

AT A GLANCE

Following a difficult 1H, operating performance improved through the year, leading to a beat in the FFO guidance provided to the market. The Company managed to grow in all of its key financial and operating metrics such as occupancy (94.5% +21 bps YoY), LfL rental income (+0.2% YoY) and cash flow generation (€ 273.0m in FFO, +4.1% YoY). In the following years, growth will be fuelled by Best II & III deliveries and, more importantly, by the Digital Infrastructure Plan (Mega), which construction will begin in 2022

GRI AND NRI

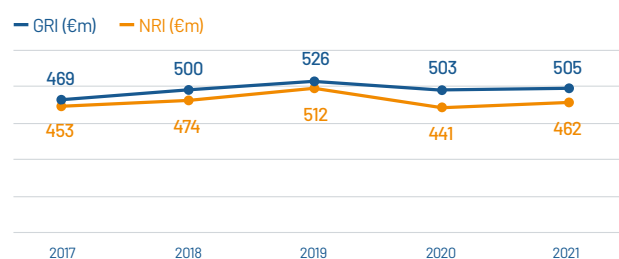
Gross rents back to positive figures. Net rents are experiencing a healthy growth (+4.9%) as the commercial policy effect fades away

€ 505m (+0.4% YoY)

GRI

€ 462m (+4.9% YoY)

NRI



FFO PER SHARE / AFFO PER SHARE

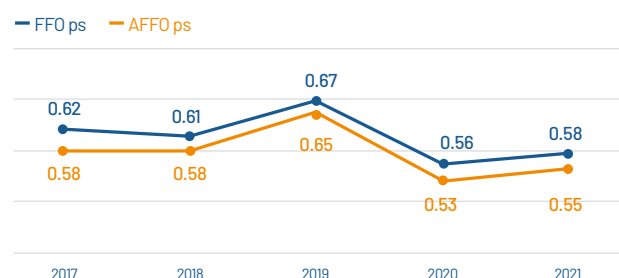
FFO per share has exceeded the guidance provided to the market (€ 0.56 per share)

€ 0.58 (+4.1% YoY)

FFO ps

€ 0.55 (+4.2% YoY)

AFFO ps



EPRA NTA PER SHARE

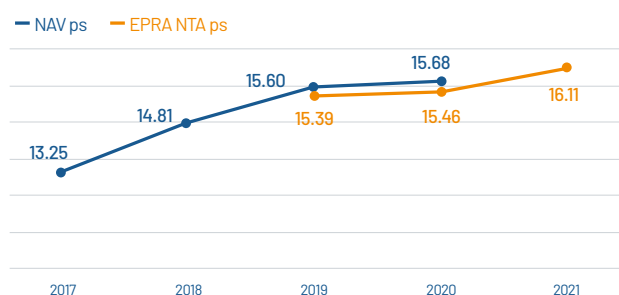
Another year delivering EPRA NTA growth, mainly driven by the momentum of logistics

€ 16.11 (+4.2% increase YoY)

EPRA NTA per share increase

+2.0%

LfL GAV increase



FINANCIAL DEBT

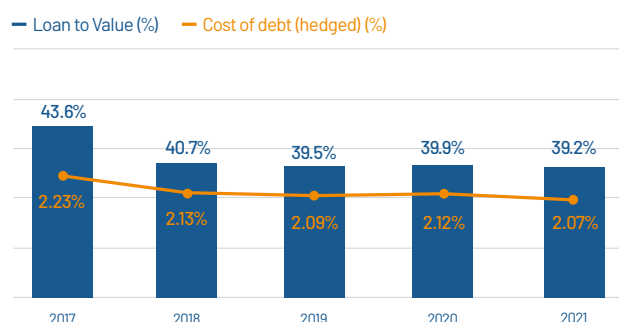
MERLIN continues its deleveraging process (39.2% LTV vs 39.9% in FY20), reducing the cost of debt

39.2%

Loan to Value

1.76% spot (2.07% hedged)

Cost of debt



CONSOLIDATED PERFORMANCE

+0.2%

Gross Rents like-for-like YoY

+4.1%

FFO per Share YoY

+4.2%

EPRA NTA per Share YoY

- Top line revenues returning to positive figures in LfL (+0.2%) and absolute terms (+0.4%) despite the disposal of assets. Financial performance will benefit in the following quarters from macro tailwinds and the reflationary trade
- Covid-19 rent reliefs to tenants amount to € 24.9m in the year (of which just € 1.2m in Q4), recorded as a one-off expense (not straight lined). Collection rates continue at best-in-class levels despite incentives reduction
- FFO per share of € 0.58, 4.1% increase compared to FY20, surpassing the guidance provided (€ 0.56 per share)
- EPRA NTA per share standing at € 16.11, a 4.2% increase YoY, despite the dividend paid during the period (€ 0.45 per share or € 210.1 m). TSR of +7.1% in 2021, compared to 1.4% in FY20

| (€ million) | FY21 | FY20 | YoY |
|--|-------|-------|-------|
| Total revenues | 512.1 | 508.6 | +0.7% |
| Gross rents | 505.3 | 503.4 | +0.4% |
| Gross rents after incentives | 462.5 | 441.1 | +4.9% |
| Net rents after propex & collection losses | 413.8 | 393.9 | +5.1% |
| Gross-to-net margin ⁽¹⁾ | 89.5% | 89.3% | |
| EBITDA ⁽²⁾ | 377.2 | 365.4 | +3.2% |
| Margin | 74.7% | 72.6% | |
| FFO ⁽³⁾ | 273.0 | 262.4 | +4.1% |
| Margin | 54.0% | 52.1% | |
| AFFO | 258.0 | 247.6 | +4.2% |
| Net earnings | 512.2 | 56.4 | n.m. |

| (€ per share) | FY21 | FY20 | YoY |
|---------------|-------|-------|-------|
| FFO | 0.58 | 0.56 | +4.1% |
| AFFO | 0.55 | 0.53 | +4.2% |
| EPS | 1.09 | 0.12 | n.m. |
| EPRA NTA | 16.11 | 15.46 | +4.2% |

BUSINESS PERFORMANCE

(1.2%)

Offices

+1.6%

Logistics

+2.6%

S. Centers

Rents like-for-like YoY

+4.3%

Offices

+4.0%

Logistics

+5.8%

S. Centers

Release spread

+21 bps

Occupancy vs 31/12/2020

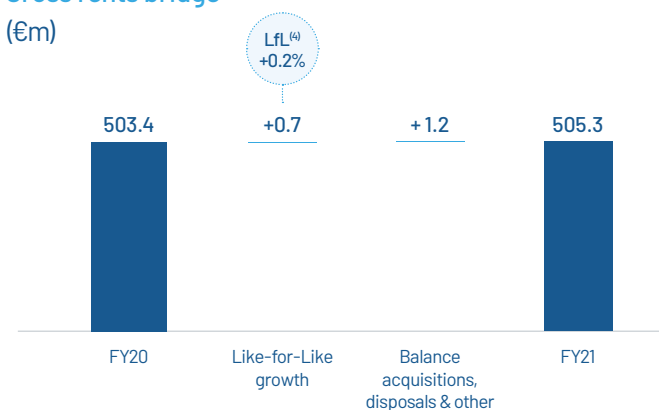
94.5%

- **Offices:** 268,939 sqm contracted. LfL of (1.2%) and release spread of +4.3%
- **Logistics:** 248,668 sqm contracted. LfL of +1.6% and release spread of +4.0%
- **Shopping centers:** 35,221 sqm contracted. LfL of +2.6% and release spread of +5.8%

| FY21 | Contracted sqm | Rent | | Leasing activity | Occ. vs 30/09/21 |
|------------------|-------------------|--------------|--------------|------------------|------------------|
| | | € m | Lfl change | Release spread | Bps |
| Offices | 268,939 | 228.6 | (1.2%) | +4.3% | +69 |
| Logistics | 248,668 | 65.9 | +1.6% | +4.0% | +58 |
| Shopping centers | 35,221 | 114.9 | +2.6% | +5.8% | +45 |
| Net leases | n.a. | 85.6 | (0.2%) | n.m. | - |
| Other | n.a. | 10.3 | (1.6%) | n.m. | +26 |
| Total | 552,828 | 505.3 | +0.2% | | +45 |

Gross rents bridge

(€m)



⁽¹⁾ Net of incentives

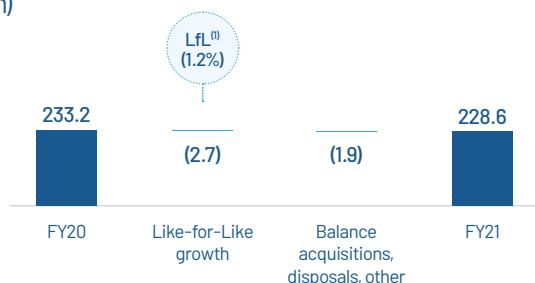
⁽²⁾ Excludes non-overhead costs items (€ 2.6m) plus LTIP accrual (€ 11.5m)

⁽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 FY20 (€ 481.4m of GRI) and for FY21 (€ 482.1m of GRI)

OFFICES

Gross rents bridge (€m)



Rents breakdown

| | Gross rents FY21 (€ m) | Passing rent (€/sqm/m) | WAULT (yr) |
|--------------|------------------------|------------------------|------------|
| Madrid | 159.9 | 18.5 | 3.5 |
| Barcelona | 38.6 | 18.7 | 2.6 |
| Lisbon | 27.1 | 19.9 | 4.9 |
| Other | 3.0 | 10.9 | 7.2 |
| Total | 228.6 | 18.5 | 3.5 |

Leasing activity

- LfL rental evolution in the period (1.2%) improving vs 6M21 (2.9%) and 9M21 (2.1%) thanks to the occupancy stabilization

• 4Q21 leasing activity highlights:

- 11,444 sqm renewal with Roche Farma in PE Puerta de las Naciones, Madrid
- 4,496 sqm new lease with Elecnor in Arturo Soria 343, Madrid
- 3,128 sqm new lease with GFT IT Consulting in Avenida de Bruselas 26, Madrid
- 2,206 sqm new lease with Inetum in PE Poblenou 22@, Barcelona
- 2,112 sqm renewal with IQVIA in PE Juan Esplandiú 11-13, Madrid
- 1,815 sqm new lease with CUNEF in PE Churruca, Madrid

| sqm | Contracted | Out | In | Renewals ⁽²⁾ | Net | LTM | |
|--------------|----------------|------------------|----------------|-------------------------|---------------|----------------|-------------|
| | | | | | | Release spread | # Contracts |
| Madrid | 189,822 | (77,332) | 71,434 | 118,388 | (5,898) | +2.8% | 121 |
| Barcelona | 45,277 | (16,715) | 18,673 | 26,604 | 1,958 | +9.1% | 41 |
| Lisbon | 33,840 | (8,156) | 32,858 | 982 | 24,702 | +18.1% | 9 |
| Total | 268,939 | (102,203) | 122,965 | 145,974 | 20,762 | +4.3% | 171 |

Occupancy

- MERLIN has met occupancy guidance provided to the market (90%), with only 99 bps fall vs FY20
- Healthy upward trend in the last quarter (+69 bps vs 9M21)
- MERLIN has delivered 4 projects totalling 49,647 sqm
- By markets, best performer this quarter has been Barcelona 22@

| | |
|-----------------|---------------|
| Stock | 1,204,049 sqm |
| WIP | 122,336 sqm |
| Stock incl. WIP | 1,326,385 sqm |

| | Occupancy rate ⁽³⁾ | | |
|--------------|-------------------------------|--------------|-------------|
| | FY21 | FY20 | Change bps |
| Madrid | 87.8% | 89.5% | (174) |
| Barcelona | 93.1% | 92.6% | +47 |
| Lisbon | 99.5% | 100.0% | (54) |
| Other | 100.0% | 100.0% | - |
| Total | 90.1% | 91.1% | (99) |

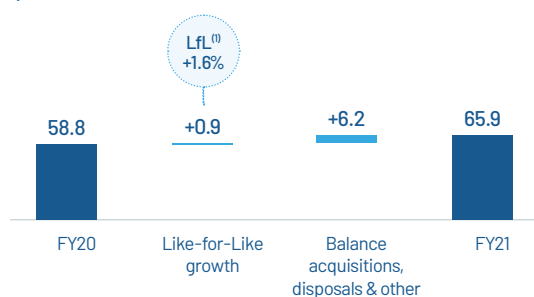
⁽¹⁾ Portfolio in operation for FY20 (€ 218.1m of GRI) and for FY21 (€ 215.4m of GRI)

⁽²⁾ Excluding roll-overs

⁽³⁾ MERLIN policy excludes buildings under complete refurbishment. Buildings excluded this period are Plaza Ruiz Picasso, Plaza Cataluña 9, Pere IV, Atica 1, PE Cerro Gamos 1, 2, 3 & 4, PE Atica XIX D and Adequa 4 & 7

LOGISTICS

Gross rents bridge (€m)



Rents breakdown

| | Gross rents FY21 (€ m) | Passing rent (€/sqm/m) | WAULT (yr) |
|--------------|------------------------|------------------------|------------|
| Madrid | 40.9 | 4.0 | 3.7 |
| Barcelona | 10.6 | 6.5 | 2.5 |
| Other | 14.4 | 3.7 | 2.8 |
| Total | 65.9 | 4.2 | 3.3 |

Leasing activity

- Logistics continue delivering a **strong performance, mainly fuelled by Best II & III deliveries. LfL accelerating (+1.6% vs +0.6% in 9M21) thanks to the occupancy gain**
- **Good release spread (+4.0%), improving vs previous quarters**
- **4Q21 leasing activity highlights:**
 - 19,690 sqm new leases with Rangel and DB Shenker in Lisbon Park A
 - 6,910 sqm new leases with Serloprat, Alonso Logistica, Fernatrans and Newport in Barcelona-PLZF

| sqm | Contracted | Out | In | Renewals | Net | LTM | |
|--------------|----------------|-----------------|----------------|--------------|----------------|----------------|-------------|
| | | | | | | Release spread | # Contracts |
| Madrid | 151,238 | (22,817) | 151,238 | - | 128,421 | +1.8% | 5 |
| Barcelona | 36,077 | (24,762) | 33,528 | 2,549 | 8,766 | +11.0% | 4 |
| Other | 61,353 | (30,488) | 57,033 | 4,320 | 26,545 | 0.0% | 6 |
| Total | 248,668 | (78,067) | 241,799 | 6,869 | 163,732 | +4.0% | 15 |

Occupancy

- **Occupancy continues at very high levels**
- In January MERLIN has let 16,100 sqm in A4-Getafe (CLA) to Leroy Merlin, reducing the vacancy below 2%
- **Successful conclusion of the development of ZAL Port landbank with the delivery of 95,987 sqm to Decathlon and 8,168 sqm to Maersk**

| | |
|--------------------|---------------|
| Stock | 1,368,078 sqm |
| WIP ⁽²⁾ | 722,478 sqm |
| Best II | 332,166 sqm |
| Best III | 390,312 sqm |
| Stock incl. WIP | 2,090,556 sqm |
| ZAL Port | 736,384 sqm |
| Stock managed | 2,826,940 sqm |

| | Occupancy rate | | bps |
|--------------|----------------|--------------|-------------|
| | FY21 | FY20 | |
| Madrid | 97.9% | 97.2% | +62 |
| Barcelona | 99.1% | 93.3% | +581 |
| Other | 94.6% | 100.0% | (536) |
| Total | 97.1% | 97.5% | (46) |

⁽¹⁾ Portfolio in operation for FY20 (€ 55.0m of GRI) and for FY21 (€ 55.9m of GRI)

⁽²⁾ WIP includes in progress and Landbank Best II & III

LOGISTICS (CONT.)

INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

Best II (as from 31/12/2021)

| | 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 31/12/2021)

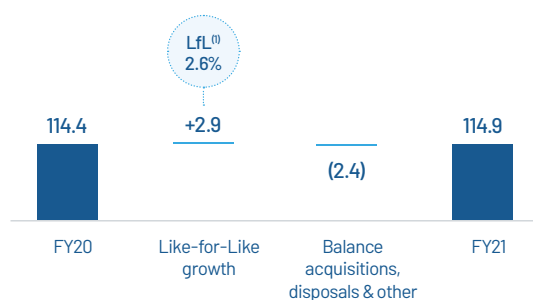
| | GLA (sqm) | ERV (€m) | Investment (€m) | ERV YoC |
|--------------------------------|----------------|-------------|-----------------|-------------|
| Delivered⁽¹⁾ | 107,690 | | | |
| Valencia-Ribarroja | 34,992 | 1.9 | 26.3 | 7.2% |
| Sevilla Zal WIP A | 27,528 | 1.4 | 11.9 | 12.0% |
| Lisbon Park A | 45,171 | 2.1 | 29.5 | 7.1% |
| In progress | 15,122 | | | |
| Sevilla ZAL WIP | 15,122 | 1.6 | 18.0 | 9.0% |
| Landbank | 375,189 | | | |
| Lisbon Park | 179,693 | 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 FY21 (€ m) | Passing rent (€/sqm/m) | WAULT (yr) |
|--------|------------------------|------------------------|------------|
| MERLIN | 114.9 | 21.0 | 2.1 |

Footfall and tenant sales

| | vs FY20 | vs FY19 | 2H21 vs. 2H19 |
|--------------------|---------|---------|---------------|
| Tenant sales | +26.9% | (17.2%) | (12.1%) |
| Footfall | +24.9% | (18.9%) | (11.8%) |
| OCR ⁽²⁾ | | 12.1% | |

Leasing activity

- Footfall (+24.9%) and tenant sales (+26.9%) continue recovering YoY but are still below 2019 figures
- Covid-19 incentives continue reducing (€ 1.2m in Q4, € 24.9m in FY21. OCR at sustainable levels after strong Christmas sales (12.1%))
- 4Q21 leasing activity highlights:
 - 2,333 sqm new lease with Ocine in Porto Pi
 - 1,349 sqm new lease with FNAC in Larios
 - 1,237 sqm new lease with H&M in Saler
 - 558 sqm new lease with CQB+ in X-Madrid
 - 531 sqm new lease with Oysho in Marineda
 - 444 sqm new lease with Deichmann in Saler

| sqm | Contracted | Out | In | Renewals | Net | LTM | |
|-------|------------|----------|--------|----------|-------|----------------|-------------|
| | | | | | | Release spread | # Contracts |
| Total | 35,221 | (26,947) | 33,600 | 1,621 | 6,653 | +5.8% | 74 |

Occupancy

- Occupancy continues recovering (+47 bps vs FY20), exceeding pre-Covid levels, thanks to the Flagship plan and the goodwill created with the commercial policy
- The retenanting effort continues with **new contracts** totalling >10k sqm during the quarter, bringing the total in 2021 to 33,600 sqm, a new record for the company
- Best performers this quarter have been Porto Pi and Saler, benefiting from the finalization of the renovation works

| | |
|---------------------------|-------------|
| Stock | 461,474 sqm |
| Tres Aguas ⁽³⁾ | 67,940 sqm |
| Stock with Tres Aguas | 529,414 sqm |

| | Occupancy rate | | bps |
|-------|----------------|-------|-----|
| | FY21 | FY20 | |
| Total | 94.2% | 93.7% | +47 |

⁽¹⁾ Portfolio in operation for FY20 (€ 112.0m of GRI) and for FY21 (€ 114.9m of GRI)

⁽²⁾ Including the impact of the commercial policy

⁽³⁾ Tres Aguas at 100% allocation

BALANCE SHEET

- LTV stands at 39.2%, a significant reduction compared to FY20 (39.9%) despite the distribution to shareholders of € 210m or € 0.45 per share through the year (vs € 0.147 in 2020)
- Moody's has improved MERLIN's outlook to stable.

| Ratios | 31/12/2021 | 31/12/2020 |
|--|------------|------------|
| LTV | 39.2% | 39.9% |
| Av. Interest rate | 2.07% | 2.12% |
| Av. Maturity (years) | 5.3 | 6.0 |
| Unsecured debt to total debt | 87.9% | 86.7% |
| Interest rate fixed | 100.0% | 99.8% |
| Liquidity position (€m) ⁽¹⁾ | 1,811 | 1,253 |

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

| | € million |
|-------------------------------------|-----------|
| GAV | 13,041 |
| Gross financial debt | 6,227 |
| Cash and equivalents ⁽²⁾ | (980) |
| Net financial debt | 5,247 |
| NTA | 7,567 |

VALUATION

- € 13,041m GAV, +2.0% LfL as compared to December 2020
- Logistics growth (including ZAL Port within equity method) is the main driver of the uplift
- Yields are broadly flat within the portfolio, with logistics compressing 50 bps YoY

| | GAV (€ m) | LfL Growth | Gross yield | Yield expansion / (compression) ⁽³⁾ |
|------------------|---------------|--------------|-------------|--|
| Offices | 6,416 | +0.5% | 4.0% | (3) |
| Logistics | 1,324 | +14.5% | 4.9% | (50) |
| Shopping centers | 2,200 | (1.6%) | 5.2% | - |
| Net leases | 1,775 | +2.3% | 4.4% | +2 |
| WIP & land | 311 | n.a. | n.a. | |
| Other | 410 | (1.7%) | 3.4% | +1 |
| Equity method | 604 | +9.6% | n.a. | |
| Total | 13,041 | +2.0% | 4.4% | (6) |

⁽¹⁾ Includes cash (€ 866.7m) and treasury stock (€ 32.3m), Silicius receivable (€ 81.0m) and undrawn credit facilities (€ 831m) in FY21

⁽²⁾ Includes cash (€ 866.7m) and treasury stock (€ 32.3m) and Silicius receivable (€81.0m)

⁽³⁾ Bps based on exit yield YTD

INVESTMENTS, DIVESTMENTS AND CAPEX





- € 238.1m of non-core assets divestments at 5.4% premium mainly including 4 non-core logistics assets comprising 67,715 sqm, a 9,576 sqm office building in Madrid and 32 supermarkets
- Flagship completed. Landmark with just one building in WIP
- Best II & III and Digital Infrastructure Plan (Mega) continue progressing properly

| | Offices | Retail | Logistics | € million |
|--|--|-------------------|--|--------------|
| Acquisitions | PE Atica XIX D | | A2-San Fernando III Valencia | 39.7 |
| Development | Torre Glòries Avenida de Burgos 208 Plaza de Cataluña 9 Pere IV | | A2-Cabanillas Park I G-H-J A2-Cabanillas Park II A4-Getafe (Data Center) Barcelona (Data Center) Lisbon Park | 60.9 |
| Investment properties | Castellana 85 Monumental Plaza Ruiz Picasso | Saler Porto Pi | A2-Coslada Complex | 66.8 |
| Like-for-like portfolio (Defensive Capex) ⁽¹⁾ | | | | 17.7 |
| Total | | | | 185.1 |

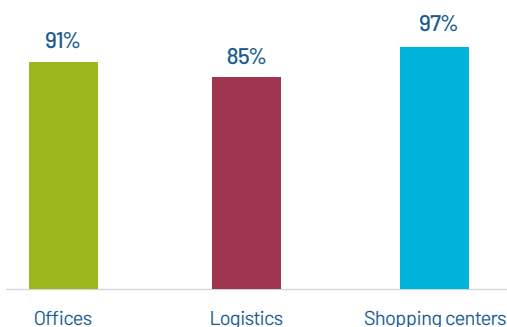
SUSTAINABILITY

- Intensive effort in terms of portfolio certification, having obtained 26 LEED/BREEAM certificates during the year
- The program is nearing completion with more than 91% of the portfolio certified
- MERLIN has been included in DJSI (Dow Jones Sustainability Index)



| Castellana 85 | Monumental | Almada | Vitoria Jundiz I |
|---|---|---|---|
|  |  |  |  |
| LEED Platinum | LEED Gold | BREEAM Very Good | BREEAM Very Good |

% GAV certified



⁽³⁾ € 15.0m are capitalized in balance sheet and € 2.7m are expensed in P&L

POST CLOSING

- In January, MERLIN has signed a **16,100 sqm lease** in A4-Getafe (CLA) with **Leroy Merlin**
- On February 23rd **MERLIN has cancelled € 548.3m in bonds** (2.375% coupon rate)

APPENDIX

1. Consolidated Profit and Loss

2. Consolidated Balance Sheet

1. Consolidated Profit and Loss

| (€ thousand) | 31/12/2021 | 31/12/2020 |
|--|------------------|------------------|
| Gross rents | 505,319 | 503,448 |
| Offices | 228,560 | 233,215 |
| Logistics | 65,950 | 58,848 |
| Shopping centers | 114,894 | 114,374 |
| Net Leases | 85,631 | 86,513 |
| Other | 10,286 | 10,498 |
| Other income | 6,787 | 5,180 |
| Total Revenues | 512,106 | 508,628 |
| Incentives | (17,989) | (15,651) |
| Covid-19 relief | (24,867) | (46,735) |
| Total Operating Expenses | (106,132) | (105,294) |
| Propex | (48,631) | (47,194) |
| Personnel expenses | (29,129) | (21,489) |
| Opex general expenses | (14,262) | (12,144) |
| Opex non-overheads | (2,612) | (6,235) |
| LTIP Provision | (11,498) | (18,232) |
| ACCOUNTING EBITDA | 363,118 | 340,948 |
| Depreciation | (1,858) | (1,614) |
| Gain / (losses) on disposal of assets | 4,057 | (14,300) |
| Provisions | 1,169 | (30) |
| Change in fair value of investment property | 177,008 | (84,468) |
| EBIT | 543,494 | 240,536 |
| Net financial expenses | (115,992) | (127,360) |
| Debt amortization costs | (14,987) | (18,906) |
| Gain/(losses) on disposal of financial instruments | (1,347) | (62) |
| Change in fair value of financial instruments | 73,070 | (35,152) |
| Share in earnings of equity method instruments | 34,560 | (3,444) |
| PROFIT BEFORE TAX | 518,797 | 55,612 |
| Income taxes | (6,581) | 746 |
| PROFIT (LOSS) FOR THE PERIOD | 512,217 | 56,358 |
| Minorities | - | - |
| PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE | 512,217 | 56,358 |

2. Consolidated Balance Sheet

(€ thousand)

| ASSETS | 31/12/2021 | EQUITY AND LIABILITIES | 31/12/2021 |
|--|-------------------|-------------------------------------|-------------------|
| NON CURRENT ASSETS | 13,234,394 | EQUITY | 7,026,922 |
| Intangible assets | 1,594 | Subscribed capital | 469,771 |
| Property, plant and equipment | 9,160 | Share premium | 3,647,876 |
| Investment property | 12,297,257 | Reserves | 2,566,276 |
| Investments accounted for using the equity method | 482,784 | Treasury stock | (32,305) |
| Non-current financial assets | 359,791 | Other equity holder contributions | 540 |
| Deferred tax assets | 83,808 | Interim dividend | (70,033) |
| | | Profit for the period | 512,217 |
| | | Valuation adjustments | (67,420) |
| | | NON-CURRENT LIABILITIES | 6,509,285 |
| | | Long term debt | 5,817,063 |
| | | Long term provisions | 11,209 |
| | | Deferred tax liabilities | 681,013 |
| CURRENT ASSETS | 1,038,444 | CURRENT LIABILITIES | 736,631 |
| Trade and other receivables | 39,626 | Short term debt | 610,872 |
| Short term investments in group companies and associates | 82,081 | Trade and other payables | 118,091 |
| Short-term financial assets | 838 | Other current liabilities | 7,668 |
| Cash and cash equivalents | 866,721 | | |
| Other current assets | 49,178 | | |
| TOTAL ASSETS | 14,272,838 | TOTAL EQUITY AND LIABILITIES | 14,272,838 |



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