

# 2023 ANNUAL GENERAL SHAREHOLDERS MEETING

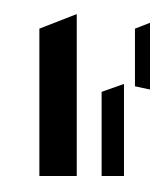
MADRID, 27 APRIL 2023

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 **MERLIN**  
PROPERTIES

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• Chairman's speech



- Financial results 2022  
| 1 | 2 | 3 |
- Portfolio performance  
| 1 | 2 | 3 |



- Board of Directors composition  
| 5 |
- Consultative assessment of the Annual Remuneration Report  
| 6 |
- Capital events and others  
| 4 | 7 | 8 | 9 | 10 | 11 | 12 |

Agenda items 



### Operating performance

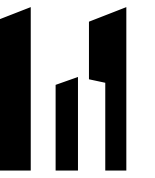
- **Outstanding performance in all three asset categories** with outstanding LfL rental growth (+7.3%) and occupancy at 95.1% (+60 bps vs. FY21)
- **Offices** delivering excellent operating behaviour: +6.0% LfL rental growth, +5.8% release spread and 92.5% occupancy (+245 bps)
- Strong dynamics in **logistics** (+8.6% LfL) fueled by indexation and reversionary potential captured (+7.9%). Virtual full occupancy (97.0%)
- Solid operations in **shopping centers**, with +7.5% LfL growth, +5.2% release spread and 95.0% occupancy. Sales already at pre-covid levels (+2.7% vs. FY19) and OCR at historical low (11.8%)

### Financial performance

- **€ 0.62 FFO per share** (+6.4% YoY) beating guidance provided to the market at the beginning of the period
- **Slight decline in valuation** across the board (-1.5%), with yield expansion (+44 bps) partially netted off by rental uplift
- Strong financial situation: **32.7% LTV (-651 bps vs. FY21)**, 100% interest rate fixed, 98% unsecured debt and 100% of outstanding bonds requalified as green
- No debt maturities until May 2025, with an average maturity of 5.8 years at a cost of 2.2%<sup>(1)</sup>
- Total shareholder return of **+4.7%**, having distributed € 1.19 p.s. of dividend in the period

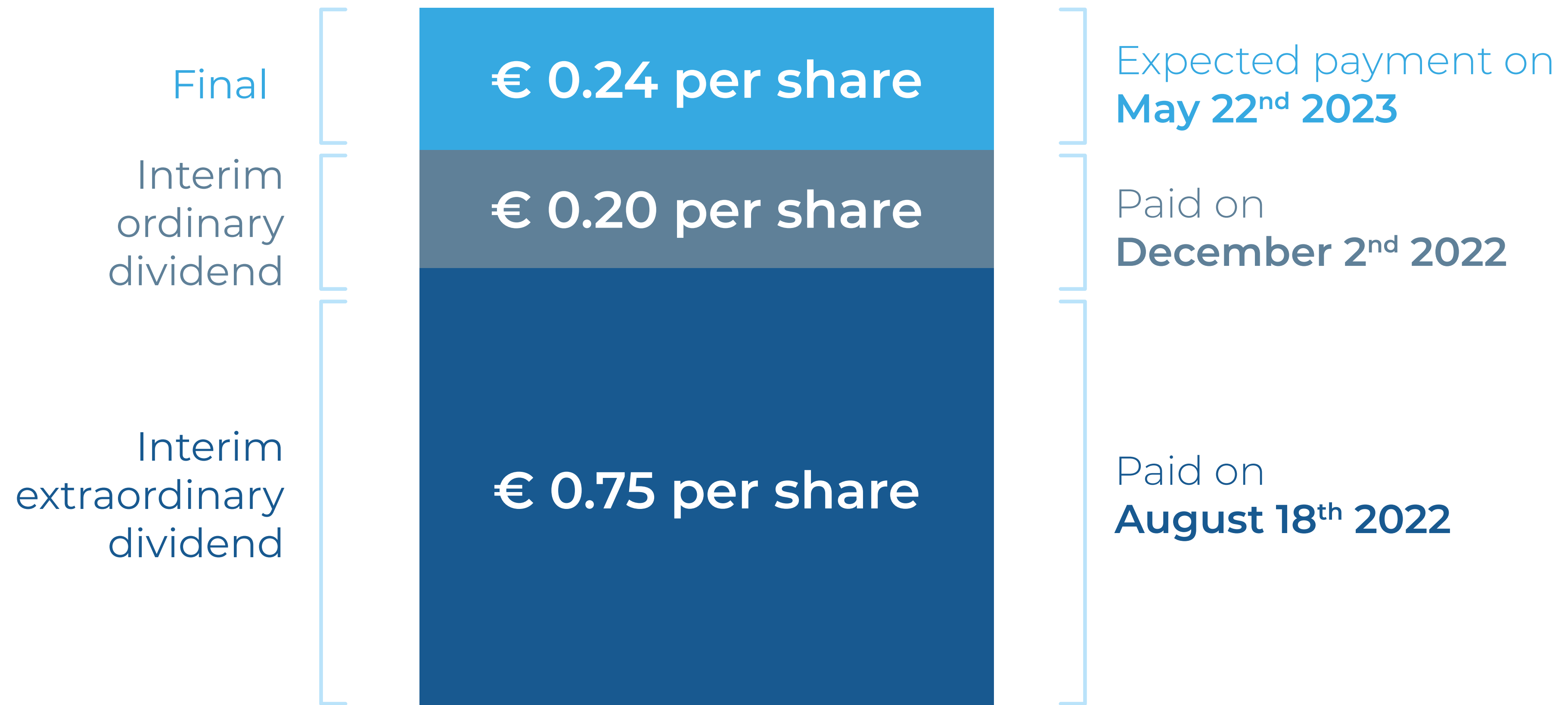
### Value creation

- **€ 2.1bn BBVA portfolio disposal** at a 17.1% premium to GAV
- **€ 113m non-core disposals** at an 8.7% premium to GAV
- **Landmark plan:** Plaza Ruiz Picasso to be delivered before year-end, virtually fully-let to best-in-class tenants at top rents
- **Mega:** Bilbao-Arasur, Madrid-Getafe and Barcelona-PLZF works on track. All three assets will be delivered in H2 2023 with 3MW of installed capacity in each one



1.19 P.S. FROM 2022 RESULTS, INCLUDING THE EXTRAORDINARY DIVIDEND FROM THE SALE OF THE BBVA PORTFOLIO

2022





# FINANCIAL RESULTS 2022

Agenda items | 1 | 2 | 3 |



€ Million

FFO  
**290**AFFO<sup>(1)</sup>  
**271**IFRS Net profit  
**263**EPRA NTA  
**7,363**

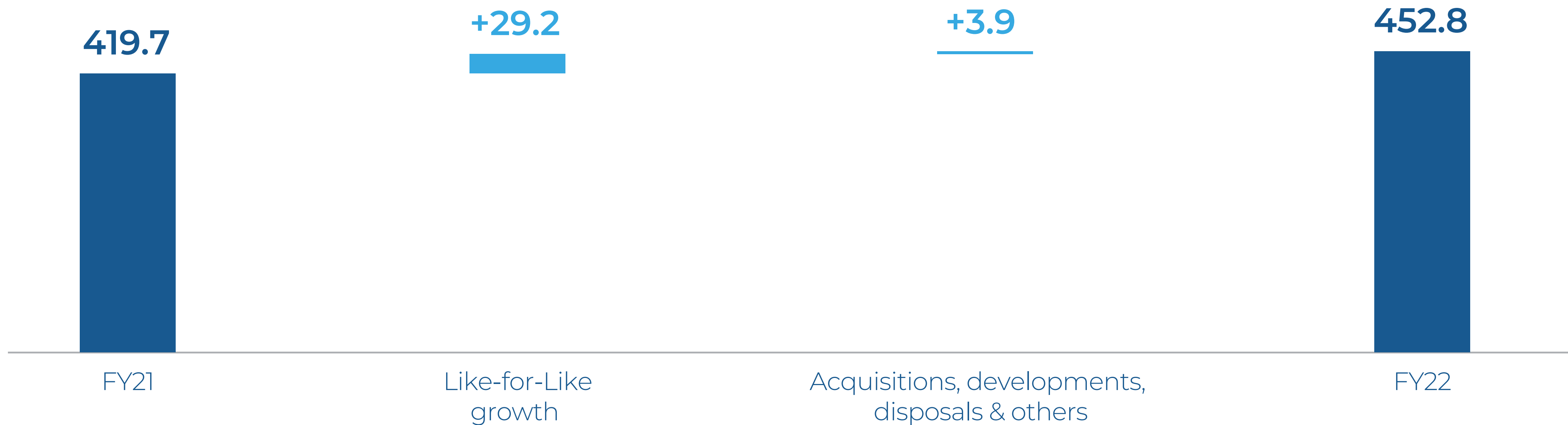
€ per share

FFO  
**0.62**AFFO<sup>(1)</sup>  
**0.58**IFRS Net profit  
**0.56**EPRA NTA  
**15.67**<sup>(1)</sup> Recurring FFO less recurring investments in the portfolio



OUTSTANDING LFL GROWTH IN THE PERIOD (+7.3%)

(€m)



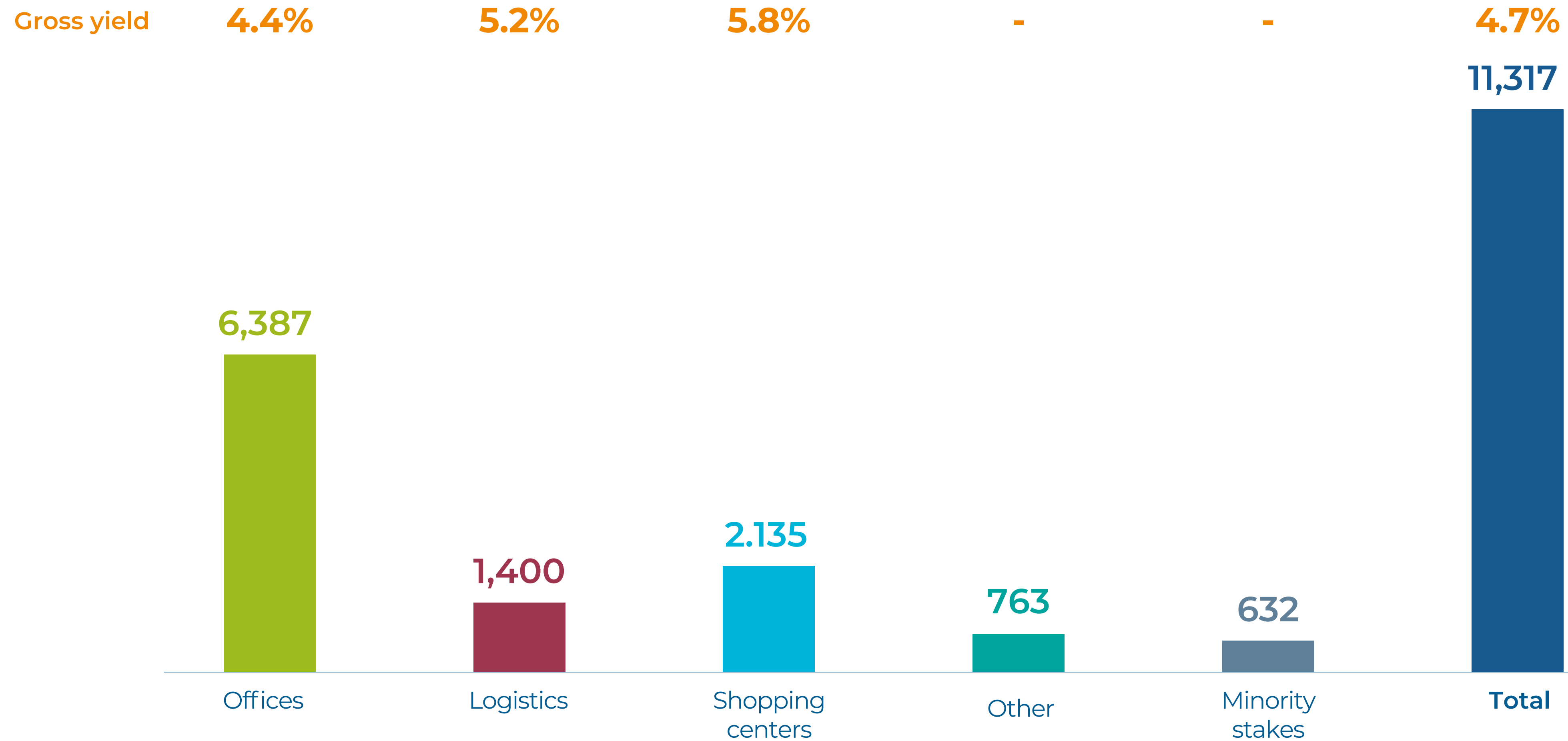
<sup>(1)</sup> Portfolio in operation for FY21 (€ 397.8m of GRI) and for FY22 (€ 427.0m of GRI)





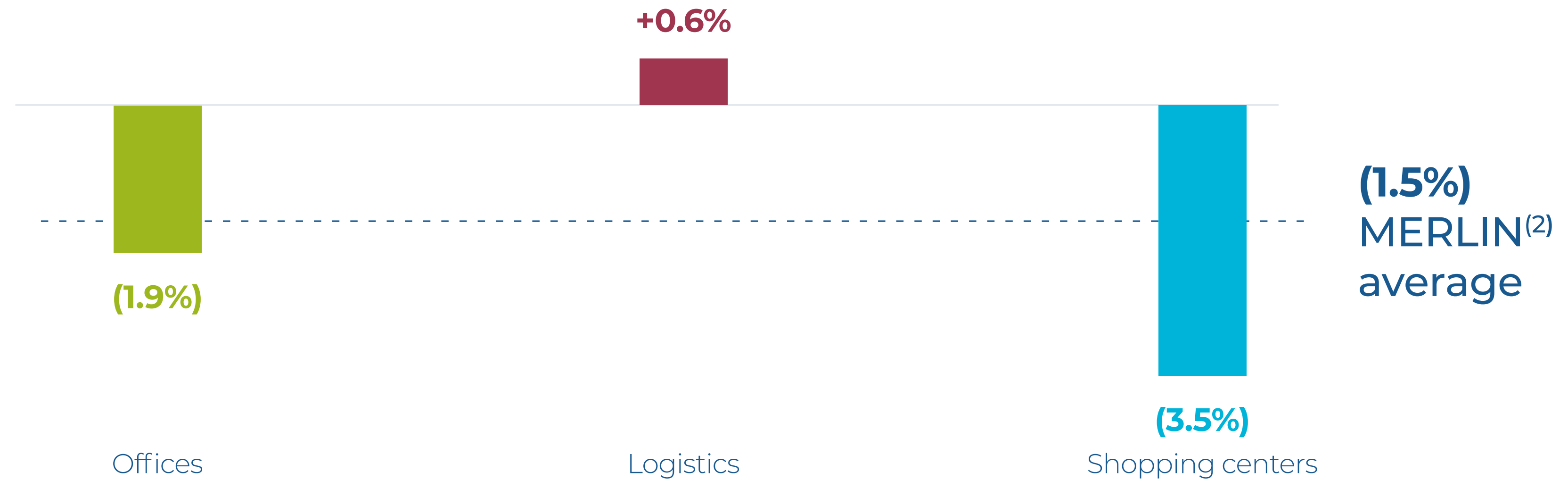
€ 11,317 MILLION ASSET PORTFOLIO VALUATION

GAV (€ million)

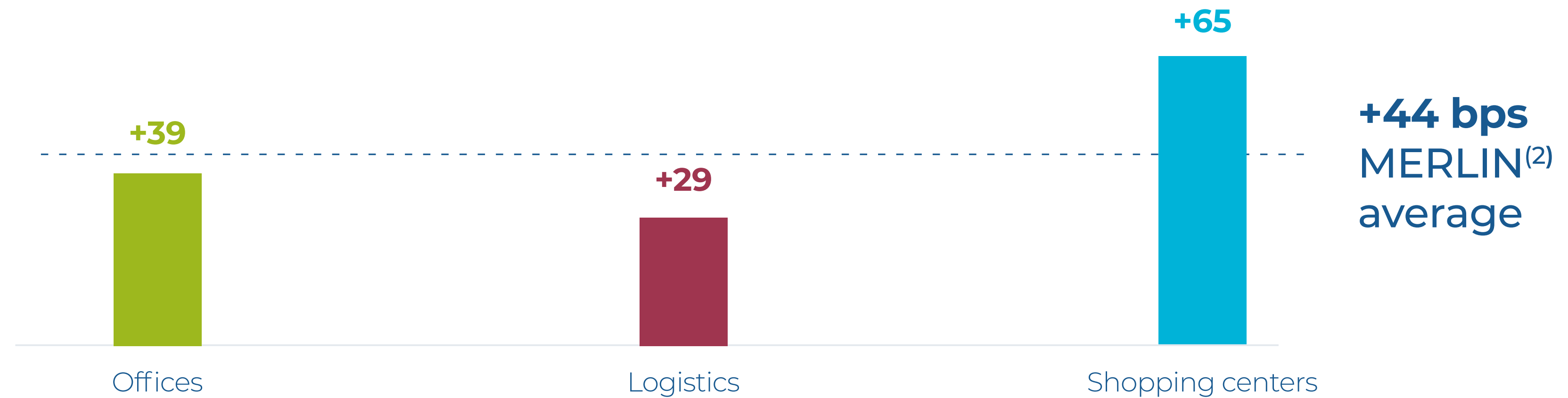




LIKE-FOR-LIKE  
GAV EVOLUTION<sup>(1)</sup>



YIELD  
(COMPRESSION) /  
EXPANSION<sup>(3)</sup>



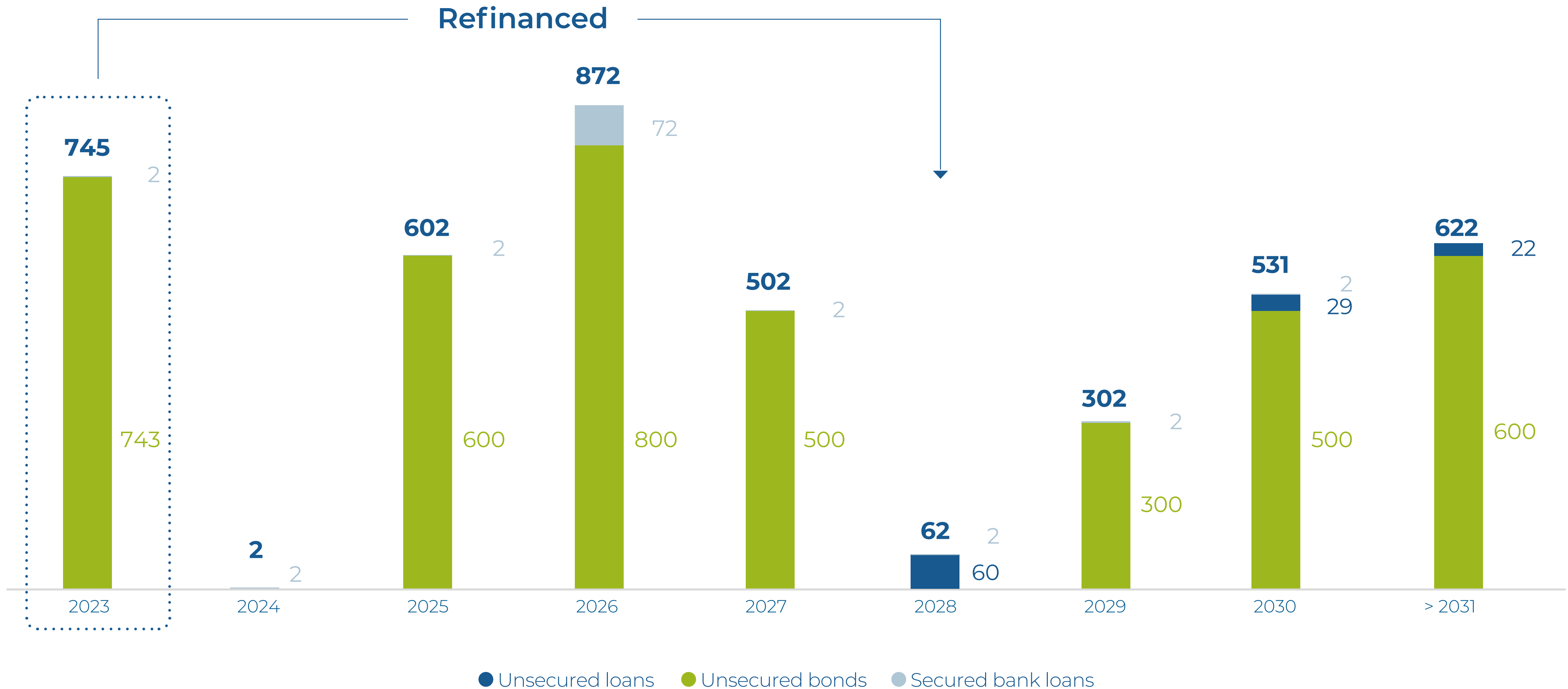
<sup>(1)</sup> GAV of WIP projects included under its respective asset class for LfL purposes

<sup>(2)</sup> Including passing method

<sup>(3)</sup> Based on exit yields



EXTENDING THE AVERAGE DEBT MATURITY TO 5.8 YEARS AT AN AVERAGE COST OF 2.2%<sup>(1)</sup>. NO FURTHER MATURITIES UNTIL MAY 2025



<sup>(1)</sup>PF FY22



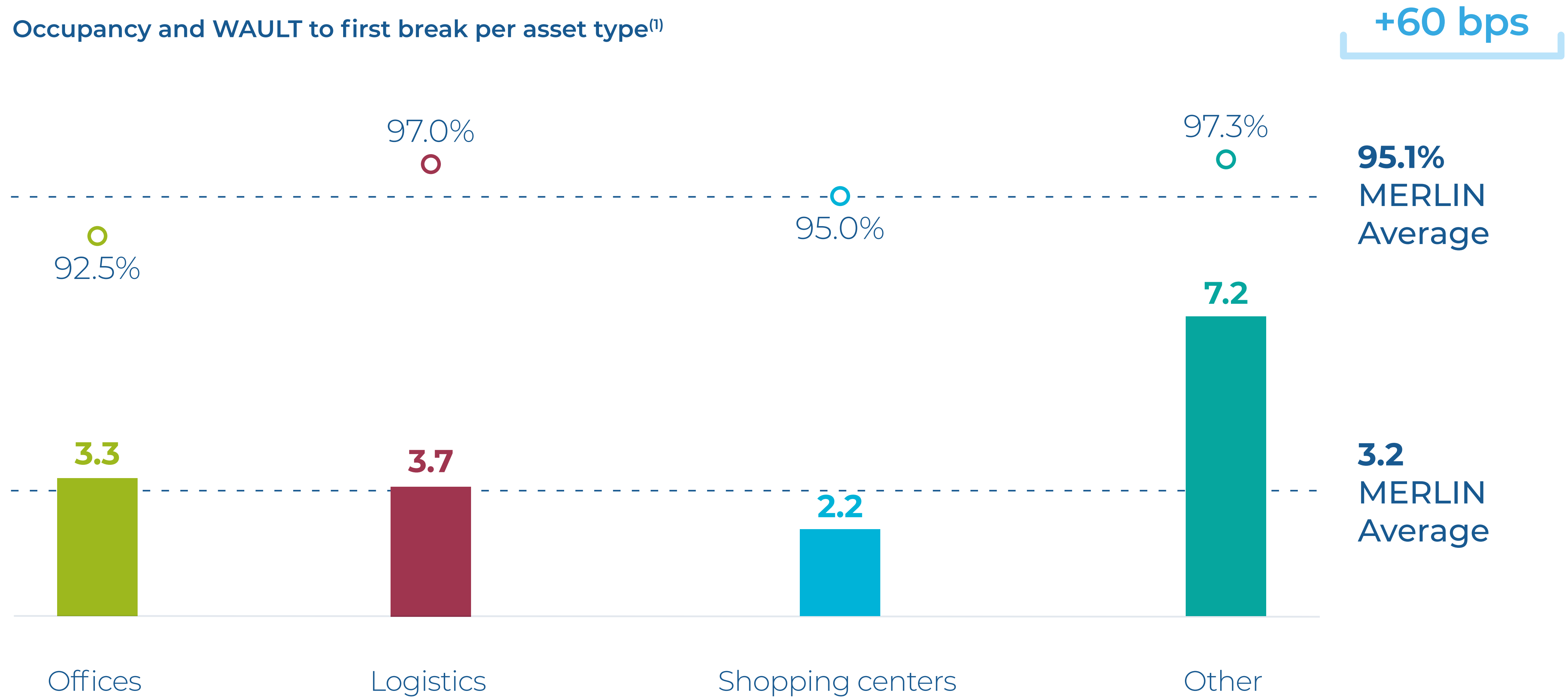
# PORTFOLIO PERFORMANCE

Agenda items | 1 | 2 | 3 |



OVERALL OCCUPANCY +60 BPS VS FY21

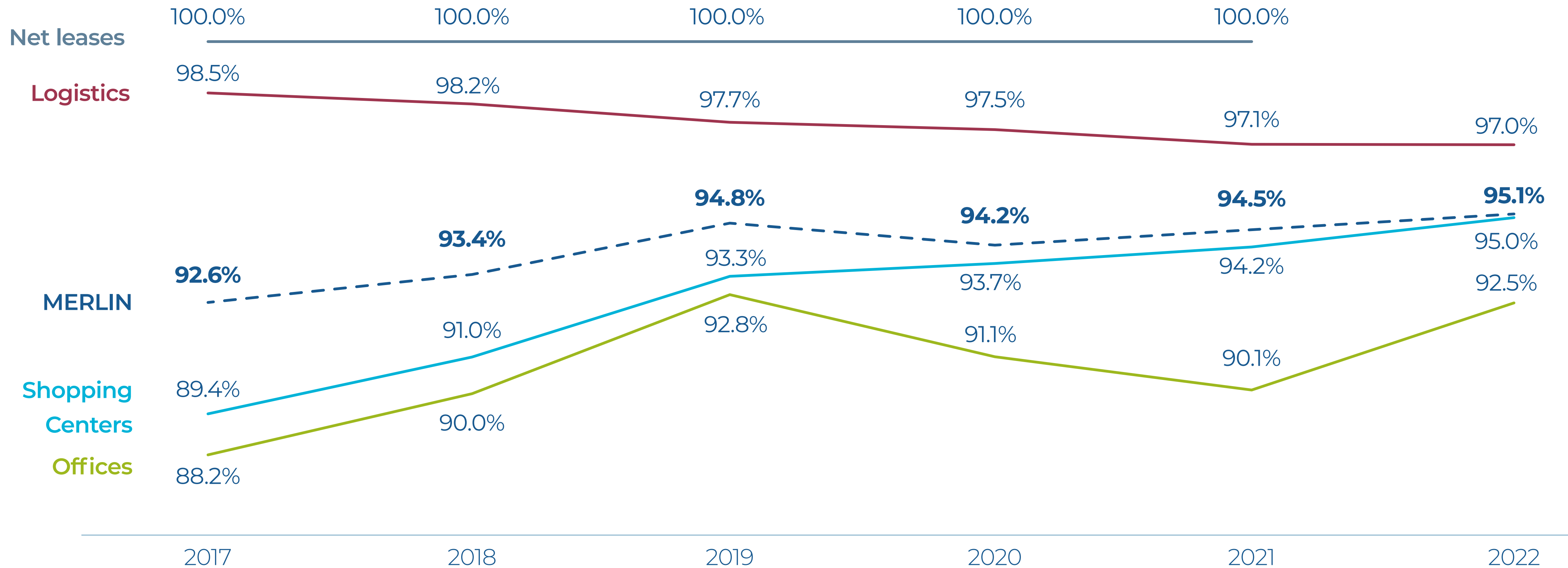
Occupancy and WAULT to first break per asset type<sup>(1)</sup>



<sup>(1)</sup> WAULT by rents means the weighted average unexpired lease term to first break, calculated as of 31<sup>st</sup> December 2022



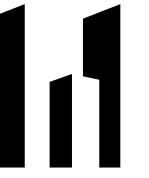
SIGNIFICANT GROWTH IN OCCUPANCY IN RECENT YEARS, THANKS TO THE QUALITY OF THE ASSETS THE ROTATION POLICY, TECHNOLOGY AND SUSTAINABILITY INITIATIVES



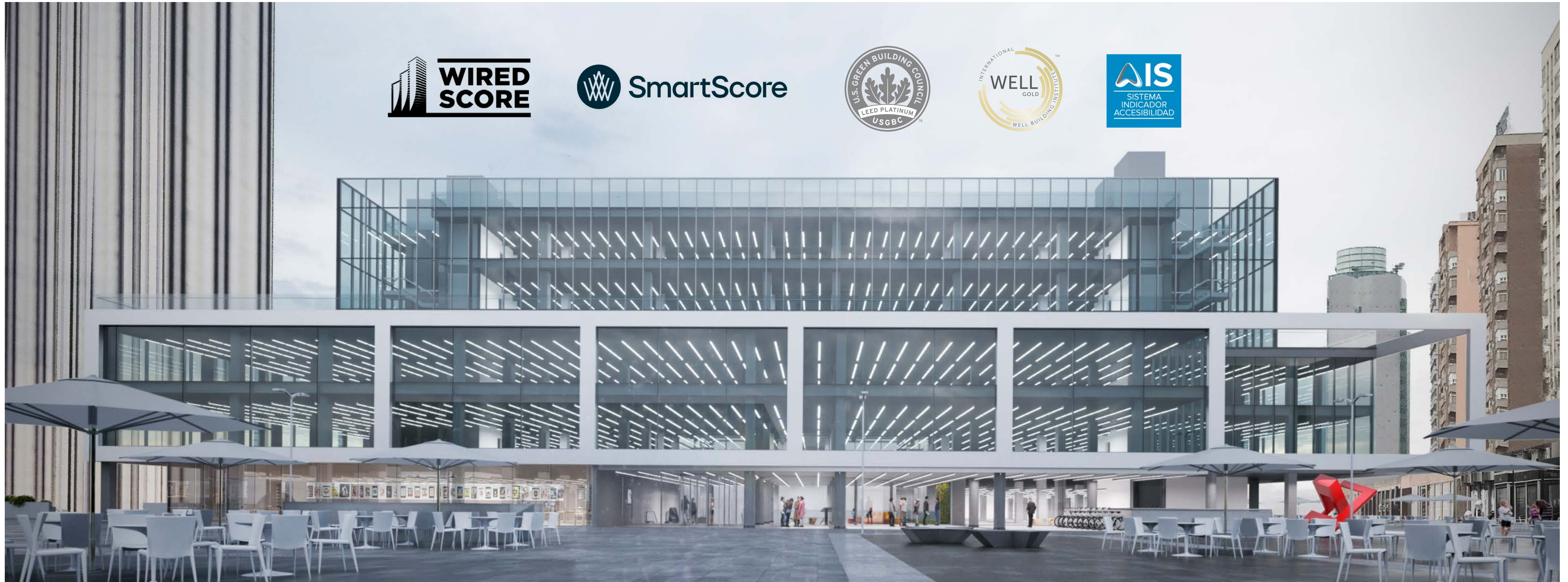


EXCELLENT LFL RENTAL GROWTH (+6.0%) THANKS TO THE INCREASE IN OCCUPANCY (+245 BPS VS 2021), INFLATION AND HIGHER RELEASE SPREAD





VIRTUALLY FULLY LET TO TIER-1 TENANTS AT PRIME RENTS

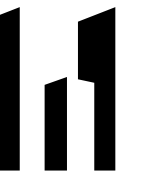


GLA  
**36,899 sqm**  
After Refurbishment  
5,323 sqm created

**IBM**      **Globant** >      **wtw**      **LOOM**

Delivery  
**2023**







GLA  
**36,861 sqm**  
After Refurbishment  
**+756 sqm created**

Delivery  
**Q3 23 - 2026**

Leasing  
**I - 100% (4,338 sqm)**  
**IV - 100% (6,488 sqm)**

**FUJITSU** **NETCO®**  
**SHISEIDO** **Greenergy**



GLA  
**17,841 sqm**  
After Refurbishment  
**+862 sqm created**

Delivery  
**2022 - 2026**

Leasing  
**100% let**

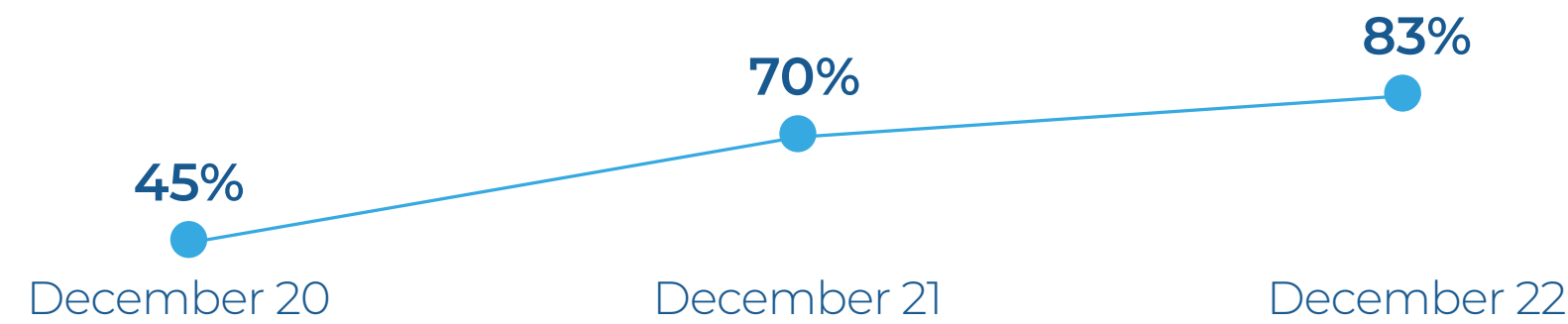






SHARP OCCUPANCY GROWTH ON THE BACK OF THE RETURN TO THE OFFICE

Occupancy



KPIs

: 26,028 sqm

: 2,639 desks

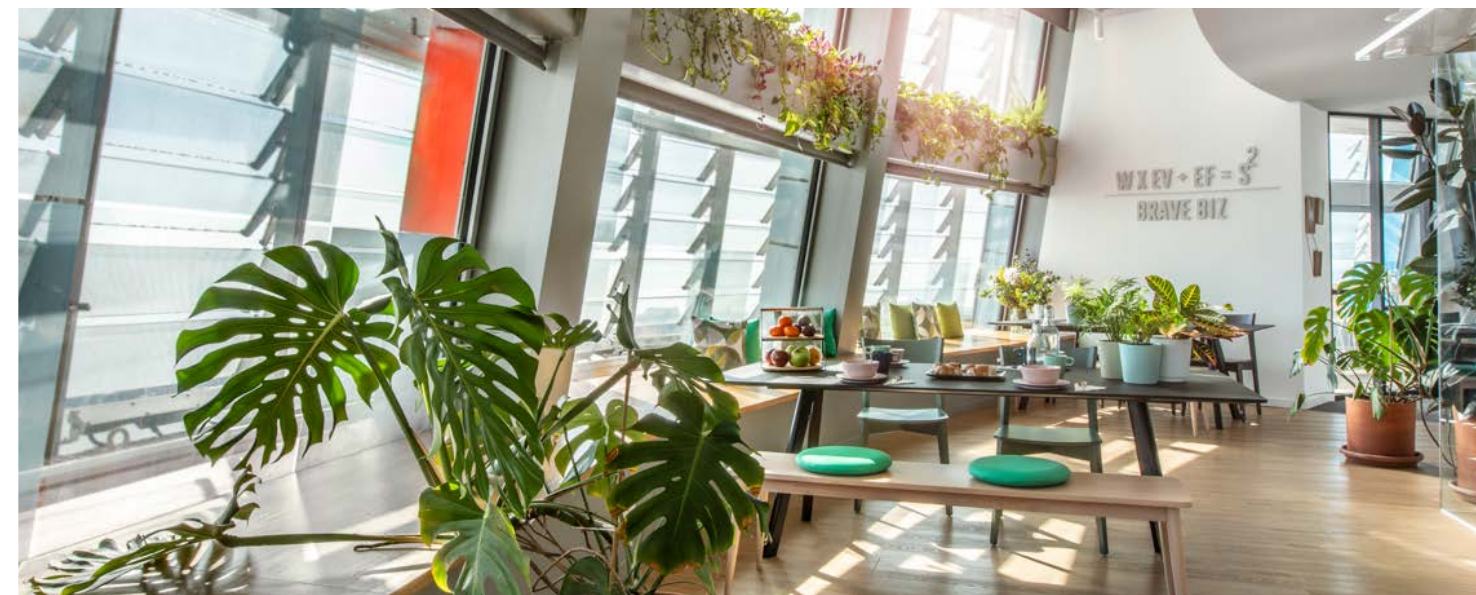
: 83% occupancy

: 12 spaces

New openings 2022 +54% increase in footprint



Atica exp. 155 desks



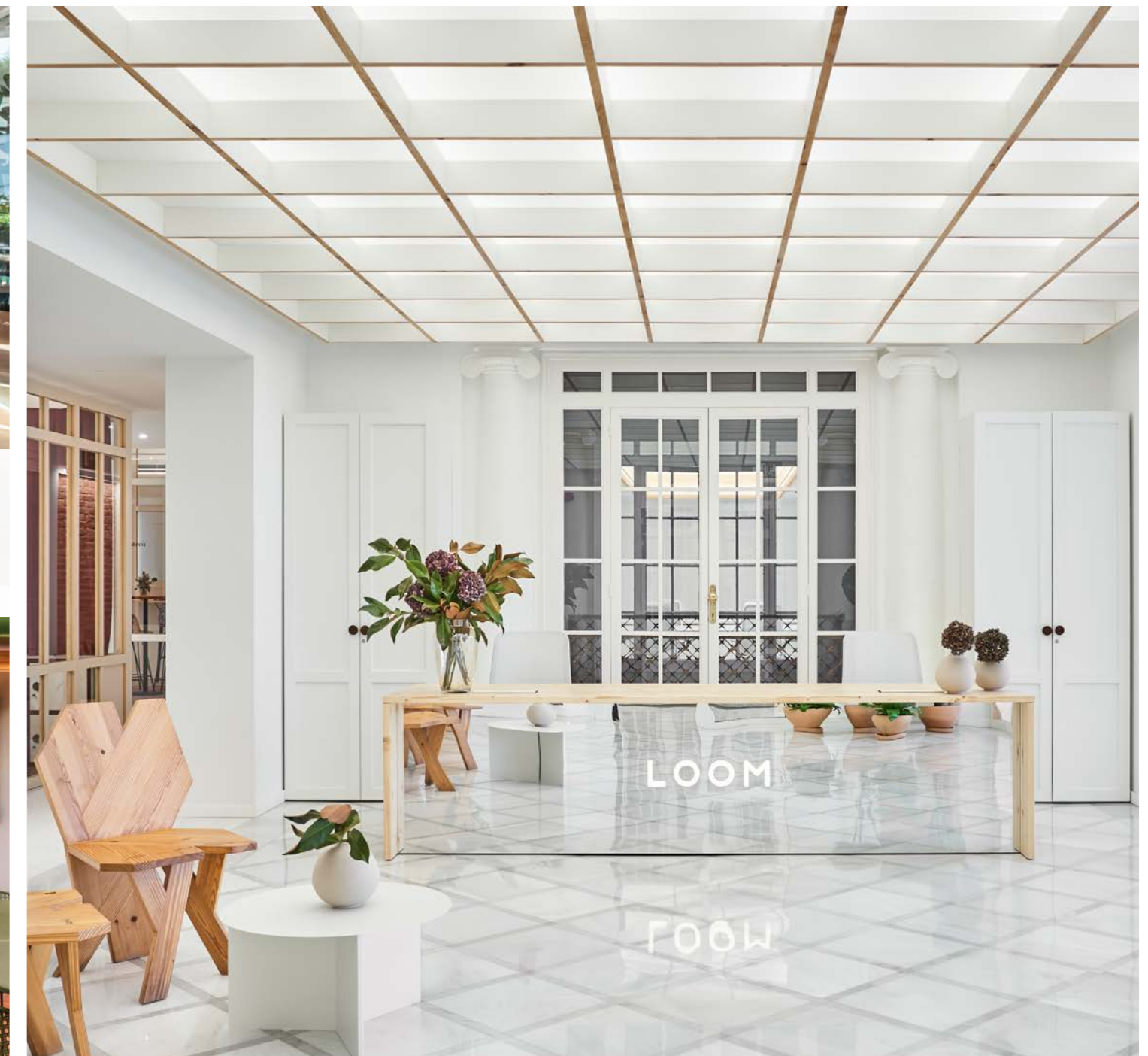
Torre Glòries exp. 87 desks



Castellana 93 exp. 69 desks



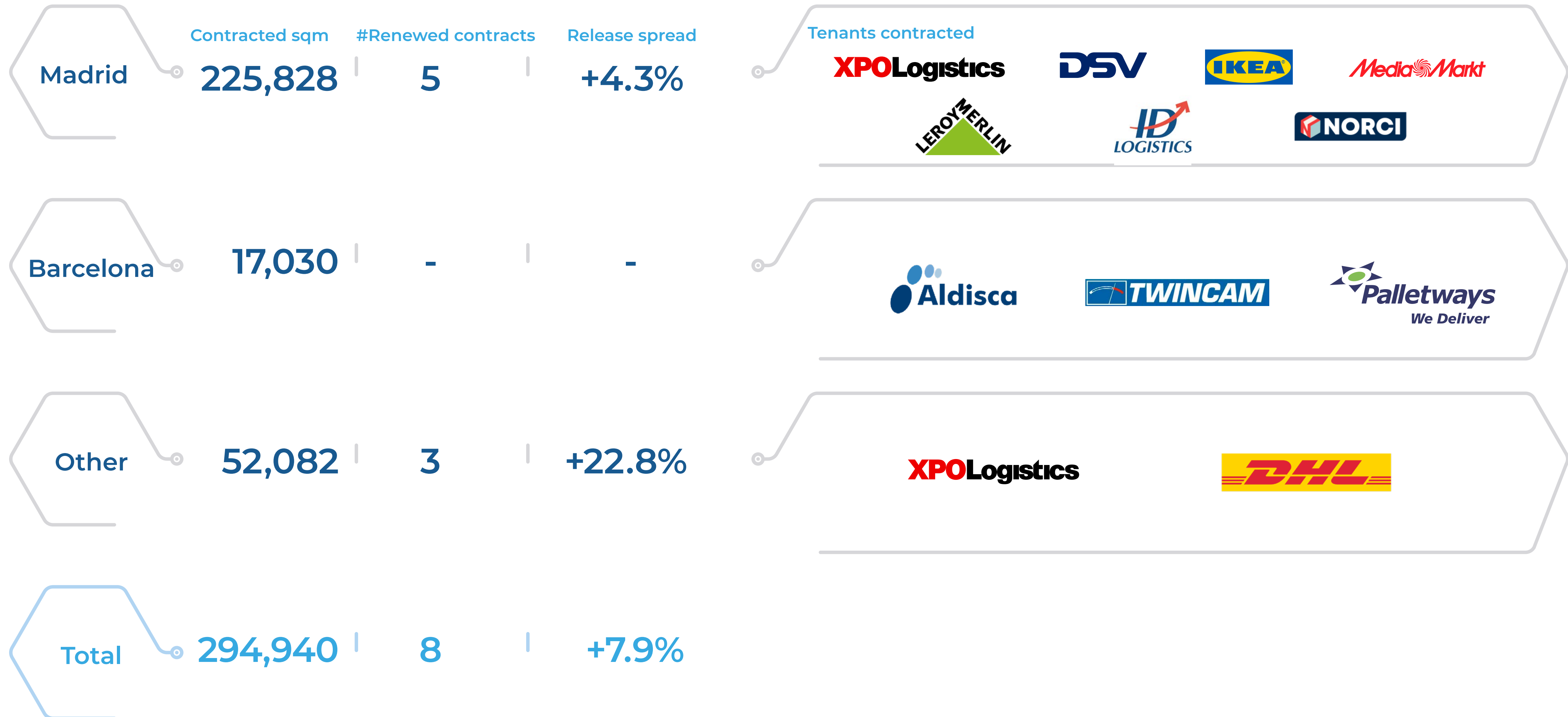
Ferreteria 22@ 222 desks



Plaza Cataluña 9 248 desks



FULL OCCUPANCY WITH OUTSTANDING ORGANIC GROWTH AND EXCELLENT LFL (+8.6%)





EXTRAORDINARY PERFORMANCE: FULL OCCUPANCY AND DOUBLE DIGIT FFO INCREASE (+14.9 YoY)



Stock  
**736,217 sqm**  
 Third parties stock  
 (ground leases)  
**183,252 sqm**  
 Stock under management  
**919,636 sqm**



Contracted sqm  
**161,163** | Release spread  
**(4.3%)** | # contracts  
**33**

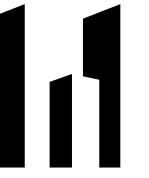
Occupancy by area  
 FY21 **91.3%** — +842 → FY22 **99.7%**

Tenants



€m	FY22	FY21	YoY
Gross rents	72.0	63.0	+14.2%
Net rents	71.3	58.2	+22.4%
EBITDA	67.2	55.7	+20.6%
FFO <sup>(1)</sup>	39.5	34.4	+14.9%

<sup>(1)</sup> After deducting leasehold concession charge



Cabanillas Park I J

Cabanillas Park II A

- **Last available landplot** in Cabanillas Park I
- **100% let** to DSV

- **First warehouse** in our Cabanillas Park II development
- **100% let** to Logista

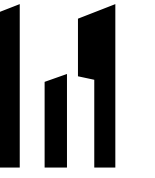
GLA  
**44,858 sqm**



GLA  
**47,403 sqm**







Cabanillas Park II B

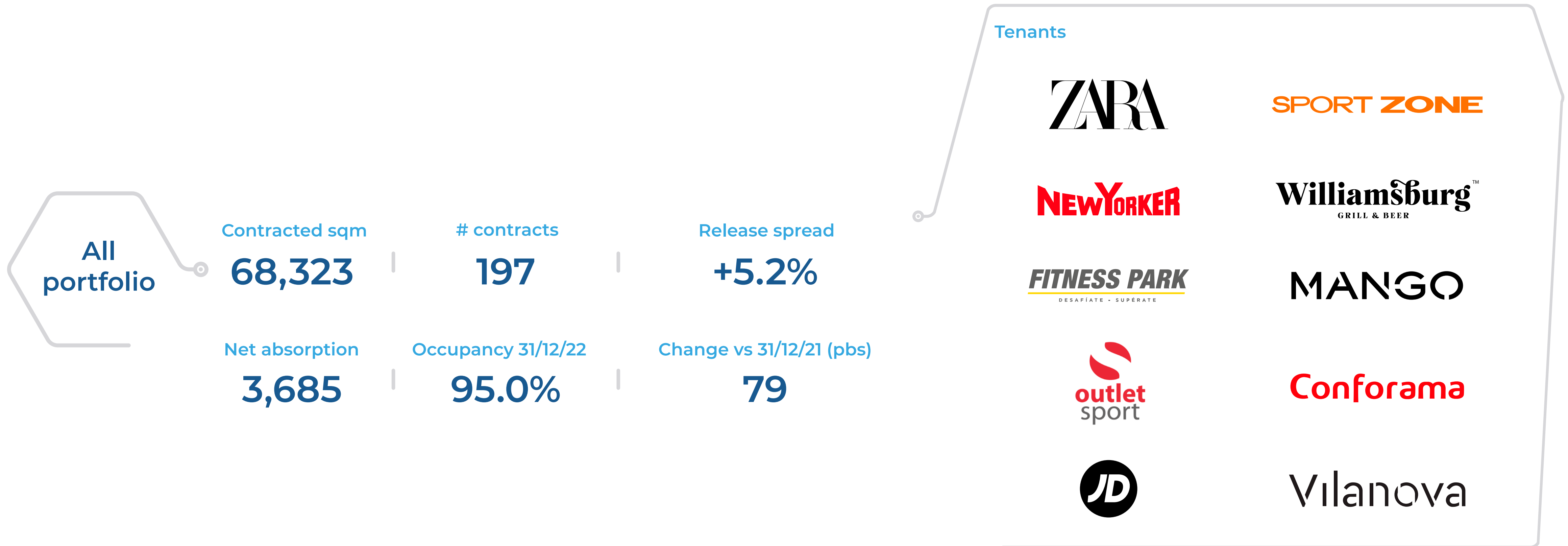


GLA  
**47,342 sqm**

Delivery  
**2H23**



RECORD OCCUPANCY LEVELS AND EFFORT RATE AT ALL-TIME LOWS (11.8%)





**15,000 sqm signed**  
with **LEADING** operators

**INDITEX**    **MANGO**

**TENDAM**  
GLOBAL FASHION RETAIL



**20% contracts signed** with  
**NEW OPERATORS** in the portfolio



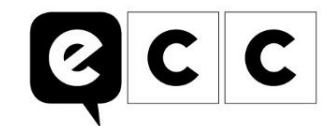
**Scotta**  
1985

HERBOLARIO  
**Navarro**

**LA PEPITA**  
BURGER BAR

**12 operators**  
signed their **2<sup>nd</sup> SHOP**

mr.  
wonderful\*



**Carl's Jr.**

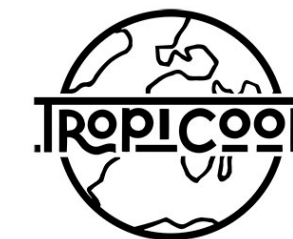
**FITNESS PARK**  
DESAFIATE - SUPERATE

**49% contracts signed**  
with operators with  
**MORE THAN 3 SHOPS** in the portfolio

**BIMBA Y LOLA**    **SCALPERS**

**RKS**    **ZARA HOME**

**19 leases with leisure**  
and **F&B OPERATORS**



**IKONO**

**PEPE TACO**  
TACOS & BIRRAS

**4,300 sqm signed**  
with **SPORT RETAILERS**

**SKECHERS**



**INTERSPORT**



# LANZADERA



4 winners to develop a pilot in our Shopping Centers

LAMASMONA (Arturo Soria Plaza)

gus (Larios)

kraft & walkers

wipass (Arenas de Barcelona)



Best Shopping Center in Spain



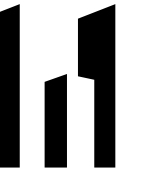
Best large Marketing campaign Best small Marketing campaign



Best Sustainability initiative award



Best independent business integrated in a Shopping Center (X-Madrid)



**Carrier-neutral**  
with connection to  
multiple providers

**99.9999%**

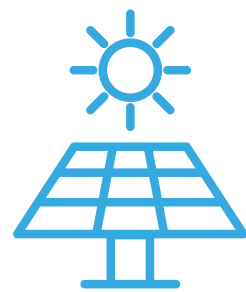
Estimated **“six nines”**  
of availability



Built-in resiliency with  
**advanced microgrid**  
capability with two  
hours of on-site  
battery storage



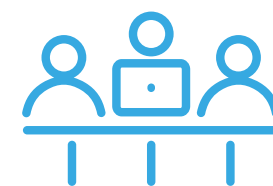
Leading **energy efficiency** with  
1.15 annualized PUE



**100% renewable**  
energy for carbon  
neutral operations



**Zero water cooling**  
(WUE of 0 liters/kWh)  
estimated to save 23  
million liters of water  
per MW of critical load  
compared with the  
global average of  
1.8 WUE



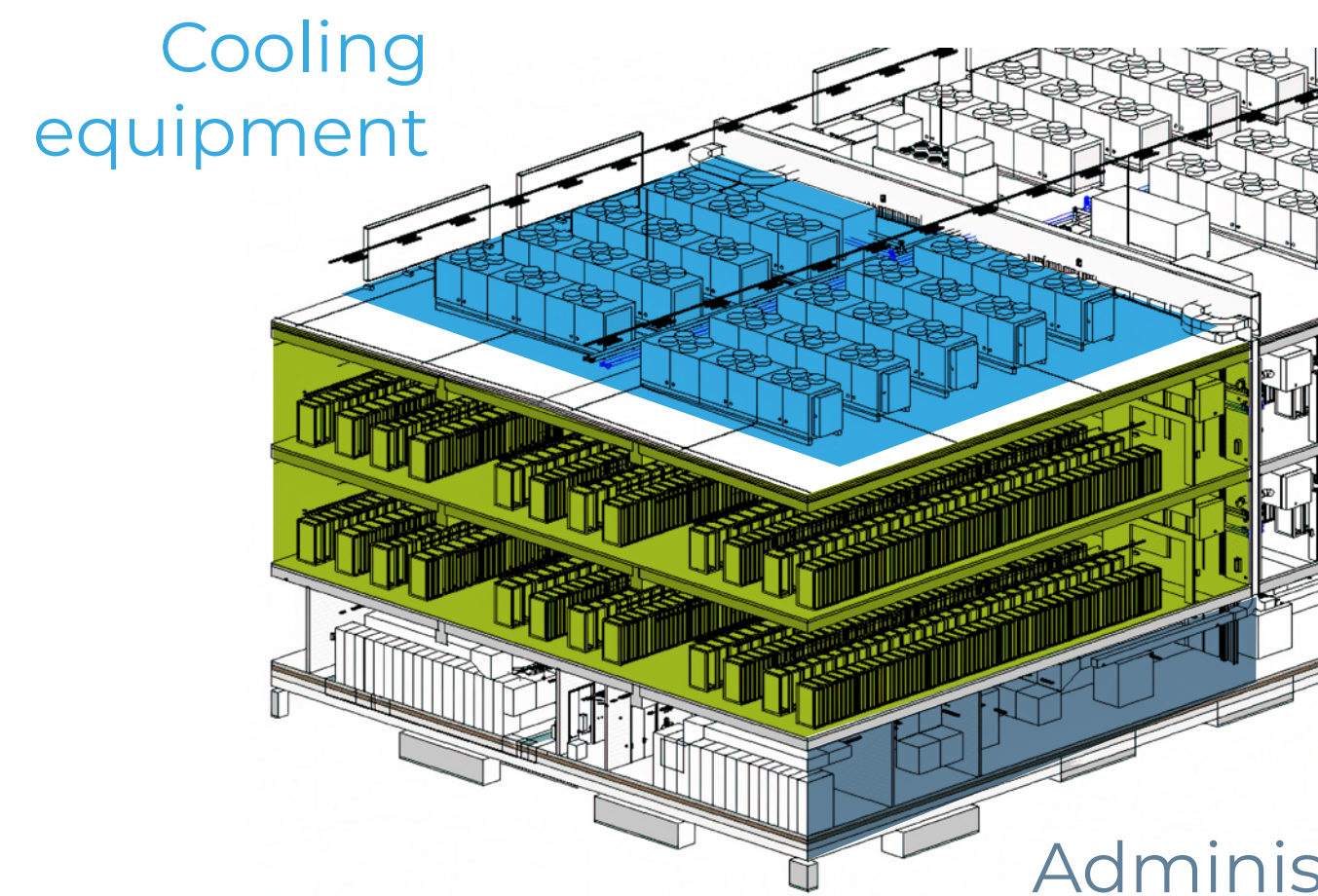
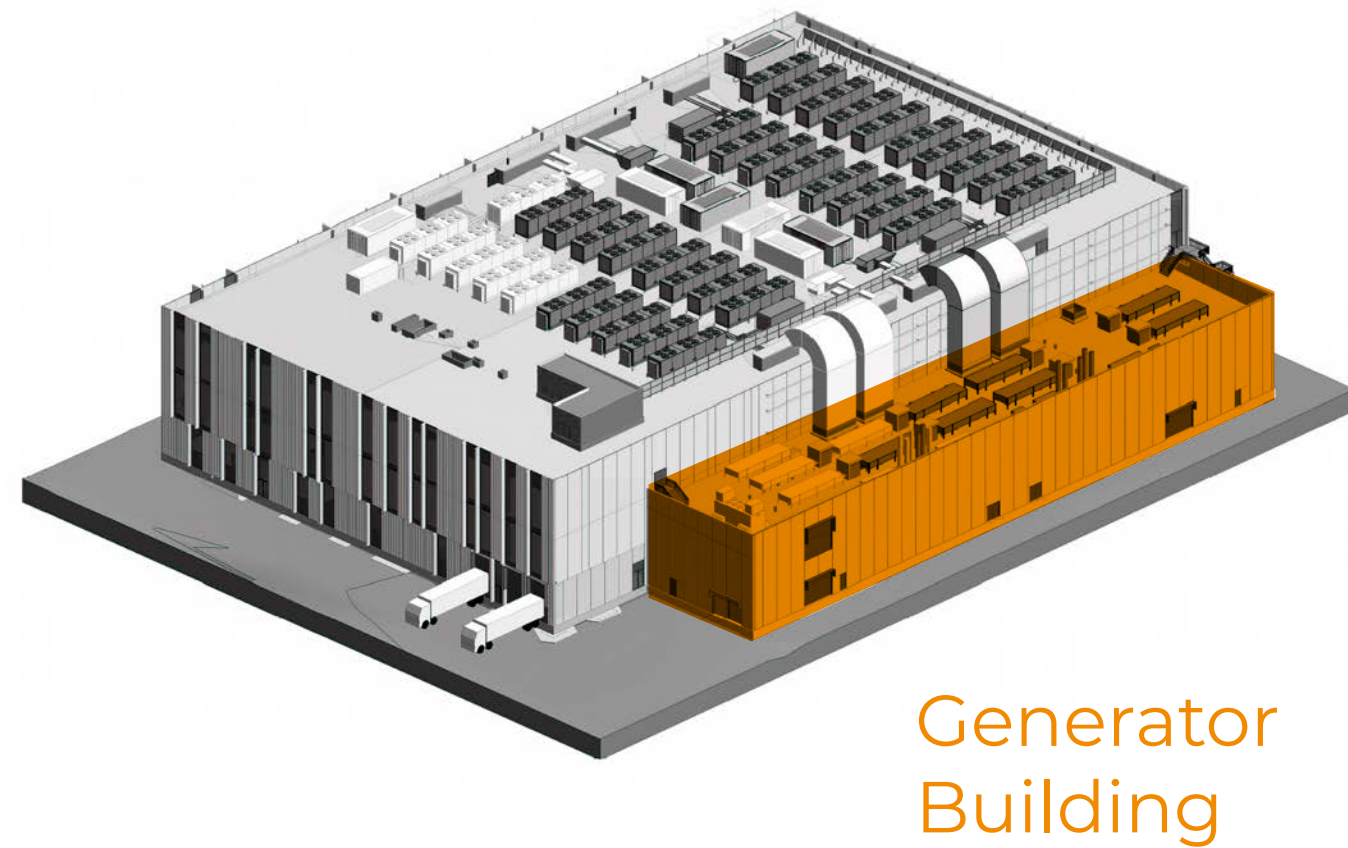
Continuous systems  
monitoring and  
secure **DCIM controls**  
**platform** covering all  
mechanical and power  
systems



Densities up to  
**40 kW per cabinet**  
provide flexibility to  
accommodate rapidly  
evolving business needs

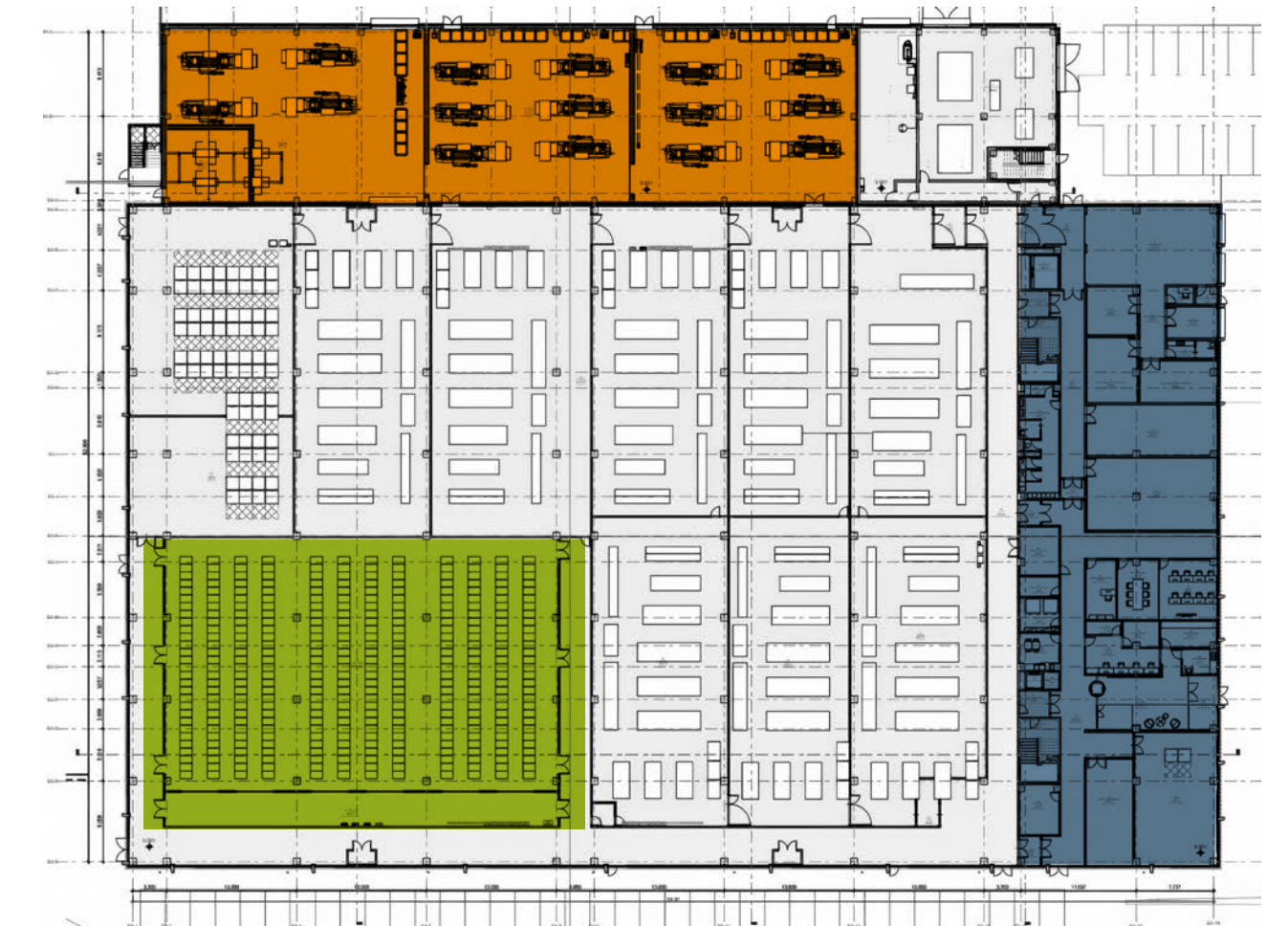


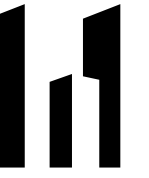
### MAIN SPACES



Generator Building

Data Halls





### Bilbao-Arasur

### Madrid - Getafe

### Barcelona - PLZF

1<sup>st</sup> module MW

3

3

3

Status

Construction nearing completion

Works on track

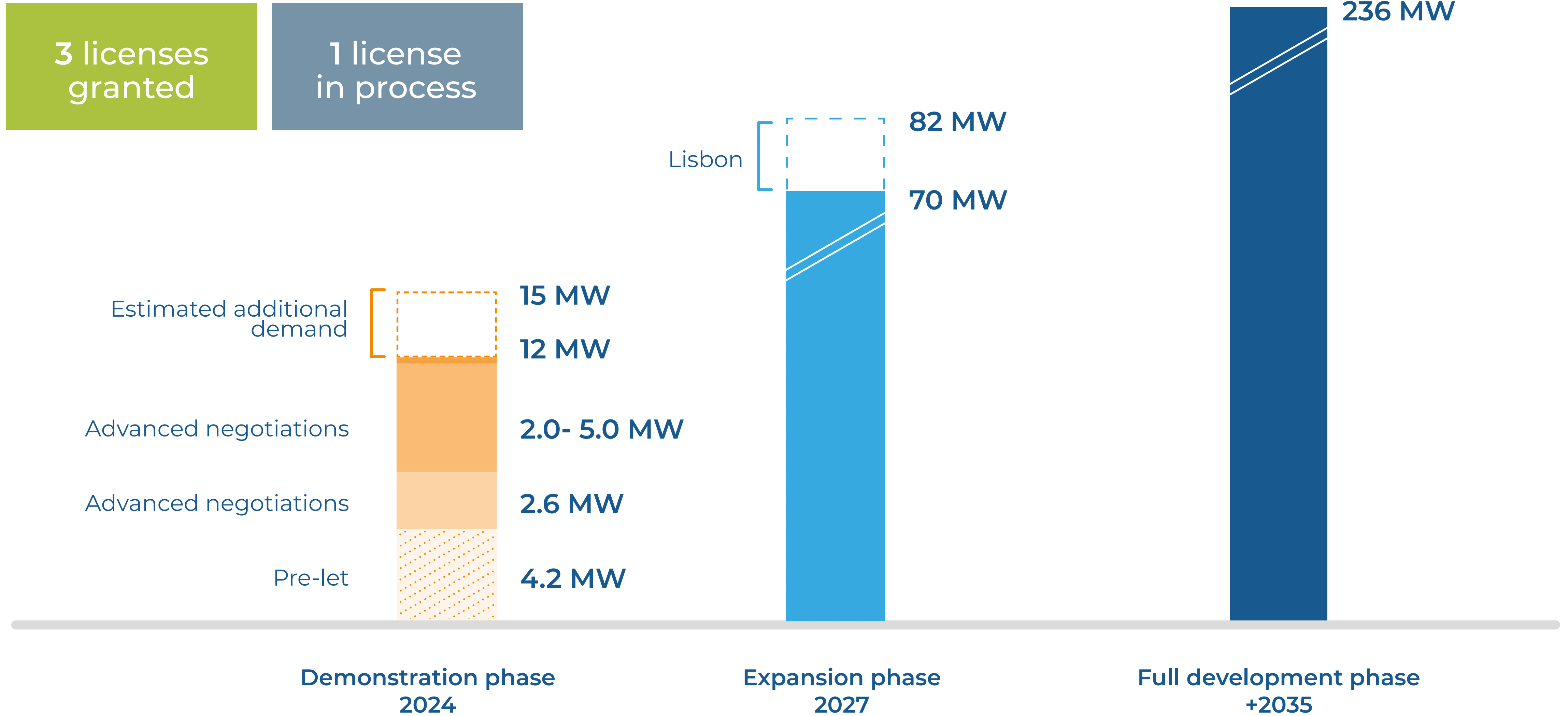
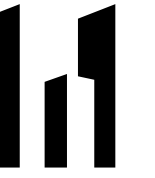
Works on track

Delivery

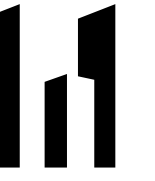
3Q

4Q

4Q









INTENSE YEAR IN TERMS OF ESG INITIATIVES



4 main milestones achieved this year

Launch and implementation of our **Pathway to Net Zero**

- 1. **Reducing** operational carbon (scope 1+2)
- 2. **Reducing** embodied carbon (offices & logistics developments)
- 3. **Reducing** scope 3 emissions
- 4. **Offsetting** unavoidable emissions

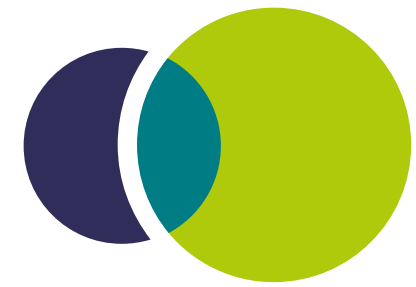
**Continued certification program** in all three asset classes

**+10.9 MW** of PV capacity installed in the year

Successful requalification of all our **outstanding bonds into green**

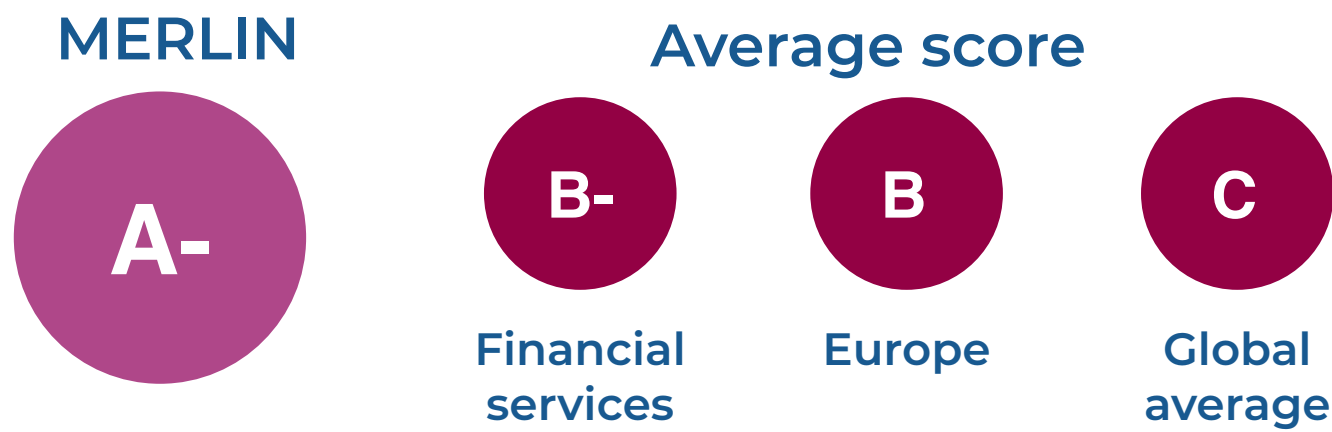


OUTSTANDING YEAR IN TERMS OF SCORINGS AND ACCOLADES



Dow Jones Sustainability Indexes

Inclusion for 2<sup>nd</sup> year in a row



7.2 Top 1% (negligible risk)



G R E S B

79% Average peers: 68%



70% Average sector: 21%



#1 IBEX-35



## CHALLENGES

- **Economic cycle:**
  - **Offices:** maintain occupancy in 1H23  
Light contraction expected in 2H23
  - **Logistics:** full occupancy
  - **Shopping Centers:**  
improve occupancy in 2023

## TARGETS

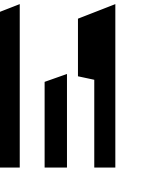
- **Deliveries:**
  - **Plaza Ruiz Picasso 11:** 37,000 sqm in 4Q23
  - **Cabanillas Park II B:** 47,000 sqm in 2H23
  - **3 data centers:** Madrid-Getafe  
/ Bilbao-Arasur / Barcelona-PLZF
- **To begin:**
  - Construction of **Lisbon Data Center (24MW)**
  - Construction of **180,000 sqm of turn-key logistics projects** to be delivered by 2H24





# BOARD OF DIRECTORS COMPOSITION

Agenda items | 5 |




## 4 OUT OF THE 13 DIRECTORS ARE UP FOR THE REELECTION

### 4 Proprietary

### 2 Executive

### 7 Independent

  <p><b>Javier García Carranza</b> Non-executive Chairman</p> <p>●</p>	  <p><b>Francisca Ortega</b> Proprietary Director</p> <p>● ●</p>	  <p><b>Ismael Clemente</b> CEO &amp; Executive Vice-Chairman</p> <p>●</p>	 <p><b>María Luisa Jordá</b> Independent Director</p> <p>● ●</p>	 <p><b>Ana García Fau</b> Independent Director</p> <p>● ● ●</p>	 <p><b>Emilio Novela</b> Independent Director Lead Independent Director</p> <p>● ●</p>	 <p><b>Juan María Aguirre</b> Independent Director</p> <p>● ●</p>
  <p><b>Ignacio Gil-Casares</b> Proprietary Director</p> <p>●</p>	  <p><b>Ana Forner</b> Proprietary Director</p> <p>● ●</p>	  <p><b>Miguel Ollero</b> Executive Director (COO)</p> <p>●</p>	 <p><b>Fernando Ortiz</b> Independent Director</p> <p>●</p>	 <p><b>Donald Johnston II</b> Independent Director</p> <p>●</p>		 <p><b>Pilar Cavero</b> Independent Director</p> <p>● ●</p>

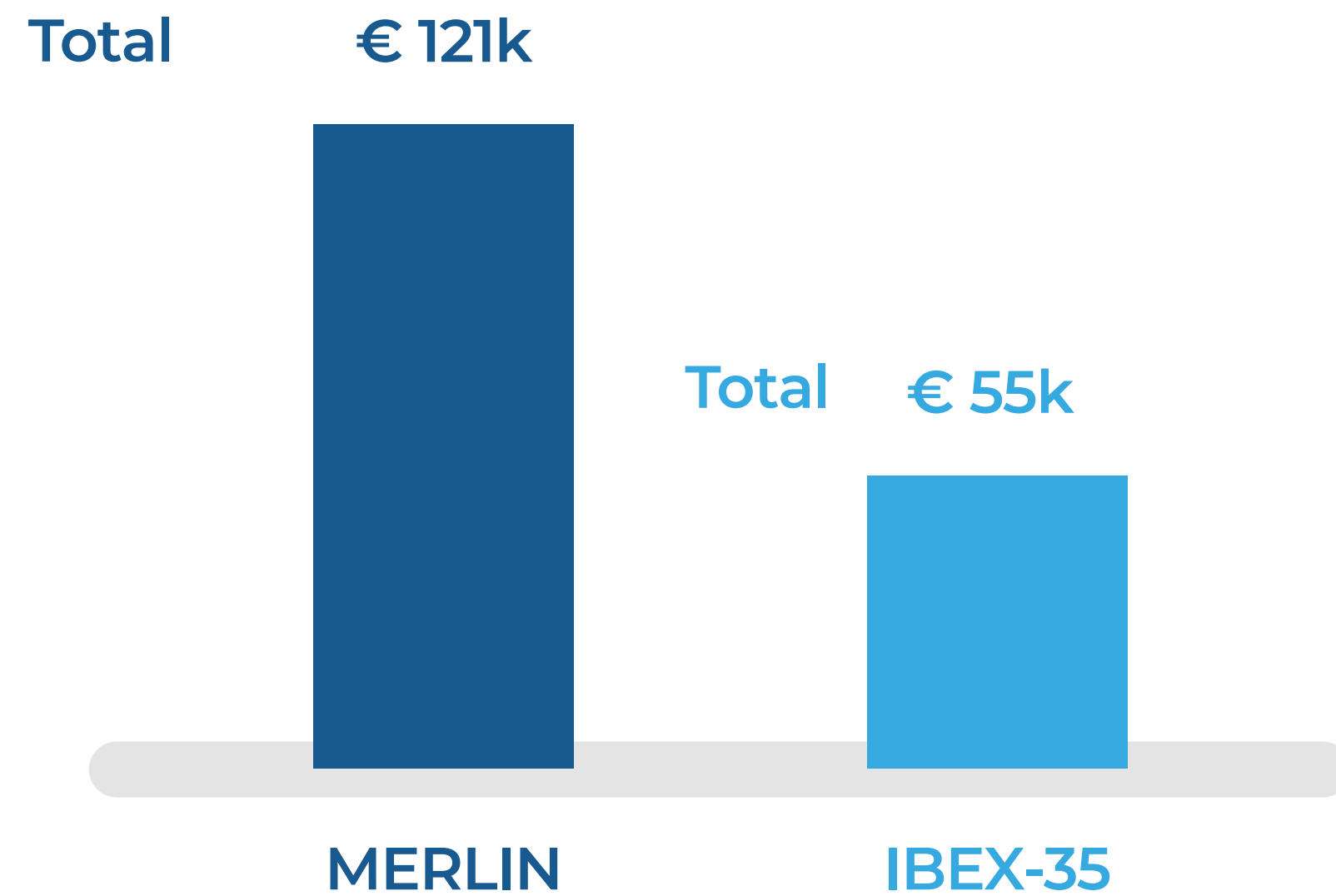


# CONSULTATIVE ASSESSMENT OF THE THE ANNUAL **REMUNERATION** REPORT

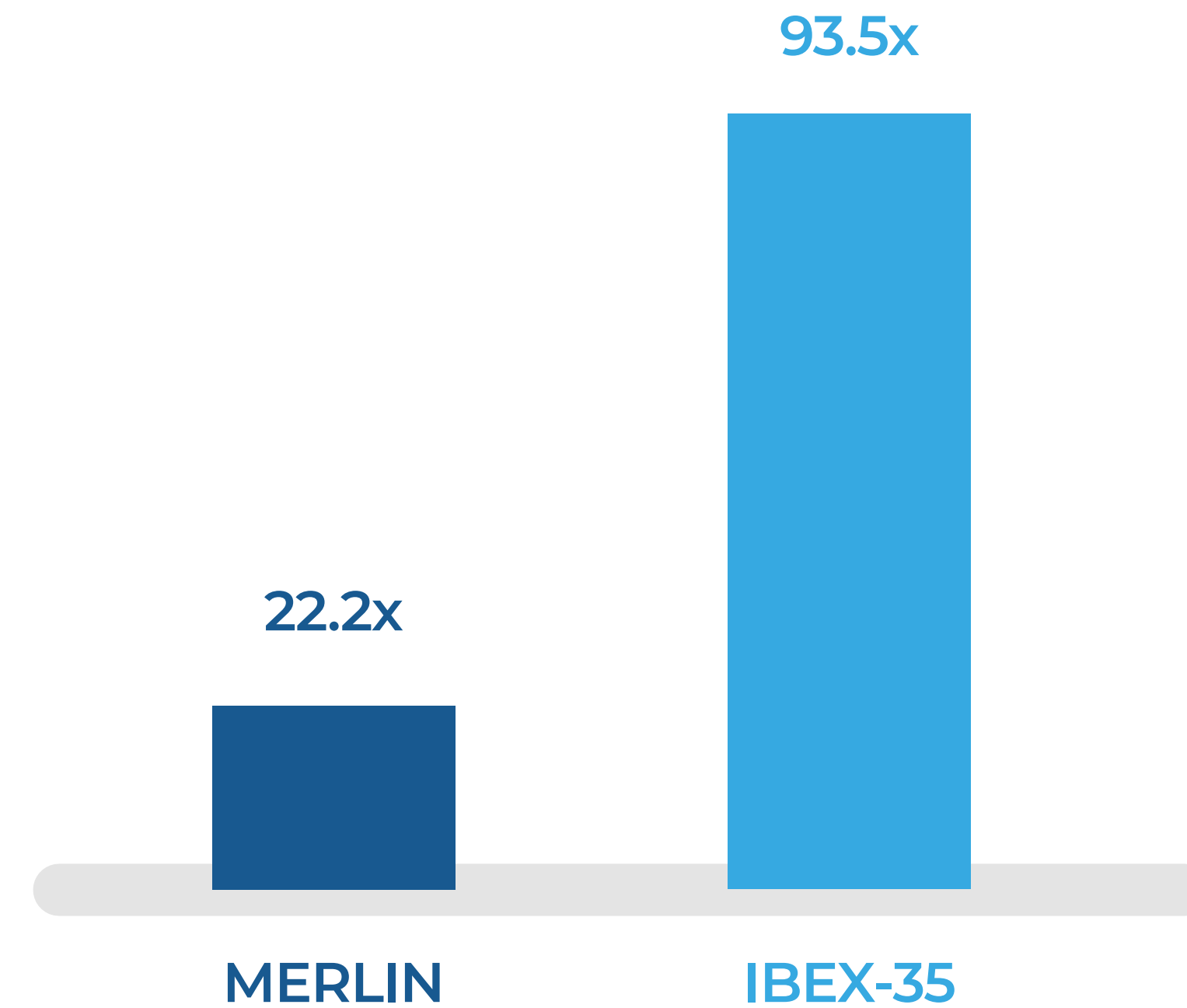
Agenda items | 6 |



Average salary per employee in 2022  
(excluding the 2 executive Directors)



Salary gap  
First executive / Average employee



One of the highest average salary among IBEX-35

Variable compensation represents **52%** of total compensation

All employees receive a bonus in cash





# CAPITAL EVENTS AND OTHERS

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STANDARD **AUTHORIZATIONS** FOR AN EFFICIENT MANAGEMENT OF THE COMPANY

Re-election of **Deloitte** as **auditor** of Company and consolidated financial statements for 2023 and appointment of **PWC** as **auditor** of Company and consolidated financial statements for 2024, 2025 and 2026

**#4 Auditor**

**Undertake capital increases** over a 5-year period, by means of cash transactions

**#7 Capital increases**

**Authorization** for the acquisition of **treasury stock** for a **5-year period**

**#8 Share buy-back**

**Authorization to issue securities** for **5 years**  
**Fixed income: € 6,000 m**  
**Convertibles: € 1,000 m**  
**Commercial paper: € 750 m**

**#9 Securities issuance**

**Amendment** of the **bylaws**


**#10 Bylaws**

**Reduction to 15 days** of the notice period for convening extraordinary general shareholders' meetings

**#11 Announcement**

**Delegating faculties** to the board of directors

**#12 Delegation**



# 2023 ANNUAL GENERAL SHAREHOLDERS MEETING

MADRID, 27 APRIL 2023

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 **MERLIN**  
PROPERTIES