

## CONSOLIDATED PERFORMANCE

**+6.6%**

Gross rents like-for-like YoY

**+26.0%**

FFO per share YoY

**+4.9%**

NTA per Share YoY

- **Strong revenue growth (+8.6%) sustained by reversionary potential, occupancy gains, indexation and WIP deliveries exceeding non-core disposals and assets vacated to be refurbished**
- **Compelling LfL GRI growth (+6.6%) paired with a significant reduction in incentives brings net rents growth YoY to +24.9%**
- **FFO per share of € 0.17, 26.0% increase compared to 3M21.**
- **As a result of the reclassification of Net Leases as discontinued operations, income from Net Leases is only considered in Net earnings, FFO and AFFO metrics. PF metrics have been added for ease of comparison**
- **No revaluation in the period. NTA p.s. at € 16.32**

## BUSINESS PERFORMANCE

**+4.0%**

Offices

**+9.0%**

Logistics

**+9.0%**

S. Centers

**Rents like-for-like YoY**
**+4.5%**

Offices

**+7.3%**

Logistics

**+5.8%**

S. Centers

**Release spread**
**+46 bps**

Occupancy vs 31/12/2021

**94.9%**

94.4% PF

- **Offices:** 34,812 sqm contracted. LfL of **+4.0%** and **release spread** of **+4.5%**
- **Logistics:** 81,637 sqm contracted. LfL of **+9.0%** and **release spread** of **+7.3%**
- **Shopping centers:** 17,549 sqm contracted. LfL of **+9.0%** and **release spread** of **+5.8%**

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

<sup>(2)</sup> Excludes non-overhead costs items (€ 0.4m) plus LTIP accrual (€ 1.2m)

<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> PF excluding the FFO from discontinued operations (Net Leases) and the interest expense associated to the € 850m syndicated loan that will be repaid upon execution of the transaction

<sup>(5)</sup> Portfolio in operation for 3M21 (€ 99.3m of GRI) and for 3M22 (€ 105.8m of GRI)

Net Leases have been reclassified as discontinued operations in 3M22 and 3M21 results have been restated

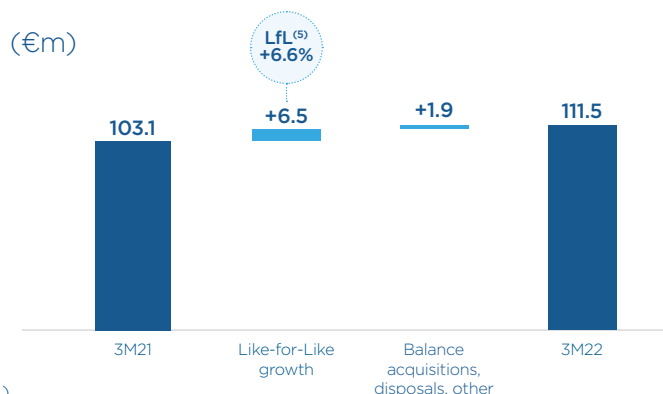
(€ million)	3M22	3M21	YoY
Total revenues	113.9	104.9	+8.6%
Gross rents	111.5	103.1	+8.2%
Gross rents after incentives	104.8	86.4	+21.3%
Net rents after propex & collection losses	93.2	74.6	+24.9%
Gross-to-net margin <sup>(1)</sup>	88.9%	86.3%	
EBITDA <sup>(2)</sup>	83.9	66.1	+26.8%
Margin	75.2%	64.2%	
FFO <sup>(3)</sup>	79.7	63.3	+26.0%
Margin	71.5%	61.4%	
AFFO	78.4	62.2	+26.0%
Net earnings	92.6	55.7	+66.2%

(€ per share)	3M22	3M21	YoY
FFO	0.17	0.13	+26.0%
FFO PF <sup>(4)</sup>	0.14	0.10	+35.4%
AFFO	0.17	0.13	+26.0%
AFFO PF <sup>(4)</sup>	0.14	0.10	+35.6%
EPS	0.20	0.12	+66.2%

	3M22	Contracted	Rent		Leasing activity	Occ. vs 31/12/21
			sqm	€ m	Lfl change	Release spread
Offices		34,812	59.7	4.0%	+4.5%	+25
Logistics		81,637	17.7	9.0%	+7.3%	+76
Shopping centers		17,549	31.3	9.0%	+5.8%	+8
Net leases		n.a.	-	-	-	-
Other		n.a.	2.8	19.8%	n.m.	+4
<b>Total</b>		<b>133,998</b>	<b>111.5</b>	<b>6.6%</b>		<b>+46</b>

### Gross rents bridge



# OFFICES

## Gross rents bridge

(€m)



## Rents breakdown

	Gross rents 3M22 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
Madrid	41.6	19.0	3.6
Barcelona	9.8	19.7	2.4
Lisbon	7.5	19.8	4.8
Other	0.7	11.1	7.3
<b>Total</b>	<b>59.7</b>	<b>19.1</b>	<b>3.6</b>

## Leasing activity

- **Healthy LfL rent increase in the period (+4.0%), in line with a high release spread (+4.5%)**
- **3M22 leasing activity highlights:**
  - 4,221 sqm new lease with Generalitat de Catalunya in PE Poblenou 22@, Barcelona
  - 3,838 sqm new lease with Honeywell in Maria de Portugal T2, Madrid
  - 1,205 sqm new lease with Zolva Platform in Juan Esplandiu 11-13, Madrid
  - 1,146 sqm new lease with Panasonic in WTC6, Barcelona
  - 1,112 sqm new lease with Telematel in San Cugat II, Barcelona

sqm	Contracted	Out	In	Renewals <sup>(2)</sup>	Net	LTM	
						Release spread	# Contracts
Madrid	23,212	(13,462)	12,846	10,366	(616)	+2.9%	96
Barcelona	11,384	(5,667)	8,514	2,870	2,847	+11.0%	39
Lisbon	216	(104)	216	-	112	+34.0%	3
<b>Total</b>	<b>34,812</b>	<b>(19,233)</b>	<b>21,576</b>	<b>13,236</b>	<b>2,343</b>	<b>+4.5%</b>	<b>138</b>

## Occupancy

- **Occupancy increase (25 bps vs FY21) for the third consecutive quarter**
- Plaza Cataluña 9 and Pere IV will be delivered in 2Q22
- By markets, **best performer this quarter has been Barcelona Periphery**

<b>Stock</b>	1,167,446 sqm
<b>WIP</b>	144,154 sqm
<b>Stock incl. WIP</b>	1,311,600 sqm

	Occupancy rate <sup>(3)</sup>		
	3M22	FY21	Change bps
Madrid	88.0%	87.8%	+20
Barcelona	93.8%	93.1%	+76
Lisbon	99.6%	99.5%	+9
Other	100.0%	100.0%	-
<b>Total</b>	<b>90.3%</b>	<b>90.1%</b>	<b>+25</b>

<sup>(1)</sup> Portfolio in operation for 3M21 (€ 52.8m of GRI) and for 3M22 (€ 55.0m of GRI)

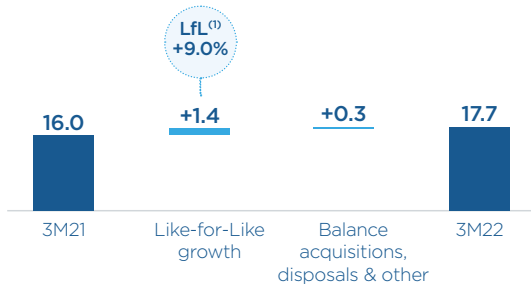
<sup>(2)</sup> Excluding roll-overs

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

# LOGISTICS

## Gross rents bridge

(€m)



## Rents breakdown

	Gross rents 3M22 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
Madrid	10.9	4.1	3.8
Barcelona	2.6	6.9	2.5
Other	4.1	3.9	2.7
<b>Total</b>	<b>17.7</b>	<b>4.4</b>	<b>3.3</b>

## Leasing activity

- **Strong organic performance (+9.0% LfL)** thanks to occupancy, indexation and reversionary potential
- **Release spread accelerating (+7.3%)**
- **3M22 leasing activity highlights:**
  - 16,100 sqm new lease with Leroy Merlin in A4-Getafe (CLA), Madrid
  - 38,763 sqm renewal with IDL in A2-Alovera, Madrid
  - 26,774 sqm renewal with DHL in Vitoria-Jundiz II, Basque Country

sqm	Contracted	Out	In	Renewals	Net	LTM	
						Release spread	# Contracts
Madrid	54,863	-	16,100	38,763	16,100	+2.8%	5
Barcelona	-	(5,690)	-	-	(5,690)	+11.6%	3
Other	26,774	-	-	26,774	-	-	5
<b>Total</b>	<b>81,637</b>	<b>(5,690)</b>	<b>16,100</b>	<b>65,537</b>	<b>10,410</b>	<b>+7.3%</b>	<b>13</b>

## Occupancy

- **Occupancy continues improving (+76 bps vs FY21)** reaching virtually full occupancy of the portfolio (97.8%)

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

	Occupancy rate		
	3M22	FY21	bps
Madrid	99.8%	97.9%	+190
Barcelona	94.8%	99.1%	(432)
Other	94.6%	94.6%	-
<b>Total</b>	<b>97.8%</b>	<b>97.1%</b>	<b>+76</b>

<sup>(1)</sup> Portfolio in operation for 3M21 (€ 15.4m of GRI) and for 3M22 (€ 16.8m of GRI)

<sup>(2)</sup> WIP includes in progress and Landbank Best II & III

## LOGISTICS (CONT.)

### INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

#### Best II (as from 31/03/2022)

	GLA (sqm)	ERV (€m)	Investment (€m)	ERV YoC
<b>Delivered<sup>(1)</sup></b>	<b>255,660</b>			
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%
<b>In progress</b>	<b>117,891</b>			
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%
<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>

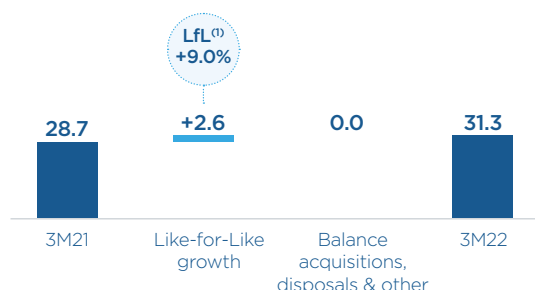
#### Best III (as from 31/03/2022)

	GLA (sqm)	ERV (€m)	Investment (€m)	ERV YoC
<b>Delivered<sup>(1)</sup></b>	<b>107,690</b>			
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%
<b>In progress</b>	<b>15,122</b>			
Sevilla ZAL WIP	15,122	1.6	18.0	9.0%
<b>Landbank</b>	<b>375,189</b>			
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%
<b>Total</b>	<b>498,002</b>	<b>24.9</b>	<b>314.9</b>	<b>7.9%</b>

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

# SHOPPING CENTERS

## Gross rents bridge (€m)



## Rents breakdown

	Gross rents 3M22 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
MERLIN	31.3	21.6	2.3

## Footfall and tenant sales<sup>(2)</sup>

	vs 3M21	vs 3M19
Tenant sales	+65.3%	(5.6%)
Footfall	+43.2%	(12.4%)
OCR <sup>(3)</sup>	+12.6%	

## Leasing activity

- **Footfall (+43.2% vs 3M21) and tenant sales (+65.3% vs 3M21)** continue recovering, and are approaching pre-covid levels
- **Occupancy continues increasing, reaching record-high levels**
- **OCR at sustainable levels (12.6%)**
- **3M22 leasing activity highlights:**
  - 1,056 sqm new lease with Outlet Sport in X-Madrid
  - 674 sqm new lease with JD Sport in Marineda
  - 304 sqm new lease with Vilanova in Almada
  - 4,143 sqm renewal with Conforama in Marineda

sqm	Contracted	Out	In	Renewals <sup>(4)</sup>	Net	LTM	
						Release spread	# Contracts
Total	17,548	(5,967)	6,390	11,158	423	+5.8%	130

## Occupancy

- **Occupancy continues increasing (+8 bps vs FY21)**, proving the resiliency of MERLIN´s portfolio
- **Best performer** this quarter has been **X-Madrid**

Stock	461,425 sqm
Tres Aguas <sup>(5)</sup>	67,940 sqm
Stock with Tres Aguas	529,365 sqm

	Occupancy rate		
	3M22	FY21	bps
Total	94.3%	94.2%	+8

<sup>(1)</sup> Portfolio in operation for 3M21 (€ 28.7m of GRI) and for 3M22 (€ 31.3m of GRI)

<sup>(2)</sup> Excluding X-Madrid, opened in November 2019

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

<sup>(4)</sup> Excluding steps

<sup>(5)</sup> Tres Aguas at 100% allocation

## BALANCE SHEET

- **LTV stands at 38.8%**, thanks to cash retention and asset disposals. LTV will be further reduced upon Tree disposal execution (LTV PF 30.7%)
- In February, MERLIN has **cancelled € 548.3m in bonds** (2.375% coupon rate) with available cash
- **S&P and Moody's** have **improved MERLIN's outlook to positive**

Ratios	31/03/2022	31/12/2021
LTV	38.8%	39.2%
Av. Interest rate	2.03%	2.07%
Av. Maturity (years)	5.7	5.3
Unsecured debt to total debt	86.7%	87.9%
Interest rate fixed	100.0%	100.0%
Liquidity position (€m) <sup>(1)</sup>	1,308	1,811

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

	€ million
GAV	13,053
Gross financial debt	5,675
Cash and equivalents <sup>(2)</sup>	(477)
Net financial debt	5,199
NTA	7,666

## INVESTMENTS, DIVESTMENTS AND CAPEX

- **€ 47.6m of non-core assets divested at 12.8% premium** including 3 office buildings comprising 15,383 sqm and a minority stake in an office building
- **Tree disposal (implied GAV 2,077.1m, +17.1% to GAV)** pending approval from Antitrust. **Expected closing in June 2022 (SPA signed)**
- **Flagship completed. Landmark with just one building in WIP**
- Capex efforts will be focused on **Best II & III and Digital Infrastructure Plan (Mega)**. Bilbao-Arasur Data Center works have just begun

	Offices	Retail	Logistics	Data Centers	€ million
Acquisitions	Diagonal 514				12.1
Development			A2-Cabanillas Park II A2-Cabanillas Park I J	Barcelona (Data Center) Bilbao (Data Center) A4-Getafe (Data Center) Lisboa (Data Center)	26.5
Investment properties	Plaza Ruiz Picasso Torre Glòries Atica 1 Pere IV		A4-Getafe (CLA)		7.2
Like-for-like portfolio (Defensive Capex) <sup>(3)</sup>					2.1
<b>Total</b>					<b>47.9</b>






<sup>(1)</sup> Includes cash (€ 377.6m of which € 26.3m included within discontinued operations), treasury stock (€ 18.2m), Silicius receivable (€ 81.0m) and undrawn credit facilities (€ 831m) in 3M22

<sup>(2)</sup> Includes cash (€ 377.6m of which € 26.3m included within discontinued operations), treasury stock (€ 18.2m) and Silicius receivable (€ 81.0m)

<sup>(3)</sup> € 1.6m are capitalized in balance sheet and € 0.5m are expensed in P&L

# SUSTAINABILITY

- **Intensive effort in terms of portfolio certification**, having obtained 8 LEED/BREEAM certificates during the quarter
- **The program is nearing completion**, with 97% of Shopping Centers, 90% of Logistics warehouses and 93% of Office assets already certified
- MERLIN has announced its **Net Zero Pathway (2030)** and the intention to requalify its **outstanding bonds into Green bonds**

Diagonal 514	A2-San Fernando II	Torre Glòries	Art	Castellana 93
				
LEED Gold	LEED Gold	LEED Gold	LEED Gold	BREEAM Very Good

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## POST CLOSING

- On April 1<sup>st</sup> 2022, MERLIN received a communication from BBVA **accepting the acquisition of 100% of the shares of Tree**, excluding the financial liabilities of the company, **for an amount totalling € 1,987.4m**. MERLIN had notified to BBVA its intention to sell on February 1<sup>st</sup>. The execution of the transaction is pending approval from the National Commission on Markets and Competition which is expected to be received in June. The corresponding SPA has been signed



# APPENDIX

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1. Consolidated Profit and Loss

2. Consolidated Balance Sheet

## 1. Consolidated Profit and Loss

Net Leases have been reclassified as discontinued operations in 3M22 and 3M21 results have been restated. As a consequence, the attributable result is included within "Result from discontinued operations" in the bottom line of the profit and loss account

(€ thousand)	31/03/2022	31/03/2021
<b>Gross rents</b>	<b>111,496</b>	<b>103,063</b>
Offices	59,710	56,071
Logistics	17,655	15,983
Shopping centers	31,349	28,696
Net Leases	-	-
Other	2,782	2,314
<b>Other income</b>	<b>2,402</b>	<b>1,787</b>
<b>Total Revenues</b>	<b>113,898</b>	<b>104,850</b>
Incentives	(6,746)	(5,044)
Covid-19 relief	-	(11,648)
<b>Total Operating Expenses</b>	<b>(24,935)</b>	<b>(26,025)</b>
Propex	(11,579)	(11,796)
Personnel expenses	(8,111)	(7,429)
Opex general expenses	(3,595)	(2,805)
Opex non-overheads	(440)	(680)
LTIP Provision	(1,210)	(3,315)
<b>ACCOUNTING EBITDA</b>	<b>82,217</b>	<b>62,133</b>
Depreciation	(429)	(376)
Gain / (losses) on disposal of assets	3,388	(1,419)
Provisions	33	494
Change in fair value of investment property	-	-
<b>EBIT</b>	<b>85,209</b>	<b>60,832</b>
Net financial expenses	(25,031)	(24,642)
Debt amortization costs	(2,636)	(2,338)
Gain / (losses) on disposal of financial instruments	-	-
Change in fair value of financial instruments	15,784	2,475
Share in earnings of equity method instruments	2,673	1,540
<b>PROFIT BEFORE TAX</b>	<b>75,999</b>	<b>37,867</b>
Income taxes	(1,358)	(510)
<b>PROFIT (LOSS) FOR THE PERIOD RECURRING OPERATIONS</b>	<b>74,641</b>	<b>37,357</b>
Result from discontinued operations	17,948	18,366
Minorities	-	-
<b>PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE</b>	<b>92,589</b>	<b>55,723</b>

## 2. Consolidated Balance Sheet

(€ thousand)

ASSETS	31/03/2022	EQUITY AND LIABILITIES	31/03/2022
<b>NON CURRENT ASSETS</b>	<b>11,459,755</b>	<b>EQUITY</b>	<b>7,159,116</b>
Intangible assets	1,704	Subscribed capital	469,771
Property, plant and equipment	6,699	Share premium	3,647,876
Investment property	10,701,211	Reserves	3,055,845
Investments accounted for using the equity method	483,864	Treasury stock	(18,170)
Non-current financial assets	186,358	Other equity holder contributions	540
Deferred tax assets	79,919	Interim dividend	(70,033)
		Profit for the period	92,589
		Valuation adjustments	(19,302)
		<b>NON-CURRENT LIABILITIES</b>	<b>5,729,652</b>
		Long term debt	5,104,897
		Long term provisions	11,468
		Deferred tax liabilities	613,287
<b>CURRENT ASSETS</b>	<b>2,339,416</b>	<b>CURRENT LIABILITIES</b>	<b>910,403</b>
Non-current assets held for sale	1,815,976	Liabilities linked to Non-current assets held for sale	723,145
Trade and other receivables	37,486	Short term debt	63,178
Short term investments in group companies and associates	82,069	Short term provisions	-
Short-term financial assets	276	Trade and other payables	106,030
Cash and cash equivalents	351,272	Other current liabilities	18,050
Other current assets	52,337		
<b>TOTAL ASSETS</b>	<b>13,799,171</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13,799,171</b>

APM: definitions and reconciliation of APMs to the latest audited financial accounts can be found on page 53 of <https://www.merlinproperties.com/wp-content/uploads/2022/02/Results-report-FY21.pdf>



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