

CONSOLIDATED PERFORMANCE

+7.0%
Gross rents like-for-like YoY
+11.0%
FFO per share YoY
+5.3%
EPRA NTA per share YoY
+8.7%
TSR YTD

- **Strong operating performance across the board**, with **occupancy increase** (+105 bps YoY), **attractive release spread** (>5%) and **rental growth** (+7.0% LfL)
- **FFO per share of € 0.48 +11.0% increase vs 9M21**. On track to exceed the revisited guidance for 2022 (>€ 0.60 per share)
- During the quarter, **MERLIN delivered 1 logistics warehouse and 2 office buildings in WIP**, all fully let, totalling **52,255 sqm**. In October, Cabanillas Park I J was delivered to DSV (45,241 sqm)
- **Data Centers program on track**; Bilbao, Madrid and Barcelona under construction with client delivery in Q2-Q3 2023
- **FY22 office occupancy guidance (91.5%) revisited by +100 bps to 92.5%**
- **No revaluation** in the period. **NTA per share** standing at **€ 16.52** after the € 0.75 extraordinary dividend paid out in August

BUSINESS PERFORMANCE

Rents like-for-like YoY
+5.6%

Offices

+9.0%

Logistics

+6.5%

S. Centers

Release spread
+5.1%

Offices

+8.0%

Logistics

+5.3%

S. Centers

Occupancy vs 30/06/2022
(0.07%)
95.1%

- **Offices:** 175,733 sqm contracted. LfL of **+5.6%** and **release spread** of **+5.1%**
- **Logistics:** 223,486 sqm contracted. LfL of **+9.0%** and **release spread** of **+8.0%**
- **Shopping centers:** 48,481 sqm contracted. LfL of **+6.5%** and **release spread** of **+5.3%**

⁽¹⁾ 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

⁽²⁾ Net of incentives

⁽³⁾ Excludes non-overhead costs items (€ 2.4m) plus LTIP accrual (€ 3.7m)

⁽⁴⁾ FFO equals EBITDA less net interest payments, less minorities, less recurring income taxes plus share in earnings of equity method

⁽⁵⁾ Portfolio in operation for 9M21 (€ 296.0m of GRI) and for 9M22 (€ 316.7m of GRI)

Net Leases have been reclassified as discontinued operations in 9M22 and 9M21 results have been restated⁽¹⁾

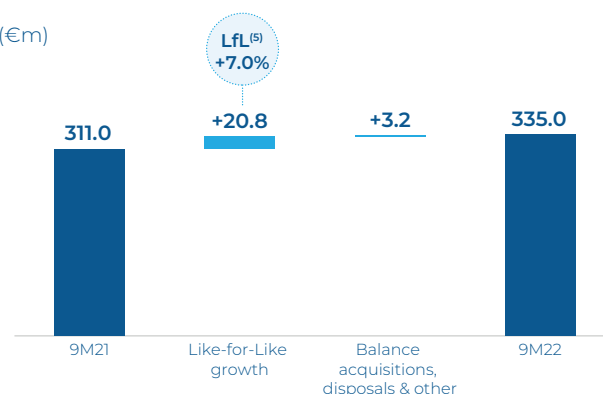
(€ million)	9M22	9M21 Restated	YoY
Total revenues	340.9	316.9	+7.6%
Gross rents	335.0	311.0	+7.7%
Gross rents after incentives	316.8	275.1	+15.2%
Net rents after propex & collection losses	279.7	239.1	+17.0%
Gross-to-net margin ⁽²⁾	88.3%	86.9%	
EBITDA ⁽³⁾	249.4	213.2	+17.0%
Margin	74.4%	68.5%	
FFO ⁽⁴⁾	224.1	201.9	+11.0%
Margin	66.9%	64.9%	
AFFO	214.4	195.0	+10.0%
Net earnings	567.1	254.4	+122.9%

(€ per share)	9M22	9M21	YoY
FFO	0.48	0.43	+11.0%
AFFO	0.46	0.42	+10.0%
EPS	1.21	0.54	+122.9%
EPRA NTA	16.52	15.69	+5.3%

	9M22 Contracted	Rent		Leasing activity	Occ. vs 30/06/22
		sqm	€m	Lfl change	Release spread
Offices	175,733	179.8	+5.6%	+5.1%	+27
Logistics	223,486	54.2	+9.0%	+8.0%	(57)
Shopping centers	48,481	91.3	+6.5%	+5.3%	+42
Other	n.a.	9.7	+28.5%	n.m.	-
Total	447,700	335.0	+7.0%		(7)

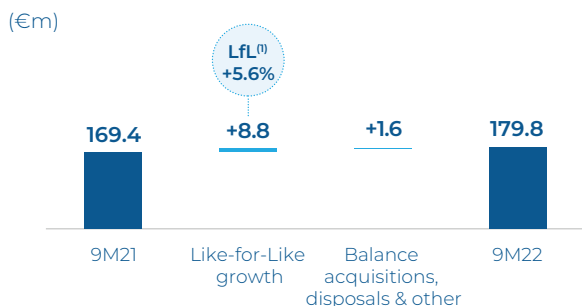
Gross rents bridge

(€m)



OFFICES

Gross rents bridge



Rents breakdown

	Gross rents 9M22 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
Madrid	124.9	19.7	3.5
Barcelona	30.2	20.3	2.3
Lisbon	22.8	20.6	4.1
Other	1.9	11.1	7.3
Total	179.8	19.8	3.4

Leasing activity

• **Compelling rental increase (+5.6%) and release spread (+5.0%)**

• **3Q22 leasing activity highlights:**

- 9,135 sqm renewal with BBVA in PE Las Tablas, Madrid
- 6,141 sqm renewals with Genomica, Oney and Ribera Salud in PE Alvento, Madrid
- 1,843 sqm new leases with Izharia, Chelion and Döhler in PE Alvia, Madrid
- 922 sqm new lease with W2M Corporate in PE Alvento, Madrid
- 874 sqm new lease with Kurita Iberica in Sant Cugat I, Barcelona
- 610 sqm new lease with EDDM in Eucalipto 33, Madrid

sqm	Contracted	Out	In	Renewals ⁽²⁾	Net	LTM	
						Release spread	# Contracts
Madrid	116,450	(27,572)	33,146	83,304	5,574	+3.7%	85
Barcelona	37,205	(13,532)	19,926	17,279	6,394	+8.2%	45
Lisbon	22,078	(3,753)	20,920	1,158	17,167	+22.1%	8
Total	175,733	(44,857)	73,992	101,741	29,135	+5.1%	138

Occupancy

• **Occupancy increase (+27 bps vs 6M22) for the fifth consecutive quarter**

• By markets, **best performer this quarter has been Lisbon**, once again fully occupied

Stock	1,172,058 sqm
WIP	142,753 sqm
Stock incl. WIP	1,314,811 sqm

	Occupancy rate ⁽³⁾		
	9M22	6M22	Change bps
Madrid	88.2%	87.9%	+35
Barcelona	93.2%	94.1%	(90)
Lisbon	100.0%	99.6%	+36
Other	100.0%	100.0%	-
Total	90.7%	90.4%	+27

⁽¹⁾ Portfolio in operation for 9M21 (€ 155.9m of GRI) and for 9M22 (€ 164.7m of GRI)

⁽²⁾ Excluding roll-overs

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

LOGISTICS

Gross rents bridge

(€m)



Rents breakdown

	Gross rents 9M22 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
Madrid	33.9	4.2	3.5
Barcelona	7.8	7.0	2.5
Other	12.5	4.0	3.1
Total	54.2	4.4	3.3

Leasing activity

- **Strong organic performance (+9.0% LfL)** fueled by occupancy gains, indexation and reversionary potential captured
- **3Q22 leasing activity highlights:**
 - 47,211 sqm new lease with Logista in A2-Cabanillas Park II A, Madrid
 - 12,618 sqm renewal with Pallex in A2-San Fernando II, Madrid
 - 4,544 sqm new leases with Dia and Tamdis in Sevilla ZAL, Sevilla
 - 3,721 sqm new lease with Masiques in PLZF, Barcelona
 - 2,710 sqm new lease with Transmec de Bortoli in A2-Coslada Complex, Madrid

sqm	Contracted	Out	In	Renewals	Net	LTM	
						Release spread	# Contracts
Madrid	164,958	(13,808)	93,310	71,648	79,502	+4.3%	5
Barcelona	6,446	(13,275)	6,446	-	(6,829)	+12.2%	2
Other	52,082	(4,544)	25,308	26,774	20,764	+19.1%	4
Total	223,486	(31,627)	125,064	98,422	93,437	+8.0%	11

Occupancy

- **Virtual full occupancy at both MERLIN (98.6%) and ZAL Port (99.6%)**

Stock	1,439,064 sqm
WIP⁽²⁾	650,020 sqm
Best II	259,708 sqm
Best III	390,312 sqm
Stock incl. WIP	2,089,085 sqm
ZAL Port	736,217 sqm
Stock managed	2,825,302 sqm

	Occupancy rate		
	9M22	6M22	bps
Madrid	98.8%	99.7%	(92)
Barcelona	93.6%	93.6%	-
Other	100.0%	100.0%	-
Total	98.6%	99.2%	(57)

⁽¹⁾ Portfolio in operation for 9M21 (€ 47.3m of GRI) and for 9M22 (€ 51.6m of GRI)

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

LOGISTICS (CONT.)

INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

Best II (as from 30/09/2022)

- **56% of Best II** has been delivered achieving a **7.9% YoC**
- Assets delivered YTD: Cabanillas Park I H and Cabanillas Park II A, totalling 70,488 sqm

	GLA (sqm)	ERV (€m)	Investment (€m)	ERV YoC
A2-Cabanillas Park I J	45,241	1.8	26.9	6.9%
A2-Cabanillas Park II B	47,342	2.1	25.7	8.1%
In progress	92,583			
A2-Cabanillas Park II	116,125	5.1	62.8	8.1%
A2-Azuqueca III	51,000	2.3	30.1	7.7%
Landbank	167,125			

Best III (as from 30/09/2022)

- **22% of Best III** has been delivered achieving a **8.0% YoC**
- No assets delivered YTD

	GLA (sqm)	ERV (€m)	Investment (€m)	ERV YoC
Lisbon Park	179,693	8.4	118.1	7.1%
Sevilla ZAL WIP	15,122	1.6	18.0	9.0%
A2-San Fernando III	98,924	5.1	54.9	9.3%
Valencia	96,572	4.4	56.2	7.8%
Landbank	390,312			

SHOPPING CENTERS

Gross rents bridge

(€m)



Rents breakdown

	Gross rents 9M22 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
MERLIN	91.3	22.2	2.2

Footfall and tenant sales⁽²⁾

	vs 9M21	vs 9M19
Tenant sales	+34.8%	+1.5%
Footfall	+24.7%	(9.2%)
OCR ⁽³⁾	12.0%	

Leasing activity

- **Tenant sales above pre-Covid levels** both on a YTD (+1.5% vs 9M19) and on a monthly basis (+6.1% vs September 2019)
- **OCR at very healthy levels (12.0%)**
- **3Q22 leasing activity highlights:**
 - 3,229 sqm new lease (extension) with Zara in Saler
 - 1,533 sqm new lease with Ikono in Arenas
 - 932 sqm new lease with Bershka in Saler
 - 566 sqm new lease with Zara Home in Porto Pi
 - 450 sqm new lease with Skechers in Bonaire
 - 433 sqm new lease with Pepco in Saler

sqm	Contracted	Out	In	Renewals	Net	LTM	
						Release spread	# Contracts
Total	48,481	(19,303)	21,790	26,691	2,487	+5.3%	188

Occupancy

- **Occupancy continues increasing (+42 bps vs 6M22), reaching all time high figures for the fourth consecutive quarter**, proving the resiliency of MERLIN's portfolio
- **Best performer** this quarter has been **Saler**

Stock	461,431 sqm
Tres Aguas ⁽⁴⁾	67,940 sqm
Stock with Tres Aguas	529,371 sqm

	Occupancy rate		
	9M22	6M22	bps
Total	94.8%	94.3%	42

⁽¹⁾ Portfolio in operation for 9M21 (€ 85.3m of GRI) and for 9M22 (€ 90.9m of GRI)

⁽²⁾ Excluding X-Madrid, opened in November 2019

⁽³⁾ Including the impact of the commercial policy

⁽⁴⁾ Tres Aguas at 100% allocation

BALANCE SHEET

- **LTV stands at 31.0%, -821 bps vs FY21**, after distributing € 468.3m (€ 1.00 per share) in cash dividend YTD
- **€ 2.1bn gross debt repaid YTD with available cash**
- **Strong financial situation:** low LTV, all interest rates fixed, 98% unsecured and € 1.3bn liquidity

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

Ratios	30/09/2022	31/12/2021
LTV	31.0%	39.2%
Av. Interest rate	1.94%	2.07%
Av. Maturity (years)	5.2	5.3
Unsecured debt to total debt	97.9%	87.9%
Interest rate fixed	99.6%	100.0%
Liquidity position (€m) ⁽¹⁾	1,294	1,811

	€ million
GAV	11,599
Gross financial debt	4,157
Cash and equivalents ⁽²⁾	(463)
Net financial debt	3,694
NTA	7,759

INVESTMENTS, DIVESTMENTS AND CAPEX

- **€ 111.2m of non-core assets divestments at 8.9% premium** including 4 office buildings (33,783 sqm), a high street unit and a minority stake in an office building
- **Tree disposal (implied GAV 2,077.1m, +17.1% to GAV)** executed in 1H22
- During the quarter, the company **acquired 2 prime office assets for € 131.5m**; Liberdade 195, a 16,510 sqm office building located in the most exclusive address in Lisbon and a 3,665 sqm building adjacent to our Plaza Ruiz Picasso development in AZCA, Madrid
- **Landmark Plan with only Plaza Ruiz Picasso in WIP**
- **Works in Mega plan are progressing well**, with Bilbao's outer-shell already finished, Madrid outer-shell nearly finished and in Barcelona foundations ready. **Delivery is expected between Q2 and Q3 2023.**
- Capex efforts pre-let driven and focused on **Best II & III and Digital Infrastructure Plan (Mega)**

	Offices	Retail	Logistics	Data Centers	€ million
Acquisitions	Liberdade 195 Plaza Ruiz Picasso II Diagonal 514			Bilbao (Data Center)	144.0
Development	Pere IV Plaza de Cataluña 9		A2-San Fernando III A2-Cabanillas Park II A2-Cabanillas Park I J	Bilbao (Data Center) Madrid-Getafe (Data Center) Barcelona PLZF (Data Center) Lisbon (Data Center)	93.3
Investment properties	Plaza Ruiz Picasso Torre Glories Atica 1 Castellana 85	Porto Pi	A4-Getafe (CLA)		34.7
Like-for-like portfolio (Defensive Capex) ⁽³⁾					12.4
Total					284.4

⁽¹⁾ Includes cash (€ 445.8m) and treasury stock (€ 17.3m) and undrawn credit facilities (€ 831m) in 9M22

⁽²⁾ Includes cash (€ 445.8m) and treasury stock (€ 17.3m)


⁽³⁾ € 9.6m are capitalized in balance sheet and € 2.8m are expensed in P&L

SUSTAINABILITY

- **Intensive effort in terms of portfolio certification**, having obtained 8 LEED/BREEAM certificates during the quarter

Castellana 259	PE Las Tablas	Larios
		
LEED Gold	LEED Gold	BREEAM Very Good

- **Scoring accolades** obtained during the period:

				
79%	70% (95 th percentile)	C+ (1 st decile)	A	Standard Ethics EE+ (#1 ranked in the Ibex-35)

POST CLOSING

- In October, MERLIN signed a **13,899 sqm new lease** in the AI corridor with **EDP** in Adequa 1, Madrid, taking year-end office occupancy forecast to 92.5%
- In October, MERLIN delivered **45,241 sqm to DSV** in Cabanillas Park I J, concluding the development of Cabanillas Park I
- **Interim dividend of € 20 cents per share** to be paid on December 2nd. Total distribution in 2022 at € 1.20 per share

APPENDIX

1. Consolidated Profit and Loss

2. Consolidated Balance Sheet

1. Consolidated Profit and Loss

Net Leases have been reclassified as discontinued operations in 9M22 and 9M21 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)	30/09/2022	30/09/2021
Gross rents	334,959	311,031
Offices	179,830	169,374
Logistics	54,195	48,750
Shopping centers	91,277	85,340
Other	9,657	7,568
Other income	5,968	5,914
Total Revenues	340,927	316,945
Incentives	(18,162)	(12,321)
Covid-19 relief	-	(23,652)
Total Operating Expenses	(79,424)	(77,545)
Propex	(37,088)	(35,954)
Personnel expenses	(24,152)	(22,042)
Opex general expenses	(12,169)	(9,815)
Opex non-overheads	(2,267)	(2,106)
LTIP Provision	(3,748)	(7,628)
ACCOUNTING EBITDA	243,341	203,427
Depreciation	(1,367)	(1,236)
Gain / (losses) on disposal of assets	6,986	(1,444)
Provisions	346	1,618
Change in fair value of investment property	122,298	45,274
Negative difference on business combination	(9)	-
EBIT	371,595	247,639
Net financial expenses	(69,378)	(75,712)
Debt amortization costs	(12,338)	(7,283)
Gain / (losses) on disposal of financial instruments	(283)	(811)
Change in fair value of financial instruments	42,065	3,551
Share in earnings of equity method instruments	22,865	15,975
PROFIT BEFORE TAX	354,526	183,359
Income taxes	(9,206)	(375)
PROFIT (LOSS) FOR THE PERIOD RECURRING OPERATIONS	345,320	182,984
Result from discontinued operations	221,731	71,367
Minorities	-	-
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE	567,051	254,351

2. Consolidated Balance Sheet

(€ thousand)

ASSETS	30/09/2022	EQUITY AND LIABILITIES	30/09/2022
NON CURRENT ASSETS	11,775,544	EQUITY	7,235,673
Intangible assets	1,697	Subscribed capital	469,771
Property, plant and equipment	6,382	Share premium	3,541,379
Investment property	10,998,256	Reserves	3,025,408
Investments accounted for using the equity method	500,930	Treasury stock	(17,307)
Non-current financial assets	188,161	Other equity holder contributions	540
Deferred tax assets	80,118	Interim dividend	(351,169)
		Profit for the period	567,051
		NON-CURRENT LIABILITIES	4,158,469
		Long term debt	3,529,564
		Long term provisions	9,746
		Deferred tax liabilities	619,159
CURRENT ASSETS	549,623	CURRENT LIABILITIES	931,025
Trade and other receivables	45,620	Short term debt	792,685
Short term investments in group companies and associates	2,431	Trade and other payables	105,756
Short-term financial assets	631	Other current liabilities	32,584
Cash and cash equivalents	445,778		
Other current assets	55,163		
TOTAL ASSETS	12,325,167	TOTAL EQUITY AND LIABILITIES	12,325,167



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