8%)
AFFO	0.26	0.27	(0.8%)
EPS	0.41	0.15	+168.3%
EPRA NTA	15.55	15.46	+0.5%

BUSINESS PERFORMANCE

(2.9%)

Offices

+1.0%

Logistics

(2.0%)

S. Centers

Rents like-for-like YoY

+6.8%

Offices

+3.3%

Logistics

+5.9%

S. Centers

Release spread

+56 bps

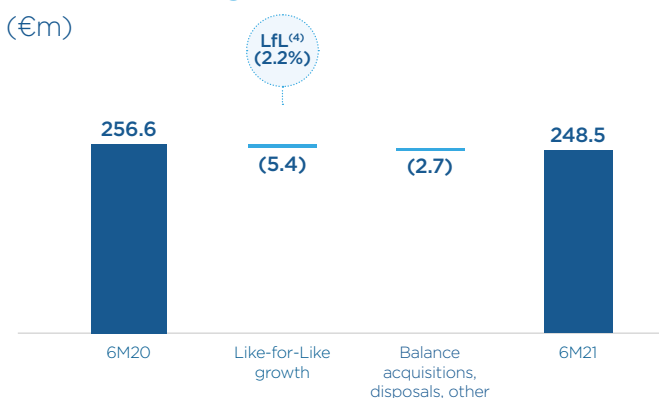
Occupancy vs 31/03/2021

93.7%

6M21	Contracted sqm	Rent		Leasing activity	Occ. vs 31/03/21
		€ m	Lfl change	Release spread	Bps
Offices	173,457	111.5	(2.9%)	+6.8%	(20)
Logistics	191,072	32.2	+1.0%	+3.3%	+151
Shopping centers	16,271	57.2	(2.0%)	+5.9%	+42
Net leases	n.a.	43.0	(0.1%)	n.m.	0
Other	n.a.	4.5	n.m.	n.m.	0
Total	380,800	248.5	(2.2%)		+56

Gross rents bridge

(€m)



⁽¹⁾ Net of incentives

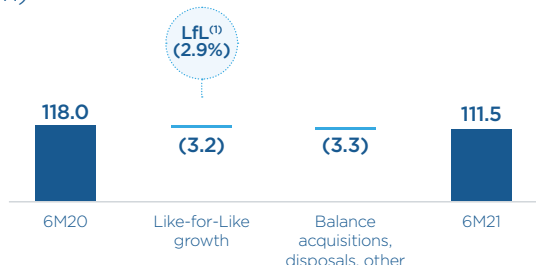
⁽²⁾ Excludes non-overhead costs items (€ 1.7m) plus LTIP accrual (€ 5.6m)

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

⁽⁴⁾ Portfolio in operation for the 6M20 (€ 244.7m of GRI) and for the 6M21 (€ 239.3m of GRI)

OFFICES

Gross rents bridge (€m)



Rents breakdown

	Gross rents 6M21 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
Madrid	79.2	18.2	3.2
Barcelona	18.9	18.3	2.6
Lisbon	11.8	19.8	5.3
Other	1.5	10.9	5.0
Total	111.5	18.2	3.4

Leasing activity

- **LfL rental decrease in the period (-2.9%)** as the positive release spread does not offset the increased vacancy and negative indexation in Q1
- **6M21 leasing activity highlights:**
 - 43,515 sqm renewal with Técnicas Reunidas in Adequa, Madrid
 - 22,451 sqm new lease with BPI in Monumental, Lisbon
 - 12,789 sqm new lease with Accenture and Elecnor in Castellana 85, Madrid
 - 8,595 sqm new lease with Inetum in PE Sanchinarro, Madrid

sqm	Contracted	Out	In	Renewals ⁽²⁾	Net	LTM	
						Release spread	# Contracts
Madrid	117,576	(57,870)	34,982	82,594	(22,888)	+4.3%	110
Barcelona	23,014	(10,151)	9,150	13,864	(1,001)	+14.7%	36
Lisbon	32,867	(7,183)	31,885	982	24,702	+24.6%	14
Total	173,457	(75,204)	76,017	97,440	813	+6.8%	160

Occupancy

- The occupancy is already stabilizing
- We expect the market to recover during 2H21 and reconfirm our guidance for FY21 occupancy
- Monumental and Castellana 85 have been added back to the stock upon delivery (both fully occupied)
- By markets, **best performer this quarter has been Barcelona Prime**

Stock	1,212,143 sqm
WIP	109,117 sqm
Stock incl. WIP	1,321,260 sqm

	Occupancy rate ⁽³⁾		
	6M21	3M21	Change bps
Madrid	86.8%	87.0%	(25)
Barcelona	91.6%	93.1%	(143)
Lisbon	99.5%	99.3%	+14
Other	100.0%	100.0%	-
Total	89.1%	89.3%	(20)

⁽¹⁾ Office portfolio in operation for 6M20 (€ 109.7m of GRI) and for 6M21 (€ 106.5m of GRI)




⁽²⁾ Excluding roll-overs

⁽³⁾ MERLIN policy excludes buildings under complete refurbishment. Buildings excluded this period are Plaza Ruiz Picasso, Arturo Soria 343, Plaza Cataluña 9, Pere IV, Avenida de Burgos 208, Atica 1, PE Cerro Gamos 5 and Adequa 2

OFFICES (CONT.)

INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

LANDMARK I

WIP	GLA (sqm)	Scope	Budget	Delivery	YoC
	16,474	Full refurb	€ 34.8m	Delivered	8.1%
	25,358	Full refurb	€ 34.8m	Delivered	9.4%
	36,899 ⁽¹⁾	Full refurb	€ 57.5m	3Q23	10.4%

⁽¹⁾ Post refurbishment

LOGISTICS

Gross rents bridge

(€m)



Rents breakdown

	Gross rents 6M21 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
Madrid	20.0	4.0	3.9
Barcelona	5.5	6.1	2.5
Other	6.7	3.7	2.6
Total	32.2	4.2	3.4

Leasing activity

- Logistics continues delivering a good performance, both organic (rental LfL +1.0% despite occupancy dip in Q1) and inorganic through Best II & III deliveries
- **+3.3% release spread**
- **6M21 leasing activity highlights:**
 - 20,723 sqm new lease with Truck and Wheel in A2-Cabanillas Park I F
 - 18,947 sqm new lease with Olicargo and Rangel in Lisbon Park
 - 5,050 sqm new lease with Grupo Mox in A2-San Fernando II
 - 2,549 sqm renewal with Zimmer Biomet in Barcelona-PLZF

sqm	Contracted	Out	In	Renewals	Net	LTM	
						Release spread	# Contracts
Madrid	151,238	(22,817)	151,238	-	128,421	+0.3%	4
Barcelona	8,900	(8,802)	6,351	2,549	(2,451)	+9.0%	2
Other	30,934	(26,292)	26,614	4,320	322	+22.7%	5
Total	191,072	(57,911)	184,203	6,869	126,292	+3.3%	11

Occupancy

- **Substantial occupancy increase (+151 bps vs 3M21)** after reletting on a long term basis spaces let in 2020 on a temporary basis
- All **Best II & III delivered assets are 100% let. Two pre-lets** have been signed during the quarter with **DSV and Logista totalling >90k sqm in Cabanillas Park I J & Cabanillas Park II**
- Cilsa (ZAL Port) has delivered a **95,987 sqm turn-key warehouse to Decathlon**

Stock	1,339,718 sqm
WIP ⁽²⁾	790,157 sqm
Best II	332,166 sqm
Best III	435,482 sqm
A4-Getafe (Data Center)	22,508 sqm
Stock incl. WIP	2,129,875 sqm
ZAL Port	728,163 sqm
ZAL Port WIP	8,168 sqm
Stock managed	2,866,206 sqm

	Occupancy rate		bps
	6M21	3M21	
Madrid	97.9%	95.2%	+263
Barcelona	91.7%	93.2%	(153)
Other	93.9%	93.9%	0
Total	96.2%	94.7%	+151

⁽¹⁾ Logistics portfolio in operation for 6M20 (€ 27.8m of GRI) and for 6M21 (€ 28.1m of GRI)

⁽²⁾ WIP includes in progress Best II & III and A4-Getafe Data Center

LOGISTICS (CONT.)

INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

Best II (as from 30/06/2021)

	GLA (sqm)	ERV (€m)	Investment (€m)	ERV YoC
Delivered⁽¹⁾	255,660			
A4-Pinto II	29,473	1.2	13.7	8.6%
A2-Cabanillas III	21,879	0.9	11.8	7.8%
A2-Cabanillas Park I F	20,723	0.9	10.8	7.9%
A2-Cabanillas Park I G	22,506	0.9	13.5	6.9%
A4-Seseña	28,731	1.2	15.5	7.7%
A2-Azuqueca II	98,757	4.4	54.7	8.1%
A2-San Fernando II	33,592	1.9	22.1	8.5%
In progress	117,891			
A2-Cabanillas Park II	47,403	2.1	25.7	8.1%
A2-Cabanillas Park I H-J	70,488	2.9	42.5	6.9%
Landbank	214,275			
A2-Cabanillas Park II	163,275	7.1	88.5	8.1%
A2-Azuqueca III	51,000	2.3	30.1	7.7%
Total	587,827	25.8	328.9	7.8%

Best III (as from 30/06/2021)

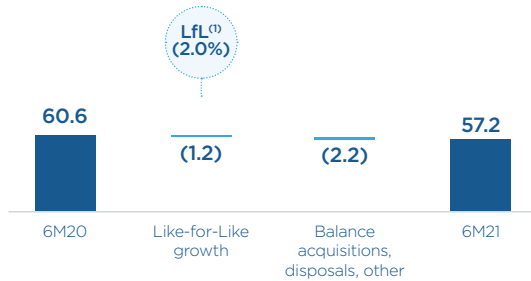
	GLA (sqm)	ERV (€m)	Investment (€m)	ERV YoC
Delivered⁽¹⁾	62,519			
Valencia-Ribarroja	34,992	1.9	26.3	7.2%
Sevilla ZAL WIP	27,528	1.4	11.9	12.0%
In progress	60,095			
Sevilla ZAL WIP	15,122	1.6	18.0	9.0%
Lisbon Park	44,973	2.1	29.5	7.1%
Landbank	375,387			
Lisbon Park	179,891	8.4	118.1	7.1%
Madrid-San Fernando III	98,924	5.1	54.9	9.3%
Valencia	96,572	4.4	56.2	7.8%
Total	498,002	24.9	314.9	7.9%

⁽¹⁾ Reclassified as part of the existing stock

SHOPPING CENTERS

Gross rents bridge

(€m)



Rents breakdown

	Gross rents 6M21 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
MERLIN	57.2	21.2	2.2

Footfall and tenant sales

	YTD ⁽²⁾
Tenant sales	(32.0%)
Footfall	(31.4%)
OCR ⁽³⁾	12.7%

Leasing activity

- **Footfall and tenant sales are recovering despite new restrictions and the lack of tourism.** The capex plan and commercial policy are having a positive impact on both users and retailers
- **Strong reduction in incentives versus same period last year. The OCR remains at sustainable levels (12.7%) thanks to sales recovery**
- **6M21 leasing activity highlights:**
 - 765 sqm new lease with Ducati in X-Madrid
 - 623 sqm new lease (extension) with Bershka in Porto Pi
 - 590 sqm new lease (extension) with Pull&Bear in Larios
 - 570 sqm new lease with MGI in La Vital
 - 552 sqm new lease with Druni in Artea
 - 468 sqm new lease with Kamado and Sibuya in Saler

sqm	Contracted	Out	In	Renewals	Net	LTM	
						Release spread	# Contracts
Total	16,271	(16,330)	14,974	1,297	(1,356)	+5.9%	67

Occupancy

- **Occupancy is improving (+42 bps vs 3M21)**
- The **retenancing effort** continues with **new contracts totalling 15k sqm** during the semester
- **Best performer this quarter has been X-Madrid**

Stock	461,741 sqm
Tres Aguas ⁽⁴⁾	67,940 sqm
Stock with Tres Aguas	529,681 sqm

	Occupancy rate		bps
	6M21	3M21	
Total	93.3%	92.9%	+42

⁽¹⁾ Shopping centers portfolio in operation for 3M20 (€ 58.3m of GRI) and for 3M21 (€ 57.1m of GRI)

⁽²⁾ YTD vs 2019

⁽³⁾ Including the impact of the commercial policy

⁽⁴⁾ Tres Aguas at 100% allocation

SHOPPING CENTERS (CONT.)

FLAGSHIP

IN STOCK ⁽¹⁾		GLA (sqm)	Scope	Budget	Delivery	YoC
	Saler	50,747	Full refurb	€ 25.8m	Delivered	5.7%
	Porto Pi	58,779	Full refurb	€ 28.5m	Delivered	4.1%

⁽¹⁾ 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 40.5%**, slightly up vs FY20 (39.9%) due to the distribution to shareholders of € 140m or € 0.30 per share
- **€ 500m bond issue** (9 years) for the repayment of a bond maturing in 2022 with ca. 100 bps cost savings

Ratios	30/06/2021	31/12/2020
LTV	40.5%	39.9%
Av. Interest rate	2.06% (1.76% spot)	2.12%
Av. Maturity (years)	5.9	6.0
Unsecured debt to total debt	87.8%	86.7%
Interest rate fixed	100.0%	99.8%
Liquidity position (€m) ⁽¹⁾	1,650	1,253

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

	€ million
GAV	12,893
Gross financial debt	6,232
Cash and equivalents ⁽²⁾	(864)
Net financial debt	5,368
NTA	7,304

VALUATION

- **€ 12,893m of GAV, +0.5%** as compared to December 2020
- Offices resiliency and logistics growth offset shopping centers and hotels adjustment

	GAV (€ m)	LfL Growth	Gross yield	Yield expansion / (compression) ⁽³⁾
Offices	6,349	+0.4%	3.9%	(3)
Logistics	1,219	+4.0%	5.1%	(16)
Shopping centers	2,185	(1.5%)	5.1%	-
Net leases	1,864	+1.0%	4.6%	-
WIP & land	263	n.a.	n.a.	n.a.
Other	421	(2.6%)	3.4%	+1
Equity method	590	+3.0%	n.a.	n.a.
Total	12,893	+0.5%	4.4%	(3)

⁽¹⁾ Includes cash (€ 680.3m) and treasury stock (€ 32.3m), Juno's receivable (€ 70.0m), Silicius receivable (€ 81.0m) and undrawn credit facilities (€ 786m) in 6M21

⁽²⁾ Includes cash (€ 680.3m) and treasury stock (€ 32.3m), Juno's receivable (€ 70.0m) and Silicius receivable (€81.0m)

⁽³⁾ Bps based on exit yield at 30/06/20

INVESTMENTS, DIVESTMENTS AND CAPEX

- **No acquisitions during 6M21**
- **€ 109.0m⁽¹⁾** of non-core assets divestments at 3.4% premium including 3 non-core logistics assets comprising 50,804 sqm, a 9,576 sqm office building in Madrid, 1 BBVA branch, 2 supermarkets and Aedas stake.
- **Flagship completed. Landmark with just one building in WIP. Best II & III continue progressing properly.** Castellana 85, Monumental, Saler, Porto Pi and Lisbon Park (Phase I) have been delivered during the quarter
- MERLIN has launched its **Digital Infrastructure Plan (Mega) to develop technologically advanced, highly sustainable data centers on landplots already owned by the company**

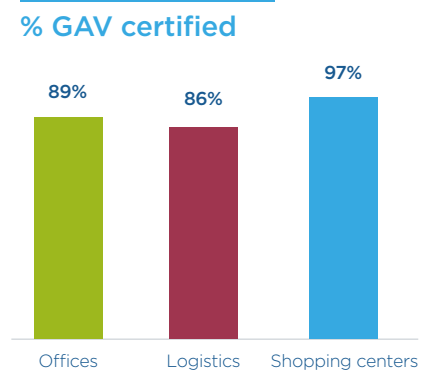
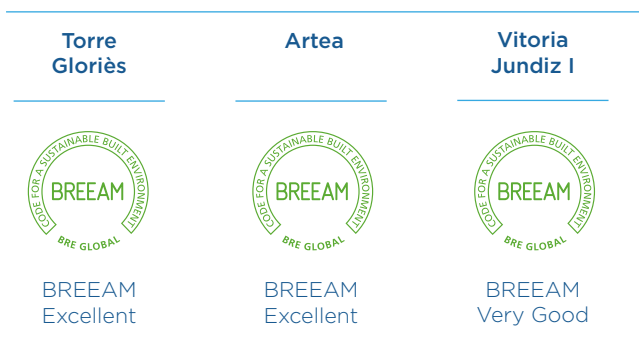
	Offices	Retail	Logistics	€ million
Development	Av. de Burgos 208		A2-Cabanillas Park I G-H-J Lisbon Park A2-Cabanillas Park II A4-Getafe (Data Center)	32.8
Investment properties	Castellana 85 Monumental Plaza Ruiz Picasso Arturo Soria 343	Saler Porto Pi	A2-Coslada Complex A2-Azuqueca II	42.7
Like-for-like portfolio (Defensive Capex) ⁽²⁾				6.0
Total				81.5

⁽¹⁾ € 81.0m as of 6M21. The disposals of 2 supermarkets and the stake of Aedas have been closed in July

⁽²⁾ € 4.8m are capitalized in balance sheet and € 1.2m are expensed in P&L

SUSTAINABILITY

- **Intensive effort in terms of portfolio certification**, having obtained 14 new LEED/BREEAM certificates
- **All certificates have obtained the highest scores** (LEED Gold or Platinum or BREEAM Very Good or Excellent), proving MERLIN’s sustainability commitment
- **The program is nearing completion**, with 97% of shopping centers, 86% of logistics warehouses and 89% of office assets already certified



POST CLOSING

- On July 20th, **DCN signed the multilateral infrastructure agreement** with ADIF, Madrid townhall and Comunidad de Madrid (regional government). This urbanistic milestone fulfills the last condition precedent for the acquisition of the land

COVID-19 UPDATE

COLLECTION RATE

- Collection rate remains once again at very high levels, similar to business as usual
- We will discontinue reporting Covid-19 collection rates in the future

(as a % of total invoices due)

6M21	Offices	Logistics	Shopping centers	Net leases
Collected	99.1%	99.8%	72.4%	100%
Commercial policy	0%	0%	24.4%	0%
In process	0.7%	0.2%	0%	0%
Uncollected	0.2%	0%	3.2%	0%

APPENDIX

1. Consolidated Profit and loss
2. Consolidated Balance sheet

1. Consolidated Profit and loss

(€ thousand)	30/06/2021	30/06/2020
Gross rents	248,453	256,599
Offices	111,513	117,951
Logistics	32,230	28,793
Shopping centers	57,154	60,587
Net Leases	43,020	43,451
Other	4,537	5,818
Other income	4,248	2,764
Total Revenues	252,701	259,363
Incentives	(9,067)	(7,616)
Covid-19 relief	(19,611)	(27,807)
Total Operating Expenses	(52,072)	(52,295)
Propex	(23,669)	(22,507)
Personnel expenses	(14,755)	(11,236)
Opex general expenses	(6,391)	(6,084)
Opex non-overheads	(1,671)	(2,365)
LTIP Provision	(5,586)	(10,103)
ACCOUNTING EBITDA	171,951	171,645
Depreciation	(767)	(734)
Gain / (losses) on disposal of assets	(2,272)	(14,159)
Provisions	1,614	(368)
Change in fair value of investment property	30,409	31,962
EBIT	200,935	188,346
Net financial expenses	(58,274)	(61,885)
Debt amortization costs	(7,339)	(8,414)
Gain/(losses) on disposal of financial instruments	(219)	(10)
Change in fair value of financial instruments	39,479	(39,889)
Share in earnings of equity method instruments	14,774	(8,346)
PROFIT BEFORE TAX	189,357	69,802
Income taxes	979	1,142
PROFIT (LOSS) FOR THE PERIOD	190,336	70,944
Minorities	-	-
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE	190,336	70,944

2. Consolidated Balance sheet

(€ thousand)

ASSETS	30/06/2021	EQUITY AND LIABILITIES	30/06/2021
NON CURRENT ASSETS	13,048,418	EQUITY	6,759,376
Intangible assets	1,044	Subscribed capital	469,771
Property, plant and equipment	7,413	Share premium	3,647,876
Investment property	12,171,363	Reserves	2,562,670
Investments accounted for using the equity method	446,034	Treasury stock	(32,309)
Non-current financial assets	335,828	Other equity holder contributions	540
Deferred tax assets	86,736	Interim dividend	-
		Profit for the period	190,336
		Valuation adjustments	(79,508)
		Minorities	-
		NON-CURRENT LIABILITIES	6,512,631
		Long term debt	5,824,058
		Long term provisions	7,331
		Deferred tax liabilities	681,242
CURRENT ASSETS	936,450	CURRENT LIABILITIES	712,861
Trade and other receivables	38,699	Short term debt	608,221
Short term investments in group companies and associates	83,842	Short term provisions	-
Short-term financial assets	73,470	Trade and other payables	81,619
Cash and cash equivalents	680,328	Other current liabilities	23,021
Other current assets	60,111		
TOTAL ASSETS	13,984,868	TOTAL EQUITY AND LIABILITIES	13,984,868



MERLIN

PROPERTIES

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