



CONSOLIDATED PERFORMANCE

(1.2%)

Gross rents like-for-like YoY

+2.3%

FFO per share YoY

+1.5%

NTA per share YTD

- **Top line clearly improving.** Negative LfL rental growth of (1.2%) compares to (2.2%) in 6M21. **Revenue figures do not yet capture the emerging inflation** that we foresee in the following quarters (+5.5% October CPI in Spain)
- **Covid-19 rent reliefs amount to €23.7m** in the period (€ 4.0m in Q3), recorded as a one-off expense (not straight lined). Collection rates continue at non eventful levels despite incentives reduction
- **FFO per share of €0.43 represents a 2.3% increase compared to 9M20**, first increase YoY since FY19. **On track to surpass guidance for 2021 (€ 0.56 per share)**
- **No revaluation** in the period. **NTA per share** standing at **€ 15.69**

(€ million)	9M21	9M20	YoY
Total revenues	381.3	385.0	(1.0%)
Gross rents	375.4	380.9	(1.4%)
Gross rents after incentives	339.2	328.9	+3.1%
Net rents after propex & collection losses	303.3	297.0	+2.1%
Gross-to-net margin ⁽¹⁾	89.4%	90.3%	
EBITDA ⁽²⁾	277.4	275.7	+0.6%
Margin	73.9%	72.4%	
FFO ⁽³⁾	201.9	197.3	+2.3%
Margin	53.8%	51.8%	
AFFO	195.0	186.1	+4.8%
Net earnings	254.4	111.8	+127.6%
(€ per share)	9M21	9M20	YoY
FFO	0.43	0.42	+2.3%
AFFO	0.42	0.40	+4.8%
EPS	0.54	0.24	+127.6%
EPRA NTA	15.69	15.57	+0.8%

BUSINESS PERFORMANCE

(2.1%)

Offices

+0.6%

Logistics

(0.6%)

S. Centers

Rents like-for-like YoY

+4.8%

Offices

+3.2%

Logistics

+5.9%

S. Centers

Release spread

+30 bps

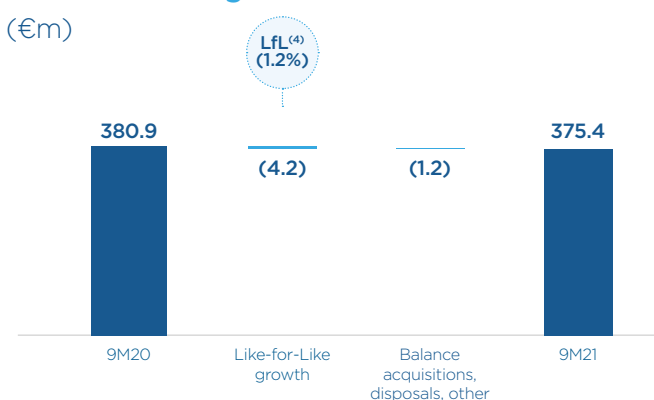
Occupancy vs 30/06/2021

94.0%

	9M21	Contracted	Rent		Leasing activity	Occ. vs 30/06/21
			sqm	€ m	Lfl change	Release spread
Offices		204,742	169.4	(2.1%)	+4.8%	+29
Logistics		222,068	48.7	+0.6%	+3.2%	+32
Shopping centers		24,862	85.3	(0.6%)	+5.9%	+48
Net leases		n.a.	64.4	(0.2%)	n.m.	0
Other		n.a.	7.6	n.m.	n.m.	0
Total		451,672	375.4	(1.2%)		+30

Gross rents bridge

(€m)



⁽¹⁾ Net of incentives

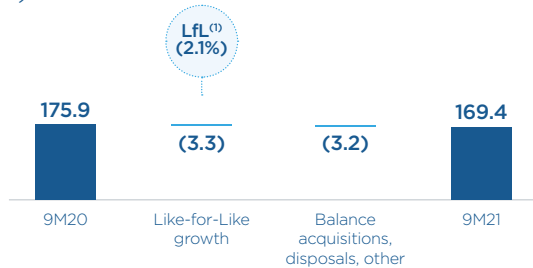
⁽²⁾ Excludes non-overhead costs items (€ 2.2m) and LTIP accrual (€ 7.6m)

⁽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 9M20 (€ 364.1 m of GRI) and for the 9M21 (€ 359.9m of GRI)

OFFICES

Gross rents bridge (€m)



Rents breakdown

	Gross rents 9M21 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
Madrid	119.1	18.5	3.6
Barcelona	28.6	18.6	2.6
Lisbon	19.4	19.8	5.1
Other	2.2	10.9	7.4
Total	169.4	18.5	3.7

Leasing activity

- LfL rental evolution in the period (2.1%) improving vs 6M21 figure (2.9%), thanks to a slight occupancy increase that will continue through 4Q
- 3Q21 leasing activity highlights:
 - 5,400 sqm new lease with Indra in Vegacinco 2, Madrid
 - 4,990 sqm renewal with Schneider Electric in PE Poble Nou 22@, Barcelona
 - 3,051 sqm renewal with Pepper Assets Services in Juan Esplandiu 11-13, Madrid
 - 1,497 sqm new lease with Norwegian in WTC8, Barcelona
 - 1,190 sqm new lease with Alpanu in Atica 4, Madrid
 - 1,128 sqm new lease with Facebook in Torre Glories, Barcelona

sqm	Contracted	Out	In	Renewals ⁽²⁾	Net	LTM	
						Release spread	# Contracts
Madrid	137,634	(68,286)	50,835	86,799	(17,451)	+2.9%	115
Barcelona	34,241	(15,429)	13,700	20,541	(1,729)	+9.6%	38
Lisbon	32,867	(8,156)	31,885	982	23,729	+24.3%	14
Total	204,742	(91,871)	96,420	108,322	4,549	+4.8%	167

Occupancy

- 29 bps occupancy increase vs 6M21
- We expect the market to continue recovering during 4Q forecasting ca. 90% occupancy by year end
- By markets, best performer this quarter has been Madrid Periphery

Stock	1,192,412 sqm
WIP	128,847 sqm
Stock incl. WIP	1,321,259 sqm

	Occupancy rate ⁽³⁾		
	9M21	6M21	Change bps
Madrid	87.3%	86.8%	+55
Barcelona	91.3%	91.6%	(35)
Lisbon	98.7%	99.5%	(80)
Other	100.0%	100.0%	-
Total	89.4%	89.1%	+29

⁽¹⁾ Portfolio in operation for the 9M20 (€ 163.8 m of GRI) and for the 9M21 (€ 160.5m 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 1, 2, 3 & 4 and Adequa 2

OFFICES (CONT.)

INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

LANDMARK I

WIP	GLA (sqm)	Scope	Budget	Delivery	YoC
	36,899 ⁽¹⁾	Full refurb	€ 57.5m	3Q23	10.4%

⁽¹⁾ Post refurbishment.

LOGISTICS

Gross rents bridge

(€m)



Rents breakdown

	Gross rents 9M21 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
Madrid	30.5	4.0	3.7
Barcelona	7.9	6.2	3.4
Other	10.4	3.7	2.3
Total	48.7	4.2	3.4

Leasing activity

- Logistics continues delivering a **strong performance, mainly fueled by Best II & III deliveries. Modest LfL (+0.6%) due to one bankruptcy and the occupancy dip in 1Q**
- +3.2% release spread**
- 3Q21 leasing activity highlights:**
 - 20,267 sqm new leases with Alfil Logistics, Gear4Music and Aldisca in Barcelona-PLZF
 - 6,534 sqm new lease with Olicargo in Lisbon Park
 - 4,196 sqm new leases with Airbus and Servicios Empresariales Ader in Sevilla ZAL

sqm	Contracted	Out	In	Renewals	Net	LTM	
						Release spread	# Contracts
Madrid	151,238	(22,817)	151,238	-	128,421	+1.8%	5
Barcelona	29,167	(24,762)	26,618	2,549	1,856	+9.0%	2
Other	41,663	(30,488)	37,343	4,320	6,855	+7.6%	5
Total	222,068	(78,067)	215,199	6,869	137,132	+3.2%	12

Occupancy

- Occupancy keeps improving (+32 bps vs 6M21)** after reletting part of the vacancy of PLZF arisen from the closure of a large car manufacturing facility in the surroundings
- Virtually full occupancy of the portfolio**, with just 4 assets not being 100% let

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	728,216 sqm
ZAL Port WIP	8,168 sqm
Stock managed	2,866,259 sqm

	Occupancy rate		bps
	9M21	6M21	
Madrid	97.9%	97.9%	-
Barcelona	94.6%	91.7%	+290
Other	93.9%	93.9%	-
Total	96.5%	96.2%	+32

⁽¹⁾ Portfolio in operation for the 9M20 (€ 41.9 m of GRI) and for the 9M21 (€ 42.2m of GRI)

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

LOGISTICS (CONT.)

INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

Best II (as from 30/09/2021)

	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 A	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 30/09/2021)

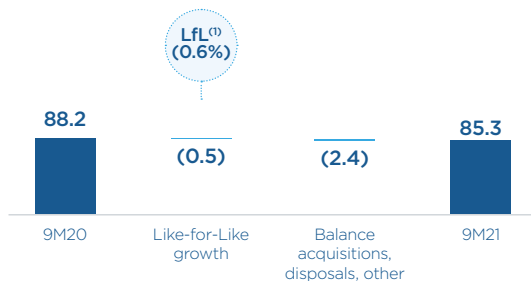
	GLA (sqm)	ERV (€m)	Investment (€m)	ERV YoC
Delivered⁽¹⁾	62,519			
Valencia-Ribarroja	34,992	1.9	26.3	7.2%
Sevilla ZAL WIP	27,528	1.4	11.9	12.0%
In progress	60,095			
Sevilla ZAL WIP	15,122	1.6	18.0	9.0%
Lisbon Park A	44,973	2.1	29.5	7.1%
Landbank	375,387			
Lisbon Park	179,891	8.4	118.1	7.1%
Madrid-San 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 9M21 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
MERLIN	85.3	21.2	2.1

Footfall and tenant sales

	YTD ⁽²⁾
Tenant sales	(25.9%)
Footfall	(26.8%)
OCR ⁽³⁾	12.4%

Leasing activity

- **Footfall and tenant sales continue recovering. September sales are just 9.1% below September 2019 figures overall. 4 shopping centers have exceeded 2019 figures in July, August and/or September**
- **Strong reduction in incentives versus the previous quarter** without affecting significantly collection rates and maintaining OCR at very healthy levels (12.4%)
- **3Q21 leasing activity highlights:**
 - 1,680 sqm new lease with Vilahome in Vilamarina
 - 1,677 sqm new lease with Toys “R” Us in Porto Pi
 - 862 sqm new lease with Juguetronica in X-Madrid
 - 529 sqm new lease with Speed Slot in Bonaire
 - 513 sqm new lease with Pilar Prieto in Vilamarina
 - 478 sqm new lease with Joma in Bonaire

sqm	Contracted	Out	In	Renewals	Net	LTM	
						Release spread	# Contracts
Total	24,862	(22,585)	23,455	1,408	869	+5.9%	79

Occupancy

- **Occupancy continues recovering (+48 bps vs 6M21), approaching pre-Covid levels (93.8%)**
- **The retenanting effort continues with new contracts totalling >8k sqm during the quarter, bringing the total YTD to >23k**
- **Best performer** this quarter has been **X-Madrid**, setting a new footfall and sales record in September

Stock	461,751 sqm
Tres Aguas ⁽⁴⁾	67,940 sqm
Stock with Tres Aguas	529,691 sqm

	Occupancy rate		bps
	9M21	6M21	
Total	93.8%	93.3%	+48

⁽¹⁾ Portfolio in operation for the 9M20 (€ 85.8 m of GRI) and for the 9M21 (€ 85.3m of GRI)

⁽²⁾ YTD vs 9M19

⁽³⁾ Including the impact of the commercial policy

⁽⁴⁾ Tres Aguas at 100% allocation

BALANCE SHEET

- **LTV stands at 40.1%**, in line with FY20 (39.9%) despite the distribution to shareholders of €140m or €0.30 per share during 2Q21

Ratios	30/09/2021	31/12/2020
LTV	40.1%	39.9%
Av. Interest rate	2.06%	2.12%
Av. Maturity (years)	5.6	6.0
Unsecured debt to total debt	87.8%	86.7%
Interest rate fixed	100.0%	99.8%
Liquidity position (€m) ⁽¹⁾	1,692	1,253

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

	€ million
GAV	12,915
Gross financial debt	6,229
Cash and equivalents ⁽²⁾	(906)
Net financial debt	5,324
NTA	7,370

INVESTMENTS, DIVESTMENTS AND CAPEX

- **€ 109.0m of non-core assets divestments at 3.4% premium** including 3 non-core logistics assets comprising 50,904 sqm, a 9,576 sqm office building in Madrid, 1 BBVA branch, 2 supermarkets and the Aedas stake
- **Flagship completed. Landmark with just one building in WIP**
- **Best II & III and Digital Infrastructure Plan (Mega) continue progressing**

	Offices	Retail	Logistics	€ million
Acquisitions			A2-San Fernando III Valencia	36.2
Development	Av. de Burgos 208		A2-Cabanillas Park I G-H-J Lisbon Park A2-Cabanillas Park II Data Center	41.7
Investment properties	Castellana 85 Monumental Plaza Ruiz Picasso Arturo Soria 343	Saler Porto Pi	A2-Coslada Complex A2-Azuqueca II	58.8
Like-for-like portfolio (Defensive Capex) ⁽³⁾				8.7
Total				145.4

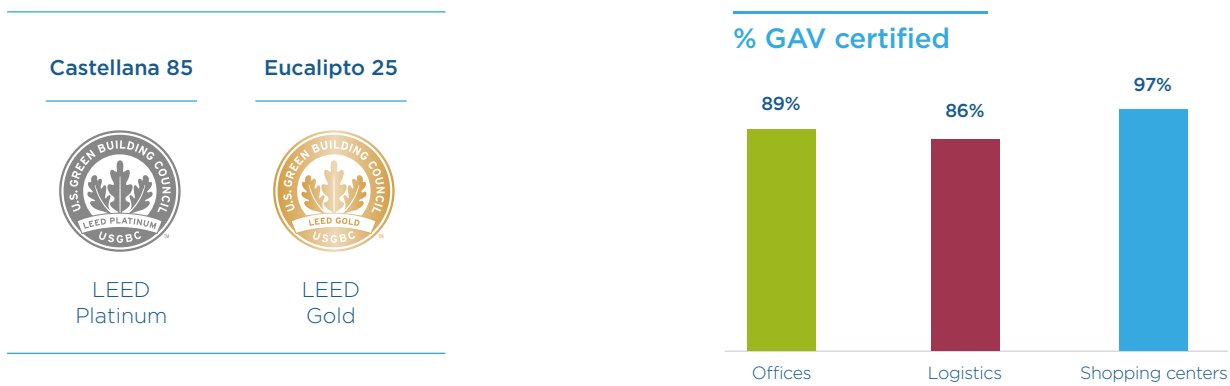
⁽¹⁾ Includes cash (€ 722.3m) and treasury stock (€ 32.3m), Juno's receivable (€ 70.0m), Silicius receivable (€ 81.0m) and undrawn credit facilities (€ 786m) in 9M21

⁽²⁾ Includes cash (€ 722.3m) and treasury stock (€ 32.3m), Juno's receivable (€ 70.0m) and Silicius receivable (€ 81.0m)

⁽³⁾ € 7.0m are capitalized in balance sheet and € 1.7m are expensed in P&L

SUSTAINABILITY

- **Intensive effort in terms of portfolio certification**, having obtained 8 new LEED/BREEAM certificates in 3Q21
- **The program is nearing completion**, with 97% of shopping centers, 86% of logistics warehouses and 89% of office assets already certified



POST CLOSING

- **The Board of Directors**, in view of the positive operating performance, has decided to gradually resume MERLIN’s dividend policy and has therefore **approved the payment of an immediate interim dividend amounting € 0.15 per share on account to FY2021**, which will be complemented, following the final decision to be taken by the AGM, with the goal to achieve a total shareholders distribution for 2021 of € 0.40 per share

APPENDIX

1. Consolidated Profit and loss
2. Consolidated Balance sheet

1. Consolidated Profit and loss

(€ thousand)	30/09/2021	30/09/2020
Gross rents	375,422	380,878
Offices	169,374	175,946
Logistics	48,750	43,689
Shopping centers	85,340	88,152
Net Leases	64,390	64,991
Other	7,568	8,101
Other income	5,922	4,147
Total Revenues	381,344	385,025
Incentives	(12,564)	(12,376)
Covid-19 relief	(23,652)	(39,615)
Total Operating Expenses	(77,620)	(76,293)
Propex	(35,862)	(31,909)
Personnel expenses	(22,042)	(16,938)
Opex general expenses	(9,854)	(8,497)
Opex non-overheads	(2,234)	(4,782)
LTIP Provision	(7,628)	(14,167)
ACCOUNTING EBITDA	267,508	256,741
Depreciation	(1,236)	(1,160)
Gain / (losses) on disposal of assets	(1,428)	(14,193)
Provisions	1,618	(542)
Change in fair value of investment property	30,409	31,962
EBIT	296,871	272,808
Net financial expenses	(86,790)	(98,192)
Debt amortization costs	(11,168)	(15,209)
Gain/(losses) on disposal of financial instruments	(811)	(10)
Change in fair value of financial instruments	40,309	(40,217)
Share in earnings of equity method instruments	15,975	(8,293)
PROFIT BEFORE TAX	254,386	110,887
Income taxes	(35)	888
PROFIT (LOSS) FOR THE PERIOD	254,351	111,775
Minorities	-	-
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE	254,351	111,775

2. Consolidated Balance sheet

(€ thousand)

ASSETS	30/09/2021	EQUITY AND LIABILITIES	30/09/2021
NON CURRENT ASSETS	13,092,946	EQUITY	6,828,749
Intangible assets	1,337	Subscribed capital	469,771
Property, plant and equipment	7,992	Share premium	3,647,876
Investment property	12,225,741	Reserves	2,564,483
Investments accounted for using the equity method	447,243	Treasury stock	(32,305)
Non-current financial assets	323,898	Other equity holder contributions	540
Deferred tax assets	86,735	Interim dividend	-
		Profit for the period	254,351
		Valuation adjustments	(75,967)
		Minorities	-
		NON-CURRENT LIABILITIES	6,506,258
		Long term debt	5,817,641
		Long term provisions	7,336
		Deferred tax liabilities	681,281
CURRENT ASSETS	972,511	CURRENT LIABILITIES	730,450
Trade and other receivables	42,109	Short term debt	614,323
Short term investments in group companies and associates	82,075	Trade and other payables	88,759
Short-term financial assets	73,860	Other current liabilities	27,368
Cash and cash equivalents	722,268		
Other current assets	52,199		
TOTAL ASSETS	14,065,457	TOTAL EQUITY AND LIABILITIES	14,065,457



MERLIN

PROPERTIES

Paseo de la Castellana, 257
28046 Madrid
+34 91 769 19 00
info@merlinprop.com
www.merlinproperties.com