



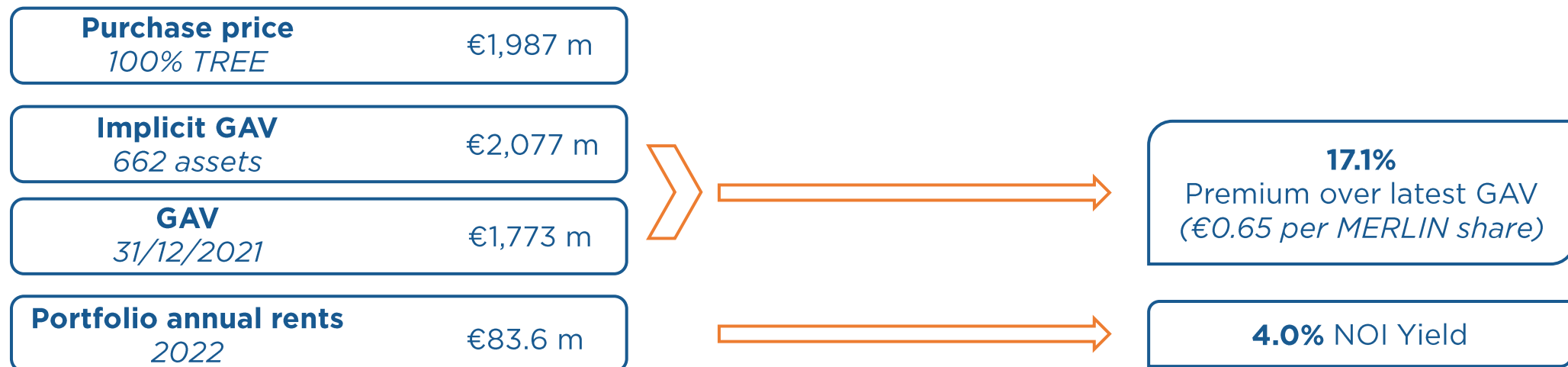
MERLIN Properties
BBVA portfolio disposal
4 April 2022





The Transaction | Summary & main KPIs

- MERLIN Properties owns a portfolio of **659 bank branches and 3 buildings leased to BBVA** (the “Portfolio”) through Tree Inversiones Inmobiliarias SOCIMI S.A. (“TREE”), a 100% subsidiary
- After receiving several offers, on **February 1st 2022**, MERLIN **notified** BBVA its intention to sell the Portfolio
- On **April 1st 2022**, BBVA notified **acceptance** to buy TREE shares (the “Transaction”)
- The Transaction is a share deal valuing 100% of TREE shares at €1,987 m (GAV equivalent of €2,077 m)
- The Portfolio generates **€83.6m of annual rents** and was **valued at €1,773 m** as of December 31st 2021
- **Closing** of the Transaction is expected by **June 2022**





The Transaction | Use of proceeds

- **Gross proceeds of €1,987 m** will be used as follows:

- Cancellation of mortgage loan and derivatives of Tree⁽¹⁾, and transaction costs €699 m
- Extraordinary dividend (50% of capital gains⁽¹⁾) €315 m (€0.67 per share)
- Cash available for further debt reduction €970 m

- The extraordinary dividend is:

- Calculated as **50% of the accounting capital gains** in MERLIN's individual accounts, in accordance with Spanish GAAP
- Payment can be executed up until **June 30th 2023**

- **MERLIN leverage pro-forma:**

<u>Pre-Transaction</u>		<u>Post-Transaction</u>	
Net Debt	€5,247 m	Net Debt	€3,610
LTV	39.2%	LTV	32.0%
Av. debt cost	2.07%	Av. debt cost	1.94%

(1) Based on debt outstanding and mark-to-market of derivatives as of March 31st 2022

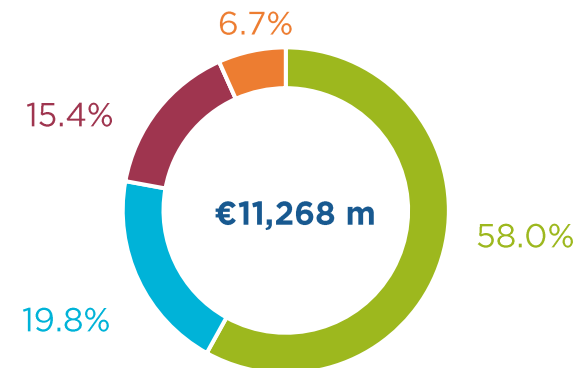
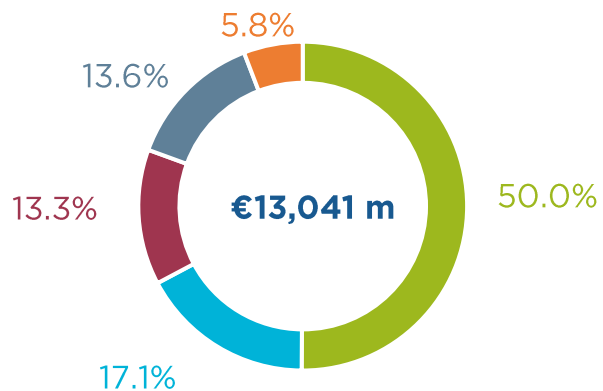
The Transaction | A snapshot of MERLIN post transaction: Value & rents



Pre-Transaction

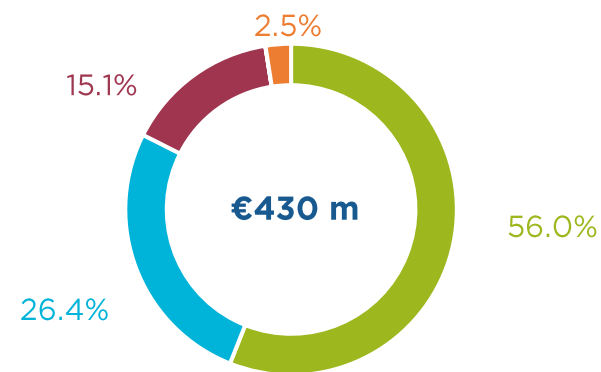
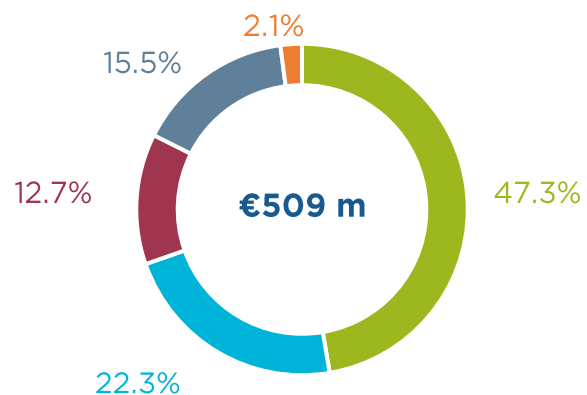
Post-Transaction

Gross asset value
(31/12/2021)



■ Offices
 ■ Shopping Centers
 ■ Logistics
 ■ Net Leases
 ■ Other

Gross rents⁽¹⁾
(2021)



(1) Passing annualized rents as of 31/12/2021

