



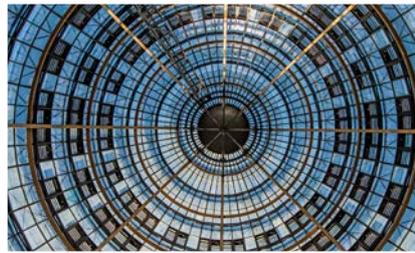
6 M 21 results report

For the period ended on June 30, 2021





MERLIN Properties,
the leading Socimi
in the Spanish
real estate market



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Executive Summary



CONSOLIDATED PERFORMANCE

(2.2%)

Gross rents like-for-like YoY

(3.8%)

FFO per share YoY

+0.6%

NTA per share YTD

- **Covid-19 rent reliefs** to tenants amount to **€ 19.6m** in the period, recorded as a one-off expense (not straight lined)
- **FFO per share** of **€ 0.27**, 3.8% decline compared to 6M20. We **reconfirm the guidance for 2021 (€ 0.56 per share)**
- Flat valuation (+0.5% LfL vs FY20). Offices and net leases resilient. Logistics up. Shopping centers and hotels down. **NTA per share** stands at **€ 15.55 (+0.6% vs FY20) after paying a € 0.30 dividend** during the semester

(€ million)	6M21	6M20	YoY
Total revenues	252.7	259.4	(2.6%)
Gross rents	248.5	256.6	(3.2%)
Gross rents after incentives	219.8	221.2	(0.6%)
Net rents after propex & collection losses	196.1	198.7	(1.3%)
Gross-to-net margin ⁽¹⁾	89.2%	89.8%	
EBITDA ⁽²⁾	179.2	184.1	(2.7%)
Margin	72.1%	71.8%	
FFO ⁽³⁾	129.2	134.3	(3.8%)
Margin	52.0%	52.3%	
AFFO	124.4	125.4	(0.8%)
Net earnings	190.3	70.9	+168.3%
(€ per share)	6M21	6M20	YoY
FFO	0.27	0.29	(3.8%)
AFFO	0.26	0.27	(0.8%)
EPS	0.41	0.15	+168.3%
EPRA NTA	15.55	15.46	+0.5%

BUSINESS PERFORMANCE

(2.9%)

Offices

+1.0%

Logistics

(2.0%)

S. Centers

Rents like-for-like YoY

+6.8%

Offices

+3.3%

Logistics

+5.9%

S. Centers

Release spread

+56 bps

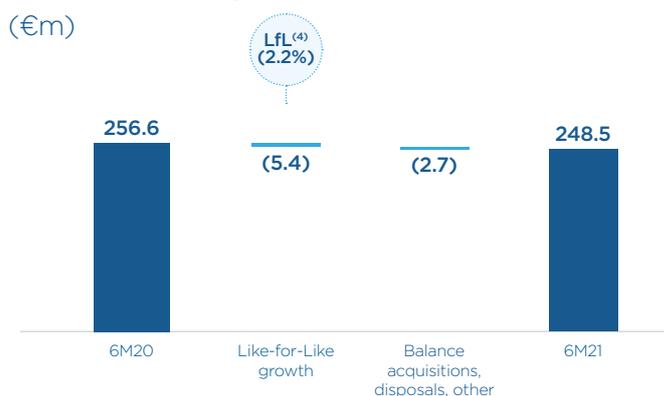
Occupancy vs 31/03/2021

93.7%

6M21	Contracted sqm	Rent		Leasing activity	Occ. vs 31/03/21
		€ m	Lfl change	Release spread	Bps
Offices	173,457	111.5	(2.9%)	+6.8%	(20)
Logistics	191,072	32.2	+1.0%	+3.3%	+151
Shopping centers	16,271	57.2	(2.0%)	+5.9%	+42
Net leases	n.a.	43.0	(0.1%)	n.m.	0
Other	n.a.	4.5	n.m.	n.m.	0
Total	380,800	248.5	(2.2%)		+56

Gross rents bridge

(€m)



⁽¹⁾ Net of incentives

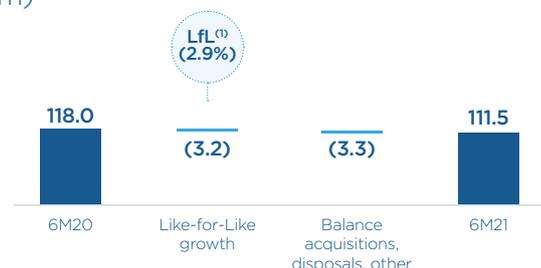
⁽²⁾ Excludes non-overhead costs items (€ 1.7m) plus LTIP accrual (€ 5.6m)

⁽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 6M20 (€ 244.7m of GRI) and for the 6M21 (€ 239.3m of GRI)

OFFICES

Gross rents bridge (€m)



Rents breakdown

	Gross rents 6M21 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
Madrid	79.2	18.2	3.2
Barcelona	18.9	18.3	2.6
Lisbon	11.8	19.8	5.3
Other	1.5	10.9	5.0
Total	111.5	18.2	3.4

Leasing activity

- **LfL rental decrease in the period (-2.9%)** as the positive release spread does not offset the increased vacancy and negative indexation in Q1
- **6M21 leasing activity highlights:**
 - 43,515 sqm renewal with Técnicas Reunidas in Adequa, Madrid
 - 22,451 sqm new lease with BPI in Monumental, Lisbon
 - 12,789 sqm new lease with Accenture and Elecnor in Castellana 85, Madrid
 - 8,595 sqm new lease with Inetum in PE Sanchinarro, Madrid

sqm	Contracted	Out	In	Renewals ⁽²⁾	Net	LTM	
						Release spread	# Contracts
Madrid	117,576	(57,870)	34,982	82,594	(22,888)	+4.3%	110
Barcelona	23,014	(10,151)	9,150	13,864	(1,001)	+14.7%	36
Lisbon	32,867	(7,183)	31,885	982	24,702	+24.6%	14
Total	173,457	(75,204)	76,017	97,440	813	+6.8%	160

Occupancy

- **The occupancy is already stabilizing**
- **We expect the market to recover during 2H21 and reconfirm our guidance for FY21 occupancy**
- **Monumental and Castellana 85** have been **added back to the stock** upon delivery (both fully occupied)
- By markets, **best performer this quarter has been Barcelona Prime**

Stock	1,212,143 sqm
WIP	109,117 sqm
Stock incl. WIP	1,321,260 sqm

	Occupancy rate ⁽³⁾		
	6M21	3M21	Change bps
Madrid	86.8%	87.0%	(25)
Barcelona	91.6%	93.1%	(143)
Lisbon	99.5%	99.3%	+14
Other	100.0%	100.0%	-
Total	89.1%	89.3%	(20)

⁽¹⁾ Office portfolio in operation for 6M20 (€ 109.7m of GRI) and for 6M21 (€ 106.5m 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 5 and Adequa 2



OFFICES (CONT.)

INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

LANDMARK I

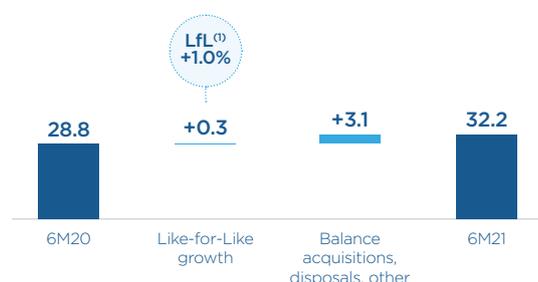
WIP		GLA (sqm)	Scope	Budget	Delivery	YoC
 LET 100%	Castellana 85	16,474	Full refurb	€ 34.8m	Delivered	8.1%
 LET 100%	Monumental	25,358	Full refurb	€ 34.8m	Delivered	9.4%
 PRE-LET 28%	Plaza Ruiz Picasso	36,899 ⁽¹⁾	Full refurb	€ 57.5m	3Q23	10.4%

⁽¹⁾ Post refurbishment

LOGISTICS

Gross rents bridge

(€m)



Rents breakdown

	Gross rents 6M21 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
Madrid	20.0	4.0	3.9
Barcelona	5.5	6.1	2.5
Other	6.7	3.7	2.6
Total	32.2	4.2	3.4

Leasing activity

- Logistics continues delivering a good performance, both organic (rental LfL +1.0% despite occupancy dip in Q1) and inorganic through Best II & III deliveries
- **+3.3% release spread**
- **6M21 leasing activity highlights:**
 - 20,723 sqm new lease with Truck and Wheel in A2-Cabanillas Park I F
 - 18,947 sqm new lease with Olicargo and Rangel in Lisbon Park
 - 5,050 sqm new lease with Grupo Mox in A2-San Fernando II
 - 2,549 sqm renewal with Zimmer Biomet in Barcelona-PLZF

sqm	Contracted	Out	In	Renewals	Net	LTM	
						Release spread	# Contracts
Madrid	151,238	(22,817)	151,238	-	128,421	+0.3%	4
Barcelona	8,900	(8,802)	6,351	2,549	(2,451)	+9.0%	2
Other	30,934	(26,292)	26,614	4,320	322	+22.7%	5
Total	191,072	(57,911)	184,203	6,869	126,292	+3.3%	11

Occupancy

- **Substantial occupancy increase (+151 bps vs 3M21)** after reletting on a long term basis spaces let in 2020 on a temporary basis
- All **Best II & III delivered assets are 100% let**. Two pre-lets have been signed during the quarter with DSV and Logista totalling >90k sqm in Cabanillas Park I J & Cabanillas Park II
- Cilsa (ZAL Port) has delivered a **95,987 sqm turn-key warehouse to Decathlon**

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	728,163 sqm
ZAL Port WIP	8,168 sqm
Stock managed	2,866,206 sqm

	Occupancy rate		bps
	6M21	3M21	
Madrid	97.9%	95.2%	+263
Barcelona	91.7%	93.2%	(153)
Other	93.9%	93.9%	0
Total	96.2%	94.7%	+151

⁽¹⁾ Logistics portfolio in operation for 6M20 (€ 27.8m of GRI) and for 6M21 (€ 28.1m of GRI)

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

LOGISTICS (CONT.)

INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

Best II (as from 30/06/2021)

	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	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 30/06/2021)

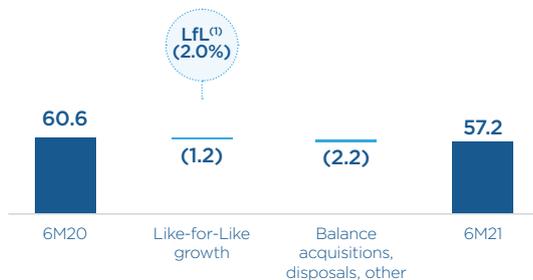
	GLA (sqm)	ERV (€m)	Investment (€m)	ERV YoC
Delivered⁽¹⁾	62,519			
Valencia-Ribarroja	34,992	1.9	26.3	7.2%
Sevilla ZAL WIP	27,528	1.4	11.9	12.0%
In progress	60,095			
Sevilla ZAL WIP	15,122	1.6	18.0	9.0%
Lisbon Park	44,973	2.1	29.5	7.1%
Landbank	375,387			
Lisbon Park	179,891	8.4	118.1	7.1%
Madrid-San 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 6M21 (€ m)	Passing rent (€/sqm/m)	WAULT (yr)
MERLIN	57.2	21.2	2.2

Footfall and tenant sales

	YTD ⁽²⁾
Tenant sales	(32.0%)
Footfall	(31.4%)
OCR ⁽³⁾	12.7%

Leasing activity

- **Footfall and tenant sales are recovering despite new restrictions and the lack of tourism.** The capex plan and commercial policy are having a positive impact on both users and retailers
- **Strong reduction in incentives versus same period last year. The OCR remains at sustainable levels (12.7%) thanks to sales recovery**
- **6M21 leasing activity highlights:**
 - 765 sqm new lease with Ducati in X-Madrid
 - 623 sqm new lease (extension) with Bershka in Porto Pi
 - 590 sqm new lease (extension) with Pull&Bear in Larios
 - 570 sqm new lease with MGI in La Vital
 - 552 sqm new lease with Druni in Artea
 - 468 sqm new lease with Kamado and Sibuya in Saler

sqm	Contracted	Out	In	Renewals	Net	LTM	
						Release spread	# Contracts
Total	16,271	(16,330)	14,974	1,297	(1,356)	+5.9%	67

Occupancy

- **Occupancy is improving (+42 bps vs 3M21)**
- The **retenanting effort** continues with **new contracts totalling 15k sqm** during the semester
- **Best performer this quarter has been X-Madrid**

Stock	461,741 sqm
Tres Aguas ⁽⁴⁾	67,940 sqm
Stock with Tres Aguas	529,681 sqm

	Occupancy rate		
	6M21	3M21	bps
Total	93.3%	92.9%	+42

⁽¹⁾ Shopping centers portfolio in operation for 3M20 (€ 58.3m of GRI) and for 3M21 (€ 57.1m of GRI)

⁽²⁾ YTD vs 2019

⁽³⁾ Including the impact of the commercial policy

⁽⁴⁾ Tres Aguas at 100% allocation



SHOPPING CENTERS (CONT.)

FLAGSHIP

IN STOCK ⁽¹⁾		GLA (sqm)	Scope	Budget	Delivery	YoC
	Saler	50,747	Full refurb	€ 25.8m	Delivered	5.7%
	Porto Pi	58,779	Full refurb	€ 28.5m	Delivered	4.1%

⁽¹⁾ GLA and Capex budget for shopping centers refurbishments include 100% of the asset, regardless of the stake owned by MERLIN in the owners' community

BALANCE SHEET

- **LTV stands at 40.5%**, slightly up vs FY20 (39.9%) due to the distribution to shareholders of € 140m or € 0.30 per share
- **€ 500m bond issue** (9 years) for the repayment of a bond maturing in 2022 with ca. 100 bps cost savings

Ratios	30/06/2021	31/12/2020
LTV	40.5%	39.9%
Av. Interest rate	2.06% (1.76% spot)	2.12%
Av. Maturity (years)	5.9	6.0
Unsecured debt to total debt	87.8%	86.7%
Interest rate fixed	100.0%	99.8%
Liquidity position (€m) ⁽¹⁾	1,650	1,253

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

	€ million
GAV	12,893
Gross financial debt	6,232
Cash and equivalents ⁽²⁾	(864)
Net financial debt	5,368
NTA	7,304

VALUATION

- **€ 12,893m of GAV, +0.5%** as compared to December 2020
- Offices resiliency and logistics growth offset shopping centers and hotels adjustment

	GAV (€ m)	LfL Growth	Gross yield	Yield expansion / (compression) ⁽³⁾
Offices	6,349	+0.4%	3.9%	(3)
Logistics	1,219	+4.0%	5.1%	(16)
Shopping centers	2,185	(1.5%)	5.1%	-
Net leases	1,864	+1.0%	4.6%	-
WIP & land	263	n.a.	n.a.	n.a.
Other	421	(2.6%)	3.4%	+1
Equity method	590	+3.0%	n.a.	n.a.
Total	12,893	+0.5%	4.4%	(3)

⁽¹⁾ Includes cash (€ 680.3m) and treasury stock (€ 32.3m), Juno's receivable (€ 70.0m), Silicius receivable (€ 81.0m) and undrawn credit facilities (€ 786m) in 6M21

⁽²⁾ Includes cash (€ 680.3m) and treasury stock (€ 32.3m), Juno's receivable (€ 70.0m) and Silicius receivable (€81.0m)

⁽³⁾ Bps based on exit yield at 30/06/20



INVESTMENTS, DIVESTMENTS AND CAPEX

- **No acquisitions during 6M21**
- **€ 109.0m⁽¹⁾** of non-core assets divestments at 3.4% premium including 3 non-core logistics assets comprising 50,804 sqm, a 9,576 sqm office building in Madrid, 1 BBVA branch, 2 supermarkets and Aedas stake.
- **Flagship completed. Landmark with just one building in WIP. Best II & III continue progressing properly.** Castellana 85, Monumental, Saler, Porto Pi and Lisbon Park (Phase I) have been delivered during the quarter
- MERLIN has launched its **Digital Infrastructure Plan (Mega) to develop technologically advanced, highly sustainable data centers on landplots already owned by the company**

	Offices	Retail	Logistics	€ million
Development	Av. de Burgos 208		A2-Cabanillas Park I G-H-J Lisbon Park A2-Cabanillas Park II A4-Getafe (Data Center)	32.8
Investment properties	Castellana 85 Monumental Plaza Ruiz Picasso Arturo Soria 343	Saler Porto Pi	A2-Coslada Complex A2-Azuqueca II	42.7
Like-for-like portfolio (Defensive Capex) ⁽²⁾				6.0
Total				81.5

⁽¹⁾ € 81.0m as of 6M21. The disposals of 2 supermarkets and the stake of Aedas have been closed in July

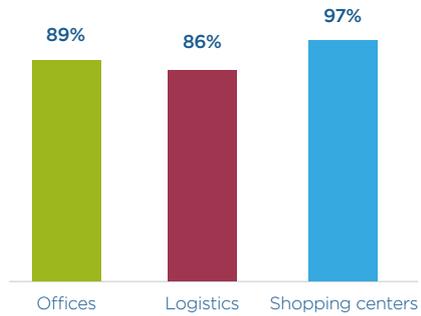
⁽²⁾ € 4.8m are capitalized in balance sheet and € 1.2m are expensed in P&L

SUSTAINABILITY

- **Intensive effort in terms of portfolio certification**, having obtained 14 new LEED/BREEAM certificates
- **All certificates have obtained the highest scores** (LEED Gold or Platinum or BREEAM Very Good or Excellent), proving MERLIN's sustainability commitment
- **The program is nearing completion**, with 97% of shopping centers, 86% of logistics warehouses and 89% of office assets already certified

Torre Gloriès	Artea	Vitoria Jundiz I
		
BREEAM Excellent	BREEAM Excellent	BREEAM Very Good

% GAV certified



POST CLOSING

- On July 20th, **DCN signed the multilateral infrastructure agreement** with ADIF, Madrid townhall and Comunidad de Madrid (regional government). This urbanistic milestone fulfills the last condition precedent for the acquisition of the land



COVID-19 UPDATE

COLLECTION RATE

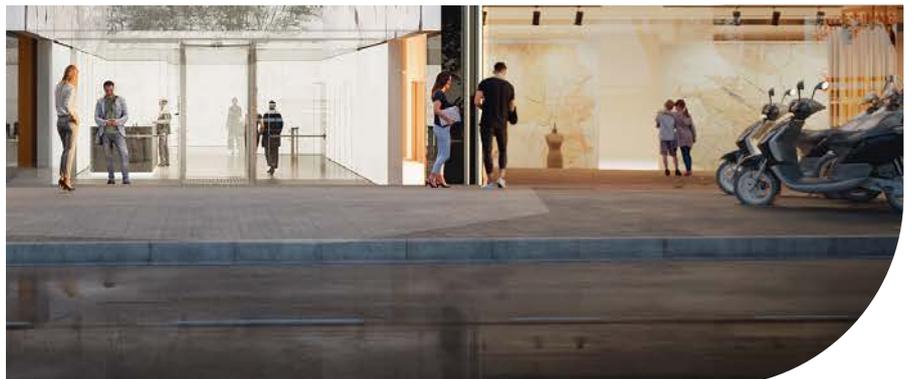
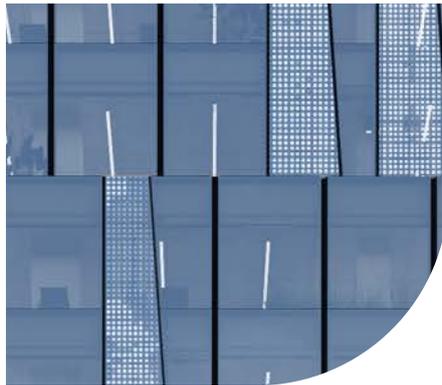
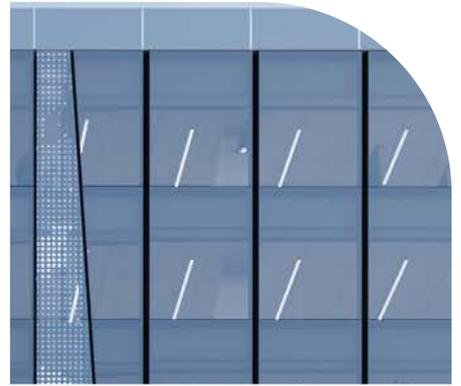
- Collection rate remains once again at very high levels, similar to business as usual
- We will discontinue reporting Covid-19 collection rates in the future

(as a % of total invoices due)

6M21	Offices	Logistics	Shopping centers	Net leases
Collected	99.1%	99.8%	72.4%	100%
Commercial policy	0%	0%	24.4%	0%
In process	0.7%	0.2%	0%	0%
Uncollected	0.2%	0%	3.2%	0%

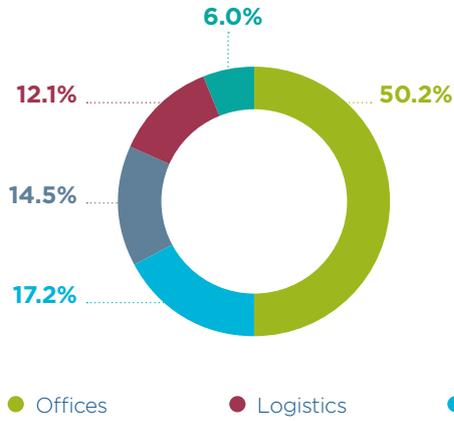
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Business Performance

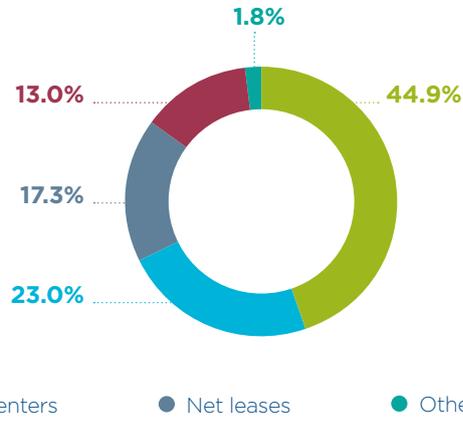


Business performance

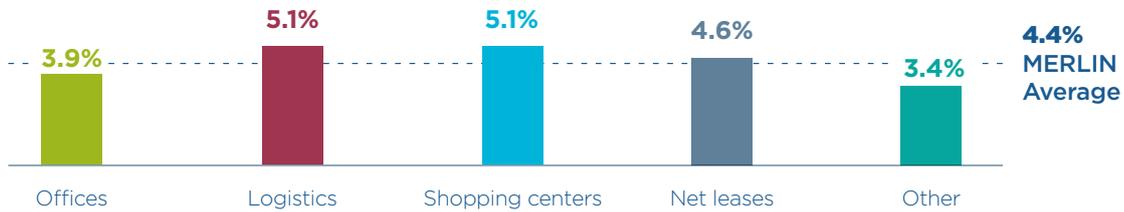
| GAV PER ASSET CLASS⁽¹⁾



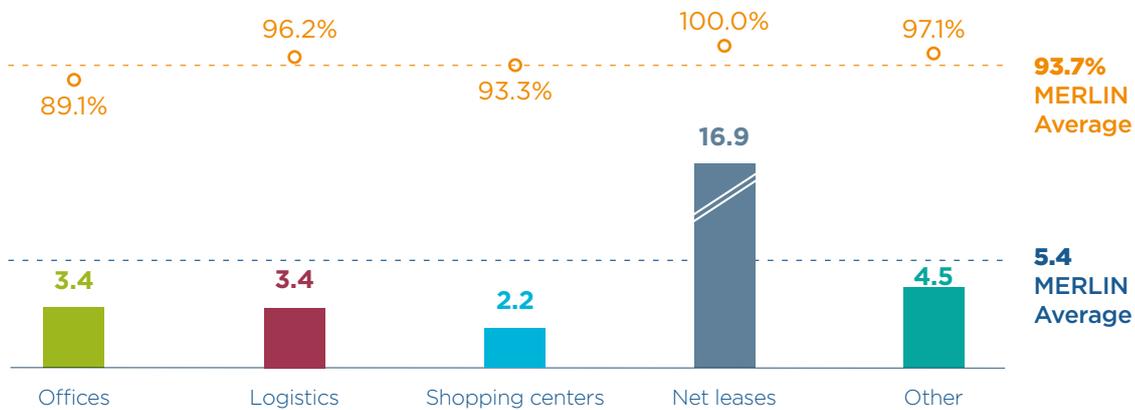
| GROSS RENTS PER ASSET CLASS⁽²⁾



| GROSS YIELD PER ASSET CLASS



| OCCUPANCY AND WAULT (YEARS) PER ASSET CLASS



⁽¹⁾ GAV of land under development and NTA of equity method included in its respective category (offices, shopping centers and logistics)
⁽²⁾ Gross annualized rent on full consolidated assets

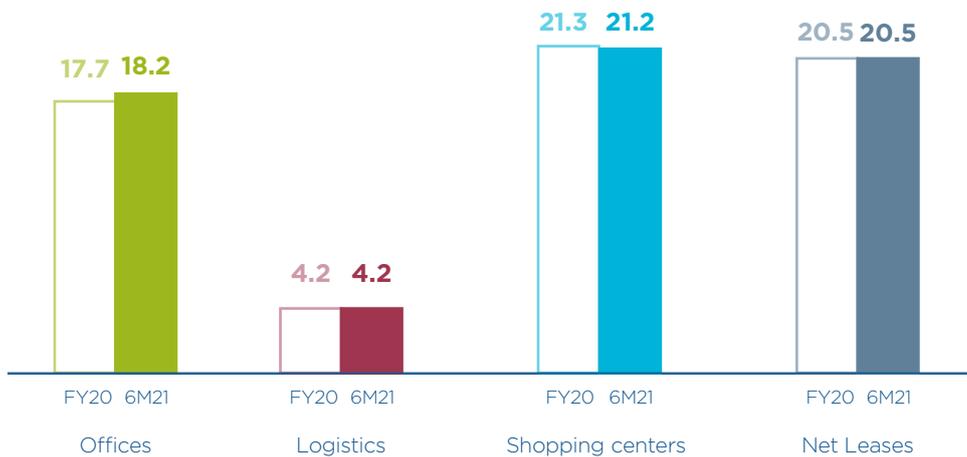
RENTS

Gross rents in the period amount to € 248,453 thousand with respect to € 256,599 thousand in 6M20

I GROSS RENTS BREAKDOWN

	6M21	6M20	YoY
Offices	111,513	117,951	(5.5%)
Logistics	32,230	28,793	+11.9%
Shopping centers	57,154	60,587	(5.7%)
Net leases	43,020	43,451	(1.0%)
Other	4,537	5,818	(22.0%)
Total	248,453	256,599	(3.2%)

I AVERAGE PASSING RENT (€/SQM/MONTH)





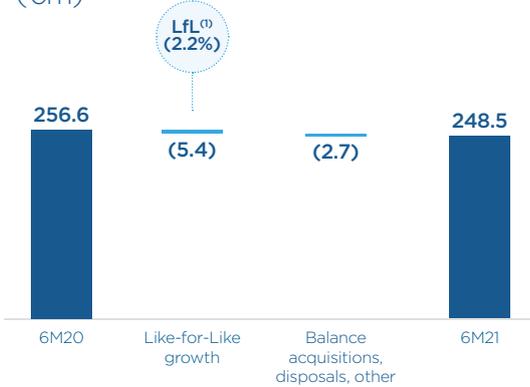
Aggregate gross rents have decreased by 2.2% on a like-for-like basis. Per asset category, the like-for-like evolution is shown below

LIKE-FOR-LIKE INCREASE/DECREASE

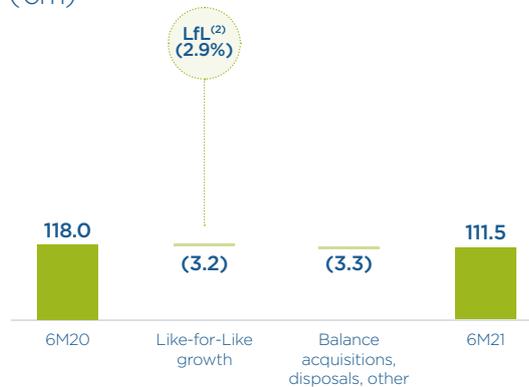


Bridge of 6M20 gross rents to 6M21, for MERLIN and by asset category:

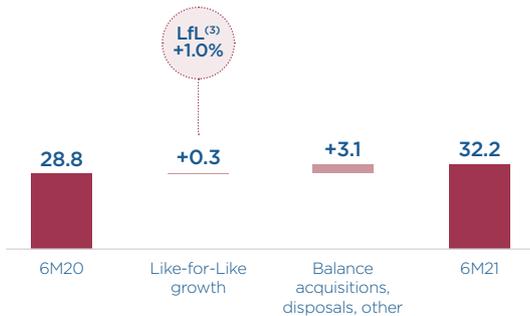
MERLIN
(€m)



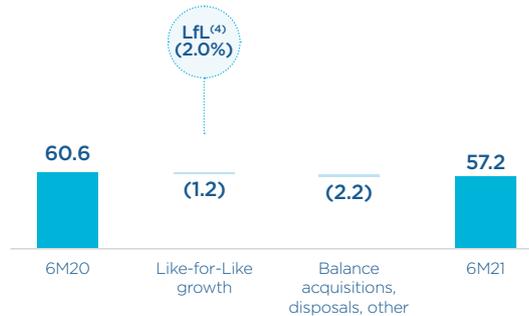
Offices
(€m)



Logistics
(€m)



Shopping centers
(€m)



⁽¹⁾ Portfolio in operation for the 6M20 (€ 244.7m of GRI) and for the 6M21 (€ 239.3m of GRI)
⁽²⁾ Office portfolio in operation for 6M20 (€ 109.7m of GRI) and for 6M21 (€ 106.5m of GRI)
⁽³⁾ Logistics portfolio in operation for 6M20 (€ 27.8m of GRI) and for 6M21 (€ 28.1m of GRI)
⁽⁴⁾ Shopping centers portfolio in operation for 3M20 (€ 58.3m of GRI) and for 3M21 (€ 57.1m of GRI)

OCCUPANCY

Stock G.L.A. of MERLIN as of 30 June 2021 amounts to 3,428,884 sqm. Stock as of 31 December 2020 amounted to 3,313,314 sqm, resulting in a net increase of the stock during the period of 115,570 sqm. Occupancy rate as of 30 June 2021 is 93.7%⁽¹⁾.

	30/06/2021	31/12/2020	Change YoY Bps
Offices			
Total G.L.A. (sqm) ⁽²⁾	1,212,143	1,191,825	
G.L.A. occupied (sqm)	1,080,168	1,085,511	
Occupancy rate (%)	89.1%	91.1%	(197)
Logistics			
Total G.L.A. (sqm)	1,339,718	1,221,716	
G.L.A. occupied (sqm)	1,288,472	1,191,574	
Occupancy rate (%)	96.2%	97.5%	(46)
Shopping centers			
Total G.L.A. (sqm)	461,741	461,714	
G.L.A. occupied (sqm)	424,778	426,134	
Occupancy rate (%) ⁽³⁾	93.3%	93.7%	(46)
Net leases			
Total G.L.A. (sqm)	350,272	350,542	
G.L.A. occupied (sqm)	350,272	349,509	
Occupancy rate (%)	100.0%	99.7%	+29
Other			
Total G.L.A. (sqm)	65,009	87,517	
G.L.A. occupied (sqm)	63,107	63,107	
Occupancy rate (%)	97.1%	72.1%	+2,497
MERLIN			
Total G.L.A. (sqm)	3,428,883	3,313,314	
G.L.A. occupied (sqm)	3,206,797	3,115,835	
Occupancy rate (%)⁽²⁾	93.7%	94.2%	(55)

⁽¹⁾ 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 5 and Adequa 2

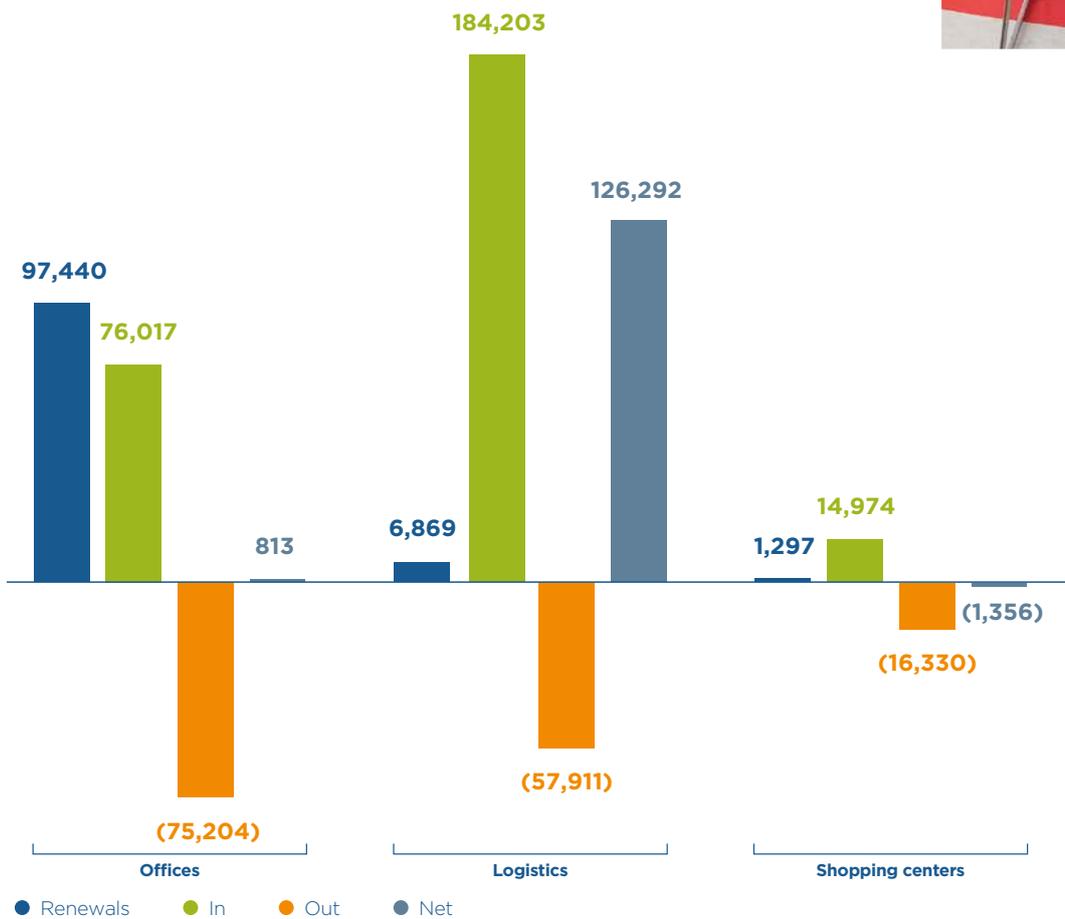
⁽²⁾ Excluding buildings under complete refurbishment. Buildings excluded this period are Plaza Ruiz Picasso, Arturo Soria 343, Plaza Cataluña 9, Pere IV, Avenida de Burgos 208, Atica 1, PE Cerro Gamos 5 and Adequa 2

⁽³⁾ Excluding vacant units acquired under refurbishment (6,400 sqm in 6M21 and 7,162 sqm in FY20)



LEASING ACTIVITY

Since the beginning of 2021, or since the acquisition date for the assets acquired during the year, until 30 June 2021, MERLIN has signed lease agreements amounting to 380,800 sqm, out of which 275,194 sqm corresponds to new leases and 105,606 sqm to renewals.



I OFFICES

Total take-up amounts to 173,457 sqm out of which 76,017 sqm correspond to new contracts and 97,440 sqm to renewals.

Exits amounted to 75,204 sqm, and therefore the net take up is +813 sqm. Main contracts signed in 6M21 are the following:

Asset	Tenant	G.L.A. (sqm)
Adequa	Técnicas Reunidas	43,515
Monumental	BPI	22,451
Castellana 85	Accenture & Elecnor	12,789
Avenida de Europa	Vass	10,495
PE Sanchinarro	Inetum	8,595
Diagonal 199	Capgemini	5,934
Atica 5	Transcom	4,225
Central Office	Essity	3,024
PE Las Tablas	VM Energy & Parques Reunidos	3,008
PLZFB	Generalitat de Catalunya	2,767
Alfonso XI	IEB	1,994

The release spread achieved in the contracts renewed or relet LTM amounts to 6.8%

	Release spread	# contracts
Madrid	+4.3%	110
Barcelona	+14.7%	36
Lisbon	+24.6%	14
Total	+6.8%	160



I LOGISTICS

Total take-up amounts to 191,072 sqm, out of which 184,203 sqm correspond to new contracts and 6,869 sqm to renewals.

Exits amounted 57,911 sqm, therefore net take-up amounts to +126,292 sqm. Main contracts signed in 6M21 are the following:

Asset	Tenant	G.L.A. (sqm)
A2-Azuqueca II	Carrefour	98,757
A2-Cabanillas Park I G	4PX	22,506
A2-Cabanillas Park I F	Truck and Wheel	20,723
Lisbon Park	Olicargo & Rangel	18,947
Sevilla ZAL	Asmodee	5,849
A2-San Fernando II	Grupo Mox	5,050
Sevilla ZAL	Rhenus Logistics	4,320
Barcelona-PLZF	Zimmer Biomet	2,549

The release spread achieved in the contracts renewed or relet LTM amount to 3.3%.

	Release spread	# contracts
Madrid	0.3%	4
Barcelona	9.0%	2
Other	22.7%	5
Total	3.3%	11

I SHOPPING CENTERS

Total take-up amounts to 16,271 sqm out of which 14,974 sqm correspond to new contracts and 1,297 sqm renewals.

Exits amounted to 16,330 sqm, and therefore the net take-up is negative by 1,297 sqm. Main contracts signed in 6M21 are the following:

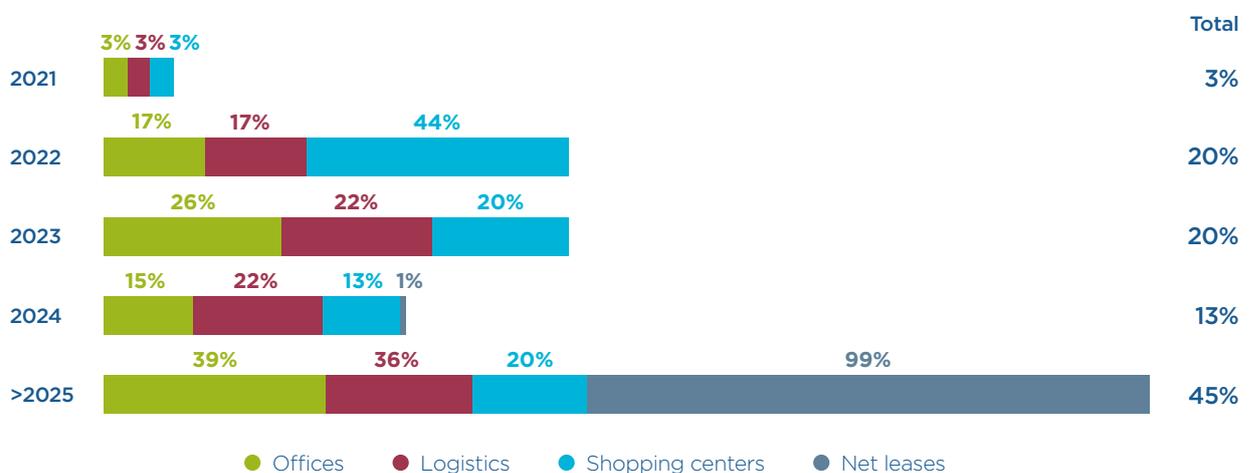
Asset	Tenant	G.L.A. (sqm)
Saler	Décimas	986
Vilamarina	Code	657
X-Madrid	Ducati	765
Porto Pi	Bershka	623
Larios	Pull&Bear	590
La Vital	MGI	570
Artea	Druni	552
Artea	Stradivarius	505
Saler	Kamado y Sibuya	468
Vilamarina	Tifossi	465
X-Madrid	Williamsburg Grill & Beer	460
Bonaire	Décimas	450

The release spread achieved in the contracts renewed or relet LTM amounts to 5.9%

I LEASE MATURITY PROFILE

The chart of lease contracts maturity (next break) shows a balanced profile. In aggregated terms, in the following three years, the gross

rents that have a break option amount to 3% in 2021, 20% in 2022 and 20% in 2023.





03

Investments, divestments and Capex



Investments, divestments and Capex

- **No acquisitions during 6M21**
- **€ 109.0m⁽¹⁾** of non-core assets divestments at 3.4% premium including 3 non-core logistics assets comprising 50,804 sqm, a 9,576 sqm office building in Madrid, 1 BBVA branch, 2 supermarkets and Aedas stake.
- **Flagship completed. Best II & III continue progressing properly.** Castellana 85, Monumental, Saler, Porto Pi and Lisbon Park (Phase I) have been delivered during the quarter
- MERLIN has launched its **Digital Infrastructure Plan (Mega) to develop cutting-edge data centers on landplots already owned by the company**

	Offices	Retail	Logistics	€ million
Development	Av. de Burgos 208		A2-Cabanillas Park I G-H-J Lisbon Park A2-Cabanillas Park II A4-Getafe (Data Center)	32.8
Investment properties	Castellana 85 Monumental Plaza Ruiz Picasso Arturo Soria 343	Saler Porto Pi	A2-Coslada Complex A2-Azuqueca II	42.7
Like-for-like portfolio (Defensive Capex)⁽²⁾				6.0
TOTAL				81.5

⁽¹⁾ € 81.0m as of 6M21. The disposals of 2 supermarkets and the stake of Aedas have been closed in July

⁽²⁾ € 4.8m are capitalized in balance sheet and € 1.2m are expensed in P&L

DEVELOPMENTS / WORK IN PROGRESS (WIP)

I LANDMARK I PLAN (OFFICES)

WIP



Castellana 85

GLA (sqm) **16,474**
 Scope **Full refurb**
 Budget **€ 34.8m**
 Delivery **Delivered**



Monumental

GLA (sqm) **25,358**
 Scope **Full refurb**
 Budget **€ 34.8m**
 Delivery **Delivered**



Plaza Ruiz Picasso

GLA (sqm) **36,899⁽¹⁾**
 Scope **Full refurb**
 Budget **€ 57.5m**
 Delivery **3Q23**

I FLAGSHIP PLAN (SHOPPING CENTERS)

IN STOCK⁽²⁾



Saler

GLA (sqm) **50,747**
 Scope **Full refurb**
 Budget **€ 25.8m**
 Delivery **Delivered**



Porto Pi

GLA (sqm) **58,779**
 Scope **Full refurb**
 Budget **€ 28.5m**
 Delivery **Delivered**

⁽¹⁾ Post refurbishment

⁽²⁾ GLA and Capex budget for shopping centers refurbishments include 100% of the asset, regardless of the stake owned by MERLIN in the owners' community

I BEST II & III PLANS (LOGISTICS)

MERLIN continues expanding its logistics footprint through the developments / WIP program in logistics. As of 30 June 2021, main assets under refurbishment/WIP plans are the following:

Best II (as from 30/06/2021)

	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 ⁽¹⁾	28,731	1.2	15.5	7.7%
A2-Azuqueca II	98,757	4.4	54.7	8.1%
A2-San Fernando II ⁽¹⁾	33,592	1.9	22.1	8.5%
In progress	117,891			
A2-Cabanillas Park II	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 30/06/2021)

	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	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

04 Portfolio valuation



Portfolio valuation

MERLIN portfolio has been appraised by CBRE, Savills and JLL, for a total GAV of € 12,893m. GAV breakdown is the following:

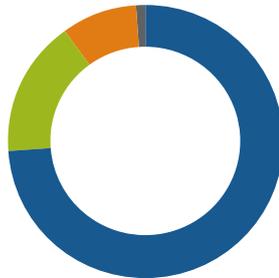
	GAV (€ m)	LfL Growth	Gross yield	Yield expansion /(compression)⁽¹⁾
Offices	6,349	+0.4%	3.9%	(3)
Logistics	1,219	+4.0%	5.1%	(16)
Shopping centers	2,185	(1.5%)	5.1%	-
Net leases	1,864	+1.0%	4.6%	-
WIP & land	263	n.a.	n.a.	n.a.
Other	421	(2.6%)	3.4%	+1
Equity method	590	+3.0%	n.a.	n.a.
Total	12,893	+0.5%	4.4%	(3)

⁽¹⁾ Bps based on exit yield

A broader analysis of the asset portfolio by valuation in the different categories is shown below:

OFFICES (BY GAV)

By geography



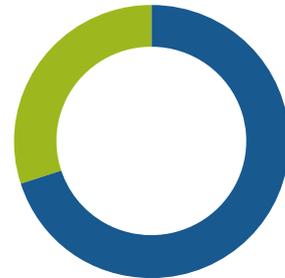
- Madrid **74%**
- Barcelona **16%**
- Lisbon **9%**
- Other Spain **1%**

By location



- Prime + CBD **54%**
- NBA **37%**
- Periphery **9%**

By product



- Multi tenant **70%**
- Single tenant **30%**

SHOPPING CENTERS (BY GAV)

By geography



- Madrid **25%**
- Lisbon **20%**
- Galicia **13%**
- Catalonia **10%**
- Valencia **10%**
- Andalusia **7%**
- Other **15%**

By type



- Urban **59%**
- Dominant **36%**
- Secondary **5%**

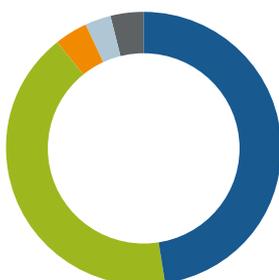
By size



- Extra-large **33%**
- Large **32%**
- Medium **20%**
- Small **15%**

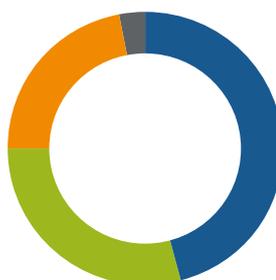
LOGISTICS (BY GAV)

By geography



- Madrid **62%**
- Catalonia **24%**
- Seville **5%**
- Basque Country **4%**
- Other **5%**

By reach



- National **46%**
- Ports **29%**
- Regional **22%**
- Production related **3%**

By tenant type

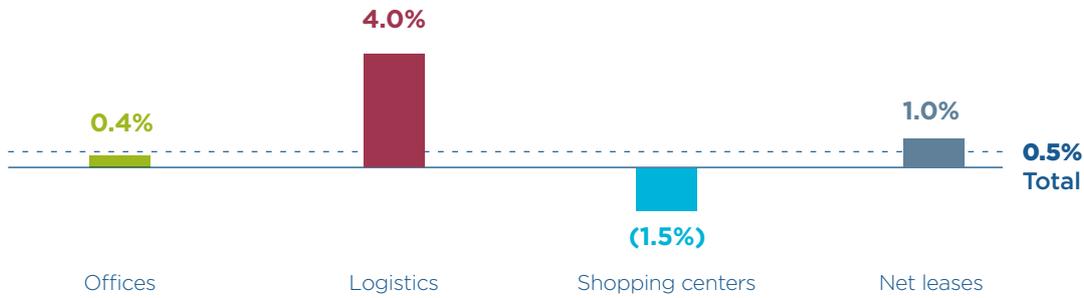


- 3PL mono-client **39%**
- 3PL multi-client **37%**
- End user **24%**



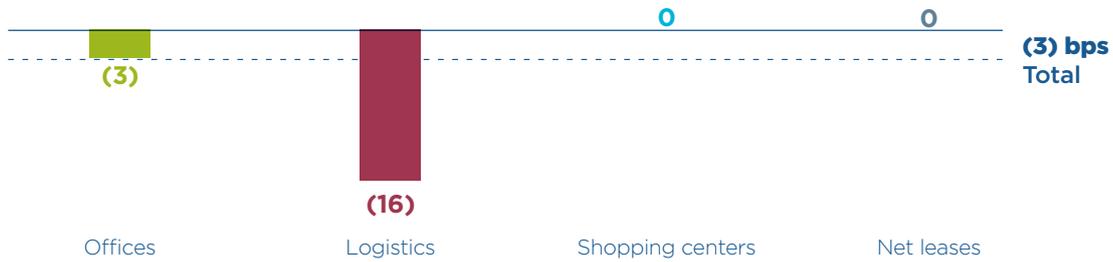
GAV EVOLUTION

GAV has increased by € 82m, raising from a GAV of € 12,811m as of 31 December 2020 to € 12,893m. The like-for-like increase of GAV from 31 December 2020 is 0.5%



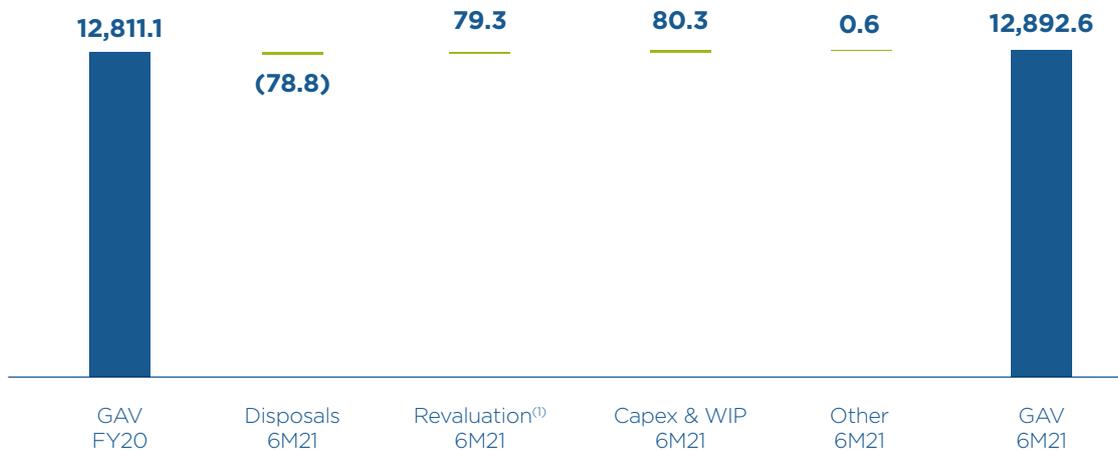
YIELD EXPANSION / (COMPRESSION)

Exit yields have compressed by 3 bps since December 2020



GAV BRIDGE

(€ millions)



⁽¹⁾ + € 79m revaluation 6M21 = + € 30m P&L revaluation + € 16m equity method revaluation + € 34m Tree derivative - € 1m IFRS 16 adjustment

05

Financial statements



Financial statements

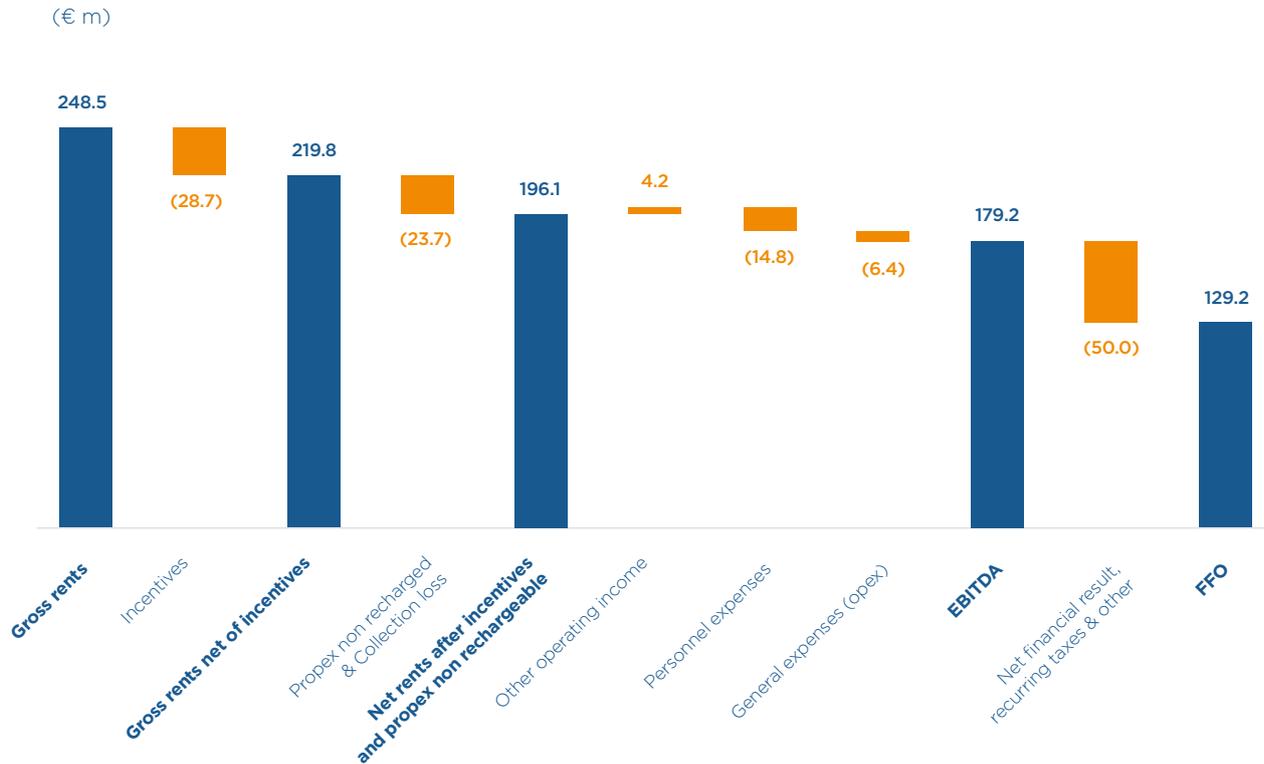
CONSOLIDATED INCOME STATEMENT

(€ thousand)	30/06/2021	30/06/2020
Gross rents	248,453	256,599
Offices	111,513	117,951
Logistics	32,230	28,793
Shopping centers	57,154	60,587
Net Leases	43,020	43,451
Other	4,537	5,818
Other income	4,248	2,764
Total Revenues	252,701	259,363
Incentives	(9,067)	(7,616)
Covid-19 relief	(19,611)	(27,807)
Total Operating Expenses	(52,072)	(52,295)
Propex (non-recoverable expenses)	(23,669)	(22,507)
Personnel expenses	(14,755)	(11,236)
Opex general expenses	(6,391)	(6,084)
Opex non-overheads	(1,671)	(2,365)
LTIP Provision	(5,586)	(10,103)
ACCOUNTING EBITDA	171,951	171,645
Depreciation	(767)	(734)
Gain / (losses) on disposal of assets	(2,272)	(14,159)
Provisions	1,614	(368)
Change in fair value of investment property	30,409	31,962
EBIT	200,935	188,346
Net financial expenses	(58,274)	(61,885)
Debt amortization costs	(7,339)	(8,414)
Gain/(losses) on disposal of financial instruments	(219)	(10)
Change in fair value of financial instruments	39,479	(39,889)
Share in earnings of equity method instruments	14,774	(8,346)
PROFIT BEFORE TAX	189,357	69,802
Income taxes	979	1,142
PROFIT (LOSS) FOR THE PERIOD	190,336	70,944
Minorities	-	-
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE	190,336	70,944

I NOTES TO THE CONSOLIDATED INCOME STATEMENT

Gross rents (€ 248,453 thousand) less incentives of € 28,678 thousand equals to gross rents net of incentives of € 219,775 thousand. After deducting portfolio operating expenses not recharged to the tenants & collection loss (€ 23,669 thousand) the resulting amount is € 196,106 thousand of net rents. The total amount of operating expenses of the Company in the period is € 28,403 thousand, with the following breakdown:

- i. € 14,755 thousand correspond to personnel expenses
- ii. € 6,391 thousand of Opex general expenses
- iii. € 5,586 thousand corresponding to the 2017-2019 long-term incentive plan (LTIP), already expired and the extraordinary incentive of 2021
- iv. € 1,671 thousand of Opex non-overheads operating expenses. The reconciliation between gross rents of the period and FFO is as follows:





CONSOLIDATED BALANCE SHEET

(€ thousand)

ASSETS	30/06/2021	EQUITY AND LIABILITIES	30/06/2021
NON CURRENT ASSETS	13,048,418	EQUITY	6,759,376
Intangible assets	1,044	Subscribed capital	469,771
Property, plant and equipment	7,413	Share premium	3,647,876
Investment property	12,171,363	Reserves	2,562,670
Investments accounted for using the equity method	446,034	Treasury stock	(32,309)
Non-current financial assets	335,828	Other equity holder contributions	540
Deferred tax assets	86,736	Interim dividend	-
		Profit for the period	190,336
		Valuation adjustments	(79,508)
		Minorities	-
		NON-CURRENT LIABILITIES	6,512,631
		Long term debt	5,824,058
		Long term provisions	7,331
		Deferred tax liabilities	681,242
CURRENT ASSETS	936,450	CURRENT LIABILITIES	712,861
Trade and other receivables	38,699	Short term debt	608,221
Short term investments in group companies and associates	83,842	Short term provisions	-
Short-term financial assets	73,470	Trade and other payables	81,619
Cash and cash equivalents	680,328	Other current liabilities	23,021
Other current assets	60,111		
TOTAL ASSETS	13,984,868	TOTAL EQUITY AND LIABILITIES	13,984,868

I NOTES TO THE CONSOLIDATED BALANCE SHEET

Fair value of the portfolio corresponds to the appraisal value delivered by CBRE, Savills and JLL as of 30 June 2021. The referred appraisal value is reflected in the following accounting Items:

€ million	Notes	
Investment property	6	12,171.4
Derivatives (in non-current assets)	9	141.8
Equity method	8	446.0
Non current financial assets ⁽¹⁾	n.a.	104.2
Non-current assets	n.a.	0.9
Inventory ⁽²⁾	n.a.	21.2
Total balance sheet items		12,885.5
IFRS-16 (concessions)	6	(32.9)
Equity method adjustment	n.a.	39.7
Non-current assets adjustment	n.a.	0.4
Total valuation		12,892.6

FINANCIAL DEBT

I FINANCIAL DEBT BREAKDOWN

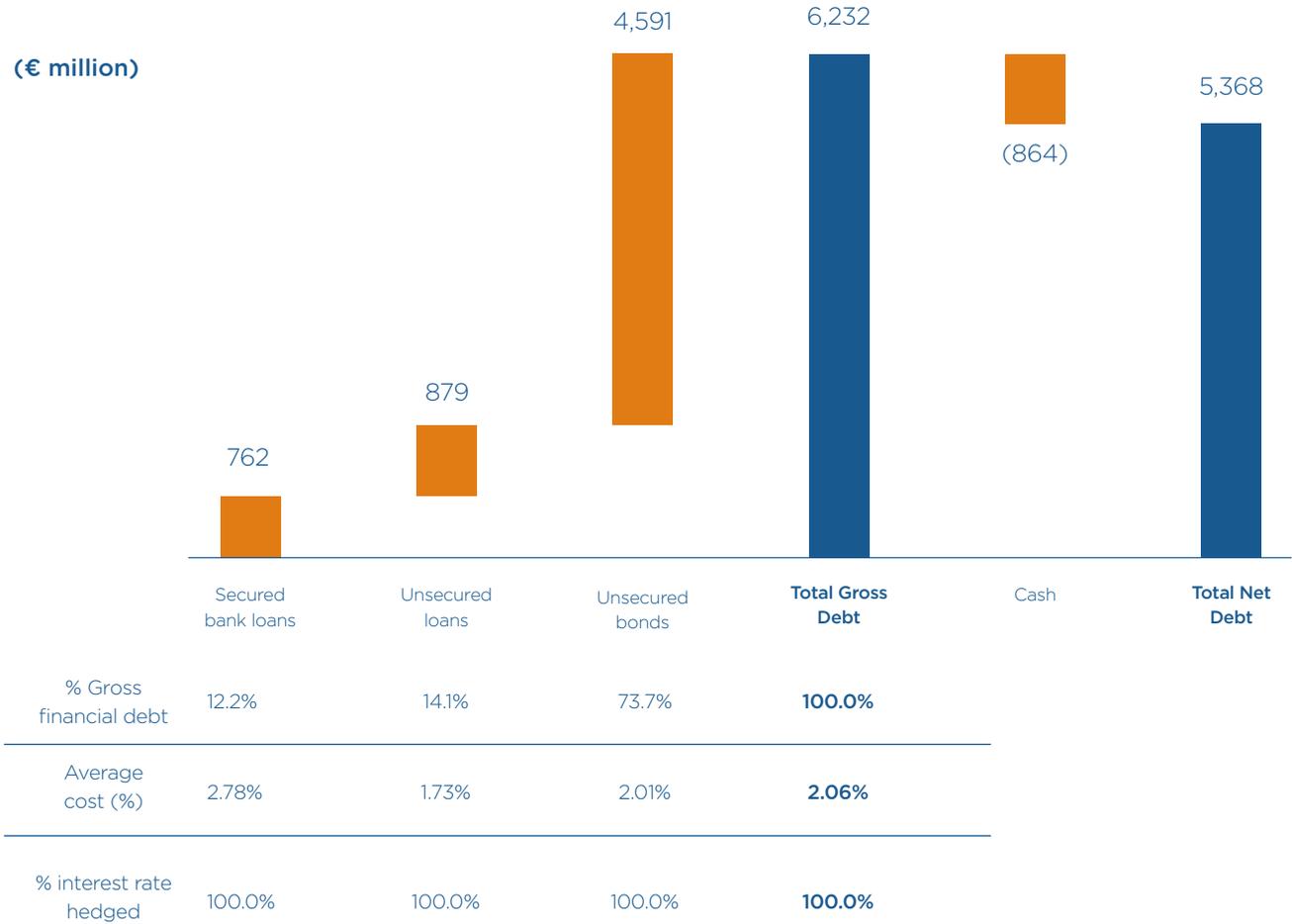
€ Thousand	Long term	Short term	Total
Financial debt	5,672,399	559,257	6,231,655
Loan arrangement costs	(92,674)	(1,073)	(93,747)
Debt interest expenses	-	40,860	40,860
Mark-to-market of interest-rate hedging contracts	99,353	995	100,348
Other financial liabilities (i.e. legal deposits)	140,029	6,383	146,412
Total debt	5,819,107	606,421	6,425,528

⁽¹⁾ Includes DCN loan and Aedas stake

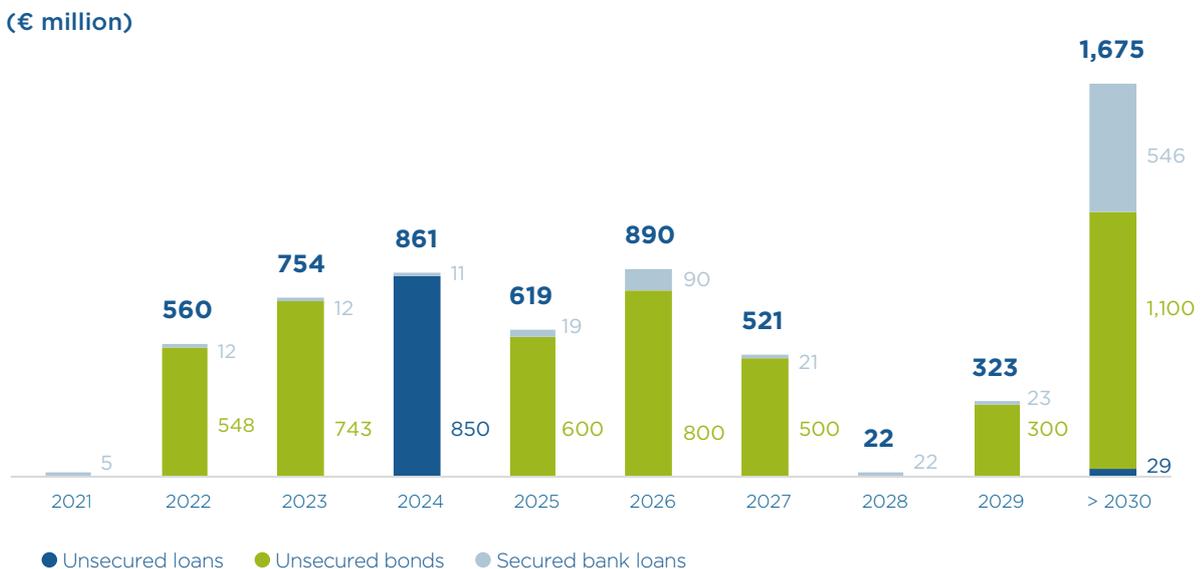
⁽²⁾ Net value paid by MERLIN. Total inventory amounts to € 36.2m as of 6M21



MERLIN's net financial debt as of 30 June is € 5,368m. This implies a Loan To Value of 40.5% including transfer costs, which represents an increase of 56 bps since 31/12/2020 (39.9%). The breakdown of MERLIN's debt is the following:



MERLIN'S debt has an average maturity period of 5.9 years. The chart showing debt maturity profile is the following

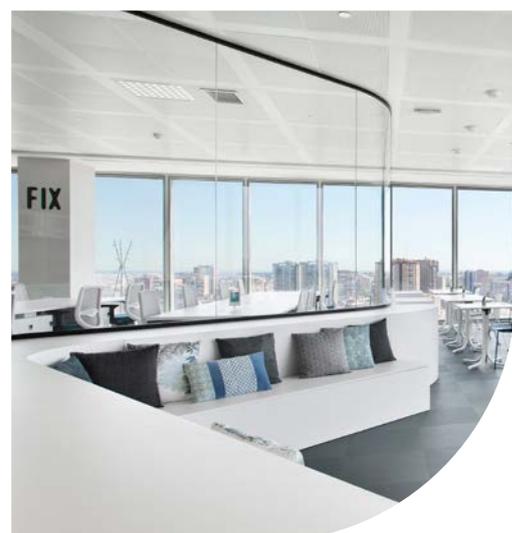


MERLIN's debt as of 30 June has an average cost of 2.06% (spot 1.76% plus derivatives cost). Nominal debt with interest rate hedged amounts to 100.0%. Key debt ratios are shown below:

(€ million)	30/06/2021	31/12/2020
Gross financial debt	6,232	5,735
Cash and equivalents ⁽¹⁾	(864)	(467)
Net financial debt	5,368	5,268
GAV	12,893	12,811
LTV	40.5%	39.9%
Av. Interest rate	2.06% (1.76% spot)	2.12%
Hedged debt	100.0%	99.8%
Av. Maturity (years)	5.9	6.0
Liquidity ⁽²⁾	1,650	1,253
Non-mortgage debt	87.8%	86.7%

⁽¹⁾ Includes cash and treasury stock (€ 32.3m), Juno's receivable (€ 70.0m) and Silicius receivable (€81.0m) in 6M21 and cash and treasury stock (€ 54.1m), Juno's receivable (€ 70.0m) and Silicius receivable (€86.5m) in FY20

⁽²⁾ Includes available cash plus pending receivable of Juno & Silicius, treasury stock and undrawn credit facilities (€ 786m RCF and EIB loan) in 6M21 and in FY20



SHAREHOLDERS RETURN

The Shareholder Return for a given period is equivalent to the sum of (a) the change in the EPRA NTA per share of the Company during such period; and (b) the total dividends per share (or any other form of remuneration or distribution to the Shareholders) that are paid in such period (the “Shareholder Return”).

The Shareholder Return Rate is defined as the Shareholder Return for a given period divided by the EPRA NTA per share of the Company at the beginning of period (the “Shareholder Return Rate”). In accordance with these definitions, the Shareholder Return YTD for 2021 amounts to € 0.39 per share (or € 181m of value created in absolute terms) and the Shareholder Return Rate amounts to 2.5%.

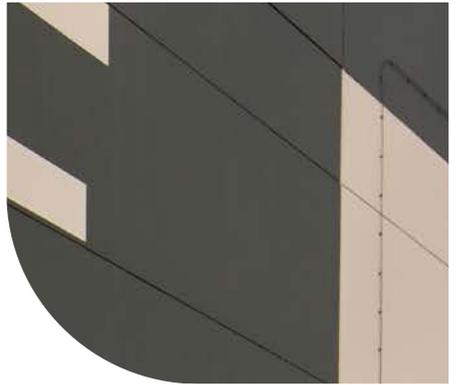
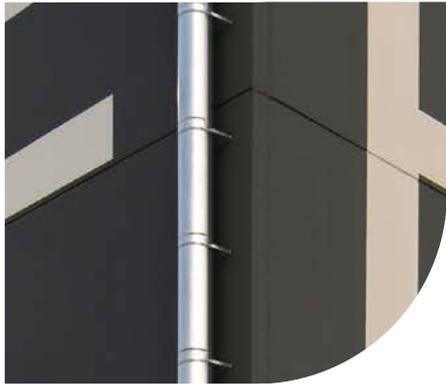
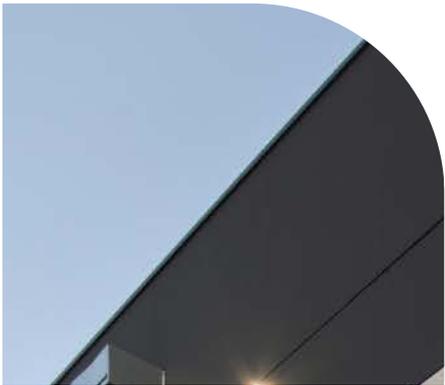
	Per share (€)	€ million
EPRA NTA 31/12/2020	15.46	7,263
NTA growth in 6M21	0.09	41
EPRA NTA 30/06/2021	15.55	7,304
DPS	0.30	140
NTA growth + DPS (Shareholder Return)	15.85	7,444
Shareholder Return Rate	2.5%	2.5%

Figures may not add up due to the rounding



06

Post-Closing events

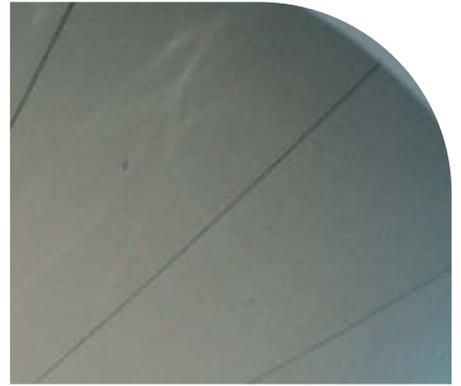


Events Post-Closing

- On July 20th, **DCN signed the multilateral infrastructure agreement** with ADIF, Madrid townhall and Comunidad de Madrid (regional government). This urbanistic milestone fulfills the last condition precedent for the acquisition of the land

07

EPRA Metrics



EPRA Metrics

Performance Measure	Definition	30/06/2021	
		€ million	€ per share
EPRA Earnings	Earnings from core operational activities	129.2	0.27
NAV ⁽¹⁾	Net Asset Value (NAV) is calculated based on the consolidated shareholders' equity of the Group adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model, as per EPRA's recommendations	7,401	15.75
EPRA NRV	EPRA Net Reinstatement Value: assumes that entities never sell assets and aims to represent the value required to rebuild the entity	7,775	16.55
EPRA NTA	EPRA Net Tangible Assets: assumes that entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax	7,304	15.55
EPRA NDV	EPRA Net Disposal Value: represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax	6,619	14.09
EPRA Net Initial Yield	Annualized rental income based on the cash passing rents at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with acquisition costs	3.8%	
EPRA "topped-up" NIY	Adjustment to the EPRA Net Initial Yield in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents)	3.9%	
EPRA vacancy rate ⁽²⁾	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio	6.8%	
EPRA Cost ratio (including direct vacancy costs)	Running costs of the Company divided by recurring rents including direct vacancy costs	21.2%	
EPRA Cost ratio (excluding direct vacancy costs)	Running costs of the Company divided by recurring rents excluding direct vacancy costs	18.6%	
EPRA costs (excluding non-recurring costs)	Recurring running costs of the Company divided by recurring rents	20.4%	



MERLIN Properties has been awarded by EPRA with the gold award of best practices in financial reporting. It is the highest recognition for an outstanding compliance with the best practices.

EPRA (European Public Real Estate Association) or European Association of listed property companies which recommend the standards of best practices to be followed in the real estate sector. The method of calculation of these APMs is carried out following the indications established by EPRA.

⁽¹⁾ Formerly EPRA NAV.

⁽²⁾ ERV of occupied units under operations €536.9m, ERV of vacant units under operations €39.4m

08

Stock exchange evolution

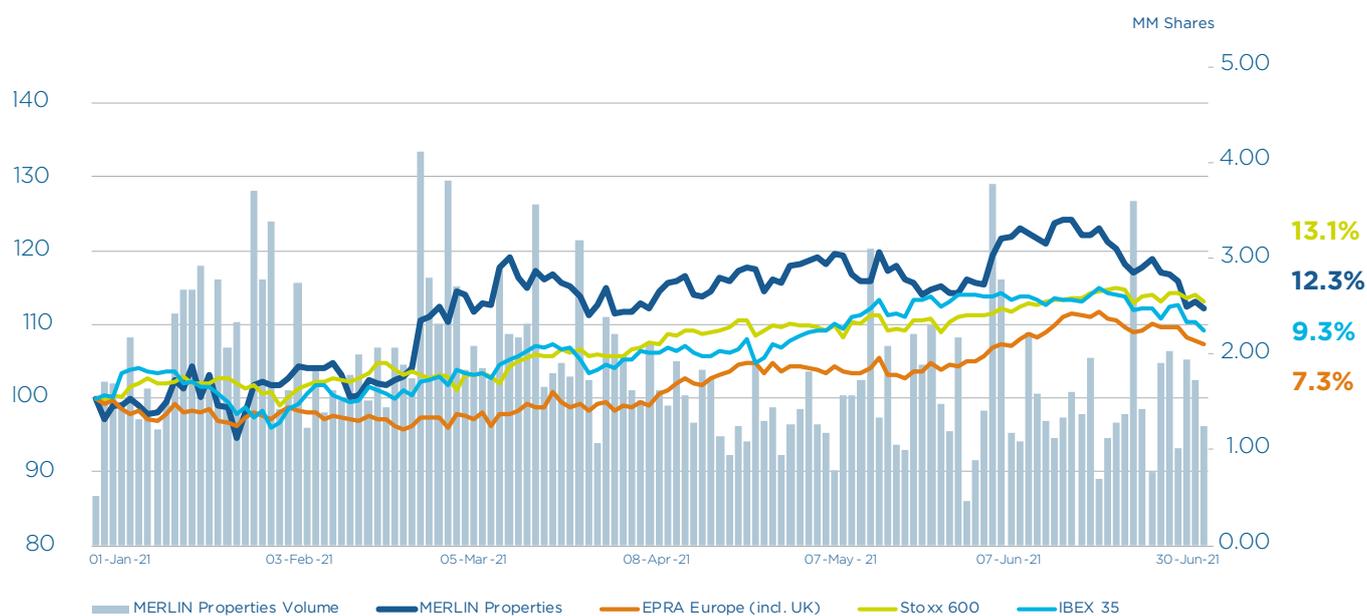


Stock exchange evolution

MERLIN shares closed on 30 June 2021 at € 8.74, an increase of 12% versus 31 December 2020 closing price (€ 7.78).

I MERLIN SHARE PRICE PERFORMANCE⁽¹⁾ VS REFERENCE INDICES

From 31st December 2020 to 30th June 2021, Rebased to 100

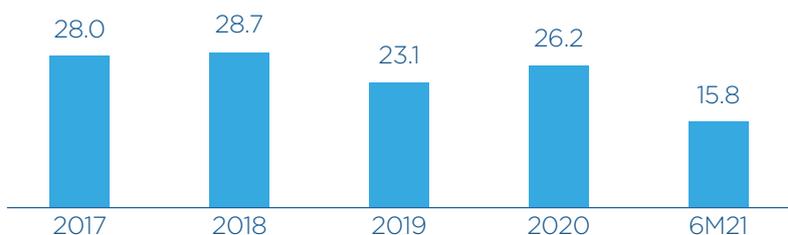


Source: Bloomberg

⁽¹⁾ Adjusted for any equity dilutive transactions

I AVERAGE DAILY TRADING VALUE (€ m)

Average daily trading volume during the period has been € 15.8 million



As of the date of this report, MERLIN is covered by a wide variety of 22 equity research houses. Consensus target price is € 9.47

I TARGET PRICES AND ANALYST RECOMMENDATIONS

Broker	Report date	Recommendation	Target Price
 Citi	24-06-2021	Sell	6.80
 Sabadell	16-06-2021	Buy	11.33
 Goldman Sachs	11-06-2021	Sell	7.20
 Kempen	20-05-2021	Neutral	9.50
 ODDO BHF ASSET MANAGEMENT	17-05-2021	Neutral	9.65
 MIRABAUD	14-05-2021	Sell	8.50
 SOCIETE GENERALE	06-05-2021	Neutral	10.00
 Kepler Cheuvreux	26-04-2021	Buy	10.30
ALANTRA	23-04-2021	Buy	10.95
 BARCLAYS	15-04-2021	Buy	9.90
bankinter.	07-04-2021	Neutral	9.47
 intermoney valores sv	13-03-2021	Buy	12.00
 Green Street Advisors	23-02-2021	Buy	6.71
 JBCapitalMarkets	10-02-2021	Neutral	10.00
 BANK OF AMERICA	18-01-2021	Buy	9.00
 BESTINVER acciona	01-12-2020	Buy	9.95
 UBS	06-11-2020	Buy	9.00
Morgan Stanley	03-09-2020	Neutral	8.00
 BPI Grupo Citibank	05-08-2020	Buy	9.55
renta4	13-07-2020	Buy	9.90
 Santander	11-06-2020	Buy	9.60
J.P.Morgan	01-04-2020	Buy	11.00
Total Average			9.47



Appendix



EPRA METRICS

I EPRA EARNINGS

(€ thousand)	Notes	
Consolidated net profit in accordance with IFRS		190,336
Adjustments to calculate EPRA earnings		(68,430)
(i) changes in value of investment properties	Consolidated income statement ⁽¹⁾	(31,256)
(ii) gain/(losses) on disposal of assets	Consolidated income statement	2,272
(iii) absorption of revaluation on investment properties		-
(iv) non recurring taxes	n.a. ⁽²⁾	(2,385)
(v) share in equity method investees	n.a. ⁽³⁾	(6,040)
(vi) difference in business combination	n.a.	-
(vii) changes in fair value of financial instruments and cancellation costs	n.a. ⁽⁴⁾	(31,240)
(viii) impairment of fiscal credit		-
(ix) gain/(losses) on disposal of financial instruments	Consolidated income statement	219
Minority interests in respect of previous adjustments		-
EPRA net earnings pre-specific adjustments		121,906
EPRA net earnings per share pre-specific adjustments		0.26
Company specific adjustments:		7,257
(i) LTIP provision		5,586
(ii) Opex non-overheads	13 c	1,671
EPRA net earnings post-specific adjustments	13 b and c	129,161
EPRA net earnings per share post-specific adjustments		0.27

EPRA (European Public Real Estate Association) or European Association of listed property companies which recommend the standards of best practices to be followed in the real estate sector. The method of calculation of these APMs is carried out following the indications established by EPRA.

⁽¹⁾ Including the change in fair value of investment property, depreciation, and provisions

⁽²⁾ Mainly deferred taxes that are not expected to have a cash impact in the short to mid term

⁽³⁾ Difference between the share in earnings of equity method instruments (Consolidated income statement) and the attributable FFO of the subsidiaries

⁽⁴⁾ Change in fair value of financial instruments (Consolidated income statement) + debt amortization costs (Consolidated income statement) + IFRS16 Adjustment (defined in the reconciliation of the alternative performances measures table)

I EPRA NRV, NTA AND NDV

(€ million)

EPRA Net Asset Value Metrics	EPRA NRV	EPRA NTA	EPRA NDV	NAV ⁽¹⁾
<i>IFRS Equity attributable to shareholders</i>	6,759.4	6,759.4	6,759.4	6,759.4
Include / Exclude:				
<i>i) Hybrid instruments</i>	-	-	-	-
Diluted NAV	6,759.4	6,759.4	6,759.4	6,759.4
Include:				
<i>ii.a) Revaluation of IP (if IAS 40 cost option is used)</i>	-	-	-	-
<i>ii.b) Revaluation of IPUC1 (if IAS 40 cost option is used)</i>	-	-	-	-
<i>ii.c) Revaluation of other non-current investments</i>	40.1	40.1	40.1	40.1
<i>iii) Revaluation of tenant leases held as finance leases</i>	-	-	-	-
<i>iv) Revaluation of trading properties</i>	-	-	-	-
Diluted NAV at Fair Value	6,799.5	6,799.5	6,799.5	6,799.5
Exclude:				
<i>v) Deferred tax in relation to fair value gains of IP</i>	594.5	499.1	-	594.5
<i>vi) Fair value of financial instruments</i>	6.7	6.7	-	6.7
<i>vii) Goodwill as a result of deferred tax</i>	-	-	-	-
<i>viii.a) Goodwill as per the IFRS balance sheet</i>		-	-	
<i>viii.b) Intangibles as per the IFRS balance sheet</i>		(1.0)		
Include:				
<i>ix) Fair value of fixed interest rate debt</i>			(180.3)	
<i>x) Revaluation of intangibles to fair value</i>	-			
<i>xi) Real estate transfer tax</i>	374.7	-	-	-
NAV	7,775.4	7,304.2	6,619.2	7,400.7
Fully diluted number of shares	469.8	469.8	469.8	469.8
NAV per share	16.55	15.55	14.09	15.75

I EPRA YIELDS

(€ million)	Notes	Offices	Logistics	Shopping centers
Asset value	A	6,349.1	1,219.2	2,185.4
Transfer tax		161.5	41.8	75.7
Gross asset value	B	6,510.7	1,261.0	2,261.1
Exclude				
WIP & Land		(388.7)	0.0	0.0
Commercial property portfolio GAV	C	6,121.9	1,261.0	2,261.1
Gross rents annualized	D	234.6	62.1	111.1
Exclude:				
Propex not recharged to tenants		(21.2)	(5.2)	(14.6)
“Topped-up” net rents annualized	E	213.4	56.9	96.4
Exclude:				
Incentives		(8.5)	(1.3)	(4.2)
Net rents annualized	F	204.8	55.6	92.2
EPRA “topped-up” yield	E/C	3.5%	4.5%	4.3%
EPRA net initial yield	F/C	3.3%	4.4%	4.1%

⁽¹⁾ Calculated as per the previous EPRA NAV definition. From now onwards, MERLIN will report the 3 new EPRA NAV measures: EPRA NRV, EPRA NTA and EPRA NDV



Net Leases	Other	WIP	TOTAL
1,864.3	421.3	263.4	12,302.6
57.2	8.8	16.2	361.2
1,921.5	430.1	279.5	12,663.9
0.0	(112.4)	(279.5)	(780.6)
1,921.5	317.7	0.0	11,883.3
86.1	10.4	0.0	504.2
(0.0)	(1.5)	0.0	(42.5)
86.1	8.9	0.0	461.7
(0.3)	(0.6)	0.0	(15.0)
85.7	8.3	0.0	446.7
4.5%	2.8%	0.0%	3.9%
4.5%	2.6%	0.0%	3.8%

EPRA COST RATIO

(€ thousand)	Notes	30/06/2021
Property expenses not recharged to tenants	13 b	(21,269)
Collection loss	13 b	(2,400)
Personnel expenses	13 c	(20,341)
Opex general expenses	13 b	(6,391)
Opex non-overheads	13 b and 13 c	(1,671)
LTIP accrual	13 c	5,586
Exclude:		
Investment property depreciation		-
Ground rent costs		-
Service charge recovered through rents but not invoiced separately		-
Expenses related to 3rd party asset management services		-
EPRA Cost ratio (including direct vacancy costs)		(46,486)
Gross rents	n.a	248,453
Less: incentives	Consolidated income statement ⁽¹⁾	(28,678)
Less: ground rent costs		0
Gross rental income	4 c	219,775
EPRA Cost ratio (including direct vacancy costs)		21.2%
EPRA Cost ratio (excluding direct vacancy costs)		18.6%

As per MERLIN's policy the company does not capitalize overheads or operating expenses

⁽¹⁾ Incentives + Covid-19 relief

ALTERNATIVE PERFORMANCE MEASURES

In accordance with the recommendations issued by the European Securities and Markets Authority (ESMA), the alternative performance measures (“APM”) are described as follows.

GLOSSARY

Average debt maturity (years)

This APM represents the average debt duration of the Company until maturity.

It is a relevant metric as it provides the investor with the relevant information about the repayment commitments of the financial liabilities.

It is calculated as the addition of the pending years to maturity of each loan multiplied by its outstanding loan amount and divided by the total outstanding amount of all loans.

Given the nature of the metric, it is not possible to reconcile it with the Group financial statements but the main information is available in the consolidated financial statements.

Passing rent

It represents the rent per square meter per month at which an asset or category of assets are rented at a moment in time.

The average passing rent is a relevant performance metric as it shows the implied rents of all the prevailing lease contracts of the company at a moment in time per square meter and per month enabling the comparison with market rents.

Given the nature of the metric, it is not possible to reconcile it with the financial statements.

Release spread

Difference between the new rent signed and the old prevailing rent on renewals (same space, same tenant) or relets (same space, different tenant) during last twelve months.

The release spread provides the investor with a view on the prospective rental behaviour when negotiating with the tenants.

It is calculated on a lease by lease basis and therefore it is not possible to reconcile it with the financial statements.

Rents Like-for-like (LfL)

Amount of the gross rents comparable between two periods. It is calculated on an asset by asset basis excluding from both periods the rents derived from acquisitions or disposals executed in such periods as well as other adjustments like early termination penalties from lease contracts.

We consider the rental like-for-like growth a relevant metric to understand the evolution of rents of an

asset or an asset category.

It is calculated on an asset by asset basis and therefore it is not possible to reconcile it with the financial statements.

Gross annualized rents

Passing rent as of the balance sheet date multiplied by 12.

We consider the gross annualized rents a relevant performance metric as it represents the total amount of rents of the prevailing lease contracts at a given time enabling the calculation of the return of each asset (Gross yield).

Given the nature of the metric, it is not possible to reconcile it with the financial statements.

GAV

The GAV is the Gross Asset Value as of the latest available valuation report plus the advanced payments of turn-key projects and developments at cost.

The GAV is a standard valuation metric for comparison purpose, recognized on a global basis in the real estate sector, and performed by an independent external appraisal.

The reconciliation with the financial statements appears in Section 5 of this report (Notes to the consolidated balance sheet).

Gross yield

It represents the return of an asset or category of assets. It is calculated by dividing the annualized gross rent between the latest available GAV.

Wault

Weighted average unexpired lease term, calculated as the number of years of unexpired lease term, as from the date balance sheet, until the lease contract first break weighted by the gross rent of each individual contract.

We consider the Wault a relevant metric as it provides the investor with the average term of secured leases and gives a sense of risk or opportunity to renegotiate the prevailing lease contracts.

Given the nature of the metric, it is not possible to reconcile it with the Group financial statements.

Revenues

Is the addition of the total gross rent income, and the other operating income excluding extraordinary.

The reconciliation with IFRS appears in the table thereafter.

Accounting EBITDA

The accounting EBITDA is calculated as the net operating income before net revaluations, amortizations, provisions, interest and taxes.

The accounting EBITDA is a performance metric widely used by investors to value companies, as well as the rating agencies and creditors to evaluate the level of indebtedness.

The reconciliation with IFRS metrics appears in the table hereafter.

EBITDA

The EBITDA is calculated as the Accounting EBITDA deducting the “non-overheads” costs and the LTIP Provision.

The EBITDA is a very useful metric as it excludes the impact of “non-overheads” costs incurred in the period. The “non-overheads” costs are the ones related to the acquisition and disposal of assets and indemnities among others (as described in the IPO prospectus).

The reconciliation with IFRS metrics appears in the table hereafter.

Accounting FFO and FFO

Accounting FFO or Accounting Funds From Operations is calculated as EBITDA less debt interest expenses and taxes (excluding taxes from disposals or other events).

FFO is calculated deducting the non-overheads costs of the company from the Accounting FFO.

It is a relevant performance and liquidity metric recognized on a global basis in the real estate sector.

MERLIN Properties, as a member of EPRA (European Public Real Estate Association), follows EPRA's best practices reporting standards which enables the investor to better compare certain performance metrics that are specific to the real estate sector. This metrics are released on a semi-annual basis and detailed in the management report.

EPRA costs

It is calculated as total operating costs of the company divided by the gross rents net of incentives.

This performance metric shows the operating efficiency on a recurring basis.

The reconciliation with the Financial Statements appears in the Appendix of this report.

EPRA Earnings

Earnings from core operational activities as per EPRA's recommendations.

The reconciliation with the Financial Statements appears in the Appendix of this report.

EPRA NRV, EPRA NTA and EPRA NDV

EPRA Net Reinstatement Value: Assumes that entities never sell assets and aims to represent the value required to rebuild the entity.

EPRA Net Tangible Assets: Assumes that entities buy and sell assets, thereby crystallizing certain levels of unavoidable deferred tax.

EPRA Net Disposal Value: Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.

EPRA Yields

Net Initial Yield: Annualized rental income based on the passing rents at the balance sheet date, less non recoverable property operating expenses, divided by the market value of the property (GAV) increased with acquisition costs.

EPRA “Topped-up” NIY: Adjustment to the EPRA Net Initial Yield in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

These are two relevant performance metrics widely used to compare the return of the real estate assets in the portfolio, based on the prevailing lease contracts at a given date regardless of the financial structure of the company as per EPRA's recommendations.

The calculation is provided in the Appendix of this report.

Given the nature of the metric, it is not possible to reconcile it with the Group financial statements.

EPRA Vacancy Rate

Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.

Given the nature of the metric, it is not possible to reconcile it with the Group financial statements.

Net financial debt

Net financial debt (or net debt) is a financial metric calculated by subtracting the cash (cash and equivalents, treasury stock and receivables from asset sales) from the notional amount owned by the consolidated group to financial institutions or entities and bond holders (gross financial debt)

Provides information about the indebtedness of a company, as it provides the amount owed to financial institutions and bond holders after deducting cash

LTV

Loan to Value (LTV) is a financial metric that compares the net financial debt at a given time with the Gross Asset Value (GAV) including transfer costs (Real estate transfer tax as per the EPRA NRV table)

Provides information about the indebtedness of a company, as it compares the value of the real estate assets with the total amount of financial debt

I RECONCILIATION OF THE ALTERNATIVE PERFORMANCE MEASURES WITH CONSOLIDATED FINANCIAL STATEMENTS

(€ thousand)	Notes	6M21	6M20
Total revenues	4 c	222,276	223,927
Other operating income	Consolidated income statement	2,929	1,390
Personel expenses	13 c	(20,493)	(21,339)
Other operating expenses	13 b	(32,761)	(32,333)
Accounting EBITDA		171,951	171,645
<i>Costs related to acquisition and disposals</i>	13 b	999	1,544
<i>Other costs</i>	13 b ⁽¹⁾	520	820
<i>Severances</i>	13 c	152	0
Non-overhead costs	13 b and 13 c	1,671	2,365
Long term incentive plan	13 c	5,586	10,103
EBITDA		179,207	184,113
Financial expenses excluding debt arrangement costs	Consolidated income statement	(58,274)	(61,885)
Equity method net income	n.a ⁽²⁾	8,734	7,481
IFRS16 Adjustment	n.a ⁽³⁾	900	4,932
Current taxes	n.a ⁽⁴⁾	(1,406)	(375)
FFO		129,161	(2,365)
Non-overhead costs	13 b and 13c	(1,671)	131,900
Accounting FFO		127,490	308,338

(€ thousand)			
Gross rental income	Consolidated income statement	248,453	256,599
Revenue from rendering of services	4 c	2,501	2,750
Other net operating income	n.a	1,746	13
Revenues		252,701	259,363

⁽¹⁾ Included within the other costs

⁽²⁾ Attributable FFO of the subsidiaries

⁽³⁾ Mark-to-market of the leasehold obligations. By nature it is a non-cash financial expense (or income) arising from PLZF and Sevilla ZAL

⁽⁴⁾ Taxes with a cash impact in the short to mid term

LIST OF ASSETS

Asset	Location	G.L.A sqm AG
Torre Castellana 259	Madrid	21,390
Castellana 280	Madrid	16,853
Castellana 278	Madrid	14,468
Castellana 93	Madrid	11,650
Castellana 85	Madrid	16,474
Plaza Pablo Ruíz Picasso*	Madrid	31,576
Alcala 40	Madrid	9,315
Principe de Vergara 187	Madrid	10,732
Alfonso XI	Madrid	9,945
Pedro de Valdivia 10	Madrid	6,721
Beatriz de Bobadilla 14	Madrid	17,055
Princesa 3	Madrid	17,810
Princesa 5	Madrid	5,693
Plaza de los Cubos	Madrid	13,528
Ventura Rodriguez 7	Madrid	10,071
Juan Esplandiú 11-13	Madrid	28,008
Eucalipto 33	Madrid	7,301
Eucalipto 25	Madrid	7,368
Santiago de Compostela 94	Madrid	13,130
Parking Princesa*	Madrid	-
Total Madrid Prime + CBD		269,087
Josefa Valcarcel 48	Madrid	19,893
Alvento	Madrid	32,928
Cristalia	Madrid	11,712
Trianon	Madrid	18,400
Ribera del Loira 36-50	Madrid	39,150
Ribera del Loira 60	Madrid	54,960
Partenon 12-14	Madrid	19,609
Partenon 16-18	Madrid	18,343
Arturo Soria 128	Madrid	3,226
Total Madrid NBA A2		218,222

*Below ground surface has not been taken into account for G.L.A. purposes.



Asset	Location	G.L.A sqm AG
Torre Chamartin	Madrid	18,295
Arturo Soria 343*	Madrid	6,615
Manoteras 18	Madrid	7,515
Fuente de la Mora	Madrid	4,482
Aquamarina	Madrid	10,685
Via Norte	Madrid	37,224
María de Portugal 9-13	Madrid	17,191
Las Tablas	Madrid	27,184
Avenida de Burgos 210**	Madrid	7,376
Manuel Pombo Angulo 20	Madrid	3,623
Avenida de Bruselas 24	Madrid	9,163
Avenida de Bruselas 26	Madrid	8,895
Avenida de Bruselas 33	Madrid	33,718
Avenida de Europa 1A	Madrid	12,606
Avenida de Europa 1B	Madrid	10,495
Maria de Portugal T2	Madrid	17,139
Adequa 1	Madrid	27,426
Adequa 2***	Madrid	3,710
Adequa 3	Madrid	15,937
Adequa 5	Madrid	13,790
Adequa 6	Madrid	13,789
Adequa 4*	Madrid	15,793
Adequa 7*	Madrid	32,109
Total Madrid NBA A1		351,050
Francisco Delgado 9A	Madrid	5,496
Francisco Delgado 9B	Madrid	5,400
Atica 1	Madrid	7,080
Atica 2	Madrid	5,644
Atica 3	Madrid	5,746
Atica 4	Madrid	4,936
Atica 5	Madrid	9,526
Atica 6	Madrid	3,434
Atica XIX	Madrid	15,411
PE Cerro Gamos	Madrid	36,105
Alvia	Madrid	23,567
Total Madrid Periphery		122,344

*Project under development

**Including 1,200 sqm under development

***Excluded from perimeter

Asset	Location	G.L.A sqm AG
Diagonal 605	Catalonia	14,853
Diagonal 514	Catalonia	9,664
Diagonal 458	Catalonia	4,174
Plaza de Cataluña 9*	Catalonia	3,048
Balmes 236-238	Catalonia	6,187
Vilanova 12-14	Catalonia	16,494
Gran Vía Cortes Catalanas 385	Catalonia	5,190
Diagonal 211 (Torre Glòries)	Catalonia	37,614
Diagonal 199	Catalonia	5,934
Llull 283 (Poble Nou 22@)	Catalonia	31,337
Loom 22@ Ferreteria*	Catalonia	2,018
Total Barcelona Prime + CBD		136,512
WTC6	Catalonia	14,461
WTC8	Catalonia	14,597
Av. Parc Logistic 10-12 (PLZFA)	Catalonia	11,411
Av. Parc Logistic 10-12 (PLZFB)	Catalonia	10,652
Total NBA WTC		51,121
Sant Cugat I	Catalonia	15,377
Sant Cugat II	Catalonia	10,008
Total Periphery		25,385
Monumental	Lisbon	25,358
Marques de Pombal 3	Lisbon	12,461
Torre Lisboa	Lisbon	13,715
Central Office	Lisbon	10,310
Torre Zen	Lisbon	10,207
Art	Lisbon	22,150
TFM	Lisbon	7,837
Lisbon Expo	Lisbon	6,740
Total Lisbon Prime + CBD		108,776
Nestlé	Lisbon	12,260
Total Lisbon NBA		12,260



Asset	Location	G.L.A sqm AG
Lerida - Mangraners	Catalonia	3,228
Zaragoza - Aznar Molina	Zaragoza	4,488
Sevilla - Borbolla	Andalusia	13,037
Granada - Escudo del Carmen	Andalusia	2,040
TOTAL OFFICES		1,317,550*
Marineda	Galicia	100,577
Arturo Soria	Madrid	6,069
Centro Oeste	Madrid	10,876
Tres Aguas	Madrid	67,940
X-Madrid	Madrid	47,105
Callao 5	Madrid	11,629
Larios	Andalusia	37,956
Porto Pi	Mallorca	32,795
Artea	Basque Country	25,922
Arenas	Catalonia	31,905
Vilamarina	Catalonia	32,191
Saler	Valencian C.	29,286
La Vital	Valencian C.	20,878
Bonaire	Valencian C.	14,455
Almada	Lisbon	60,098
TOTAL SHOPPING CENTERS		529,681

*Adequa 2 is excluded from the perimeter (1,321,260 if included)

Asset	Location	G.L.A sqm AG
A2-Coslada	Madrid	28,491
A2-Coslada Complex	Madrid	36,234
A4-Getafe (Cla)	Madrid	16,100
A2-Meco I	Madrid	35,285
A4-Pinto I	Madrid	11,099
A4-Pinto II	Madrid	58,990
A4-Getafe (Gavilanes)	Madrid	39,591
A2-Meco II	Madrid	59,814
A2-San Fernando I	Madrid	11,179
A2-San Fernando II	Madrid	33,592
A2-San Fernando III*	Madrid	98,924
A4-Getafe (Data Center)*	Madrid	22.508
A4-Seseña	Castilla La Mancha	28,731
A2-Alovera	Castilla La Mancha	38,763
A2-Azuqueca II	Castilla La Mancha	98,757
A2-Azuqueca III*	Castilla La Mancha	51,000
A2-Cabanillas I	Castilla La Mancha	70,134
A2-Cabanillas II	Castilla La Mancha	15,078
A2-Cabanillas III	Castilla La Mancha	21,879
A2-Cabanillas Park I A	Castilla La Mancha	38,054
A2-Cabanillas Park I B	Castilla La Mancha	17,917
A2-Cabanillas Park I C	Castilla La Mancha	48,468
A2-Cabanillas Park I D	Castilla La Mancha	47,892
A2-Cabanillas Park I E	Castilla La Mancha	49,793
A2-Cabanillas Park I F	Castilla La Mancha	20,723
A2-Cabanillas Park II*	Castilla La Mancha	210,678
A2-Cabanillas Park G	Castilla La Mancha	22.506
A2-Cabanillas Park H-J*	Castilla La Mancha	70,488
Barcelona-ZAL Port	Catalonia	736,331
Barcelona-Sant Esteve	Catalonia	16,811
Barcelona-PLZF	Catalonia	131,624
Zaragoza-Pedrola	Zaragoza	21,579
Zaragoza-Plaza	Zaragoza	20,764
Valencia*	Valencian C.	96,572
Valencia-Almussafes	Valencian C.	26,613
Valencia-Ribarroja	Valencian C.	34,992
Vitoria-Jundiz I	Basque Country	72,717
Vitoria-Jundiz II	Basque Country	26,774
Sevilla Zal	Andalusia	138,777
Sevilla Zal WIP*	Andalusia	15,122
Lisbon Park	Lisbon	224,864
TOTAL LOGISTICS		2,866,206

*Project under development



Asset	Location	G.L.A sqm AG
Tree		286,020
Caprabo	Catalonia	64,252
TOTAL NET LEASES		350,272
Eurostars Torre Castellana 259	Madrid	31,800
General Ampudia 12*	Madrid	-
Yunque	Madrid	1,780
San Francisco de Sales	Madrid	171
Local Plaza Castilla	Madrid	311
Locales Torre Madrid	Madrid	4,344
Torre Madrid residencial	Madrid	120
Novotel Diagonal 199	Catalonia	15,332
Jovellanos 91	Catalonia	4,067
Rambla Salvador Sama 45-47-49	Catalonia	1,140
Hotel Marineda	Galicia	5,898
Parking Palau*	Valencian C.	-
Bizcargi 11D	Basque Country	46
TOTAL OTHER		65,009

* Below ground surface has not been taken into account for G.L.A. purposes



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