# Merlin Properties SOCIMI, S.A. and subsidiaries

Report on limited review
Condensed consolidated interim financial statements
for the six-month period ended June 30, 2024
Consolidated interim management report

***This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.***

# Report on limited review of condensed consolidated interim financial statements

To the shareholders of Merlin Properties SOCIMI, S.A.

## Introduction

We have performed a limited review of the accompanying condensed consolidated interim financial statements (hereinafter, the interim financial statements) of Merlin Properties SOCIMI, S.A. (hereinafter, the Parent company) and its subsidiaries (hereinafter, the Group), which comprise the statement of financial position as at 30 June 2024, and the income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and related notes, all condensed and consolidated, for the seis-month period then ended. The Parent company's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of condensed interim financial statements, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

## Scope of review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation governing the audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

## Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the seis-month period ended 30 June 2024 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, as provided in Article 12 of Royal Decree 1362/2007, for the preparation of condensed interim financial statements.

## Emphasis of matter

We draw attention to the accompanying note 2.1, in which it is mentioned that these interim financial statements do not include all the information required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and therefore the accompanying interim financial statements should be read together with the consolidated annual accounts of the Group for the year ended 31 December 2023. Our conclusion is not modified in respect of this matter.

## Other matters

### *Consolidated interim management report*

The accompanying consolidated interim management report for the seis-month period ended 30 June 2024 contains the explanations which the Parent company's directors consider appropriate regarding the principal events of this period and their impact on the interim financial statements presented, of which it does not form part, as well as the information required under the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in this management report is in agreement with that of the interim financial statements for the seis-month period ended 30 June 2024. Our work as auditors is limited to checking the consolidated interim management report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from Merlin Properties SOCIMI, S.A. and its subsidiaries' accounting records.

### *Preparation of this review report*

This report has been prepared at the request of la dirección in relation to the publication of the half-yearly financial report required by Article 100 of Law 6/2023, of March 17, on Securities Markets and Investment Services.

PricewaterhouseCoopers Auditores, S.L.

Rafael Pérez Guerra

19 July 2024

# Merlin Properties SOCIMI, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2024 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union

# MERLIN PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

(Thousands of Euros)

| ASSETS | Notes to the ancial statemer | 30-06-2024 | 31-12-2023 | EQUITY AND LIABILITIES | Notes to the nancial statemen | 30-06-2024 | 31-12-2023 |
|---|---|---|---|---|---|---|---|
| NON-CURRENT ASSETS: | | | | EQUITY: | Note 9 | | |
| Other intangible assets | Note 5 | 1,304 | 1,570 | Share capital | | 469,771 | 469,771 |
| Property, plant and equipment | Note 5 | 10,204 | 7,142 | Share premium | | 3,432,874 | 3,541,379 |
| Investment property | Note 6 | 10,743,870 | 10,639,763 | Reserves | | 2,549,586 | 2,729,403 |
| Investments accounted for using the equity method | Note 7 | 535,977 | 537,288 | Other shareholder contributions | | 540 | 540 |
| Non-current financial assets- | Note 8 | 232,396 | 202,109 | Valuation adjustments | | 9,983 | (9,475) |
| Derivatives | | 13,524 | 3,429 | Treasury shares | | (14,407) | (15,410) |
| Other financial assets | | 218,872 | 198,680 | Interim dividend | | - | (93,673) |
| Deferred tax assets | | 65,583 | 77,573 | Profit/(Loss) for the year attributable to the Parent | | 132,768 | (83,497) |
| Total non-current assets | | 11,589,334 | 11,465,445 | Equity attributable to the Parent | | 6,581,115 | 6,539,038 |
| | | | | NON-CURRENT LIABILITIES: | | | |
| | | | | Debt instruments and other marketable securities | Note 10 | 2,778,656 | 3,283,337 |
| | | | | Long-term bank borrowings | Note 10 | 1,484,254 | 1,223,731 |
| | | | | Other financial liabilities | Note 11 | 173,995 | 171,262 |
| | | | | Deferred tax liabilities | Note 11 | 613,396 | 613,190 |
| | | | | Provisions | Note 11 | 17,259 | 20,181 |
| | | | | Total non-current liabilities | | 5,067,560 | 5,311,701 |
| | | | | CURRENT LIABILITIES: | | | |
| CURRENT ASSETS: | | | | Debt instruments and other marketable securities | Note 10 | 635,923 | 20,966 |
| Inventories | | 51,342 | 50,976 | Bank borrowings | Note 10 | 3,973 | 4,528 |
| Trade and other receivables | Note 8 | 61,842 | 62,598 | Other current financial liabilities | Note 11 | 4,851 | 7,369 |
| Other current financial assets | Note 8 | 5,154 | 4,990 | Trade and other payables | Note 12 | 123,492 | 164,008 |
| Other current assets | | 19,470 | 20,179 | Current income tax liabilities | | 10,374 | 7,591 |
| Cash and cash equivalents | | 725,333 | 461,223 | Other current liabilities | Note 11 | 25,187 | 10,210 |
| Total current assets | | 863,141 | 599,966 | Total current liabilities | | 803,800 | 214,672 |
| TOTAL ASSETS | | 12,452,475 | 12,065,411 | TOTAL EQUITY AND LIABILITIES | | 12,452,475 | 12,065,411 |

The accompanying explanatory Notes 1 to 16 are an integral part of the condensed consolidated statement of financial position at 30 June 2024.

## MERLIN PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES

**CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT**
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**
(Thousands of Euros)

| | Notes to the financial statements | 30-06-2024 | 30-06-2023 |
|---|---|---|---|
| **CONTINUING OPERATIONS:** | | | |
| Revenue | Notes 4 y 13.a | 242,640 | 229,521 |
| Other operating income | | 2,481 | 2,201 |
| Staff costs | Note 13.c | (17,886) | (18,549) |
| Other operating expenses | Note 13.b | (45,986) | (33,457) |
| Profit/(loss) on disposal of non-current assets | Note 6 | 409 | (7,188) |
| Depreciation and amortisation charge | Note 5 | (1,373) | (1,003) |
| Allocation to profit or loss of grants related to non-financial non-current assets and other grants | | 26 | 14 |
| Provisions | Note 11 | (2,838) | 94 |
| Changes in fair value of investment properties | Note 6 | 6,253 | (198,477) |
| PROFIT/(LOSS) FROM OPERATIONS | | 183,726 | (26,844) |
| Changes in fair value of financial instruments | | 775 | (1,327) |
| Finance income | Note 13.d | 12,636 | 5,523 |
| Finance expenses | Note 13.d | (63,897) | (57,338) |
| Profit/(loss) on disposal of financial instruments | | 11 | - |
| Share of results of companies accounted for using the equity method | Note 7 | 2,856 | 40,930 |
| Exchange rate differences | | - | 107 |
| PROFIT/(LOSS) BEFORE TAX | | 136,107 | (38,949) |
| Income tax | | (3,339) | (8,579) |
| PROFIT/(LOSS) FOR THE YEAR | | 132,768 | (47,528) |
| Attributable to shareholders of the Parent | | 132,768 | (47,528) |
| Attributable to minority interests | | - | - |
| EARNINGS PER SHARE FROM CONTINUING OPERATIONS (in euros) | | | |
| Basic | Note 9.5 | 0.28 | (0.10) |
| Diluted | | 0.28 | (0.10) |

The accompanying explanatory Notes 1 to 16 are an integral part of the condensed consolidated income statement for the six-month period ended 30 June 2024.

## MERLIN PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**
(Thousands of Euros)

| | Notes to the financial statements | 30-06-2024 | 30-06-2023 |
|---|---|---|---|
| PROFIT/(LOSS) PER INCOME STATEMENT | | 132,768 | (47,528) |
| OTHER COMPREHENSIVE INCOME: | | | |
| Income and expense recognised directly in equity- | | | |
| Cash flow hedges | Note 9.6 | 26,062 | 3,256 |
| OTHER COMPREHENSIVE INCOME RECOGNISED DIRECTLY IN EQUITY | | 26,062 | 3,256 |
| Transfers to income statement | | | |
| Hedging instruments | | (6,604) | (673) |
| TOTAL TRANSFERS TO INCOME STATEMENT | Note 9.6 | (6,604) | (673) |
| TOTAL COMPREHENSIVE INCOME | | 152,226 | (44,945) |
| Attributable to shareholders of the Parent | | 152,226 | (44,945) |
| Attributable to minority interests | | - | - |

The accompanying explanatory Notes 1 to 16 are an integral part of the condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2024.

# MERLIN PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
## FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
(Thousands of Euros)

| | Share Capital | Share Premium | Reserves | Shareholder contributions | Profit/(Loss) for the year | Interim dividends | Valuation Adjustments | Treasury shares | Equity attributable to the Parent | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 31 December 2022** | **469,771** | **3,541,379** | **3,023,630** | **540** | **263,087** | **(444,815)** | **12,798** | **(17,166)** | **6,849,224** | **6,849,224** |
| Consolidated comprehensive income | - | - | - | - | (47,528) | - | 2,583 | - | (44,945) | **(44,945)** |
| Distribution of profit for 2022 (Note 9) | - | - | (181,728) | - | (263,087) | 444,815 | - | - | - | **-** |
| Transactions with shareholders or owners: | | | | | | | | | - | **-** |
| Distribution of dividends (Note 9) | - | - | (113,350) | - | - | - | - | - | (113,350) | **(113,350)** |
| Acquisition / (disposal) of treasury shares | - | - | (106) | - | - | - | - | 42 | (64) | **(64)** |
| Share-based payments | - | - | 1,402 | - | - | - | - | - | 1,402 | **1,402** |
| Delivery of share distribution scheme | - | - | (371) | - | - | - | - | 1,338 | 967 | **967** |
| **Balance at 30 June 2023** | **469,771** | **3,541,379** | **2,729,477** | **540** | **(47,528)** | **-** | **15,381** | **(15,786)** | **6,693,234** | **6,693,234** |
| **Balance at 31 December 2023** | **469,771** | **3,541,379** | **2,729,403** | **540** | **(83,497)** | **(93,673)** | **(9,475)** | **(15,410)** | **6,539,038** | **6,539,038** |
| Consolidated comprehensive income | - | - | - | - | 132,768 | - | 19,458 | - | 152,226 | **152,226** |
| Distribution of profit for 2023 (Note 9) | - | - | (177,170) | - | 83,497 | 93,673 | - | - | - | **-** |
| Transactions with shareholders or owners: | | | | | | | | | | |
| Distribution of dividends (Note 9) | - | (108,505) | (3,937) | - | - | - | - | - | (112,442) | **(112,442)** |
| Acquisition / (disposal) of treasury shares | - | - | (16) | - | - | - | - | (16) | (32) | **(32)** |
| Share-based payments | - | - | 1,402 | - | - | - | - | - | 1,402 | **1,402** |
| Delivery of share distribution scheme | - | - | (96) | - | - | - | - | 1,019 | 923 | **923** |
| **Balances at 30 June 2024** | **469,771** | **3,432,874** | **2,549,586** | **540** | **132,768** | **-** | **9,983** | **(14,407)** | **6,581,115** | **6,581,115** |

The accompanying explanatory Notes 1 to 16 are an integral part of the condensed consolidated statement of changes in equity at 30 June 2024.

MERLIN PROPERTIES SOCIMI, S.A. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
## FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(Thousands of Euros)

| CONTINUING OPERATIONS | Notes to the financial statements | 30-06-2024 | 30-06-2023 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | **125,643** | **132,182** |
| **Profit for the year before tax** | | **136,107** | **(38,949)** |
| **Adjustments for-** | | **46,544** | **220,067** |
| Depreciation and amortisation charge | **Note 5** | 1,373 | 1,003 |
| Change in fair value of investment property | **Note 6** | (6,253) | 198,477 |
| Changes in operating provisions | | - | - |
| Allocation to profit or loss of grants related to non-financial non-current assets and other grants | | (26) | (14) |
| Changes in provisions for contingencies and charges | | 2,838 | (94) |
| Profit/(Loss) on derecognition and disposal of non-current assets | **Note 3** | (409) | 7,188 |
| Finance income | **Note 13** | (12,636) | (5,523) |
| Finance expenses | **Note 13** | 63,897 | 57,338 |
| Changes in fair value of financial instruments | **Note 8** | (775) | 1,327 |
| Impairment and result on disposal of financial instruments | | (11) | - |
| Share of results of investments accounted for using the equity method | **Note 7** | (2,856) | (40,930) |
| Exchange rate differences | | - | (107) |
| Other adjustments to profit or loss | | 1,402 | 1,402 |
| **Changes in working capital-** | | **(30,399)** | **(12,799)** |
| Inventories | | (366) | (2,158) |
| Accounts receivable | **Note 8** | 756 | 5,006 |
| Other financial assets | | (2,447) | (3,808) |
| Other current assets and liabilities | **Note 8** | - | - |
| Accounts payable | **Note 12** | (40,516) | (20,182) |
| Other assets and liabilities | | 12,174 | 8,343 |
| **Other cash flows from operating activities-** | | **(26,609)** | **(36,137)** |
| Interest paid | | (50,044) | (42,416) |
| Interest received | | 11,689 | 5,358 |
| Income tax recovered/(paid) | | 11,746 | 921 |
| **CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES:** | | **(115,370)** | **(152,665)** |
| **Payments due to investments-** | | **(118,780)** | **(185,516)** |
| Net cash flow from business acquisitions | | - | - |
| Investment property | **Note 6** | (101,145) | (179,408) |
| Intangible assets and property, plant and equipment | | (5,362) | (772) |
| Contributions to associates and other non-current investments | | (12,273) | (5,336) |
| **Proceeds from disposals-** | | **3,410** | **32,851** |
| Financial assets | | - | - |
| Investment property | | 3,410 | 32,851 |
| Property, plant and equipment | | - | - |
| Other disposals | | - | - |
| **CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:** | | **253,837** | **(200,034)** |
| **Proceeds and payments relating to equity instruments-** | | **(106,552)** | **(113,348)** |
| Premium refund | **Note 9.2 y 9.3** | (108,505) | - |
| Dividends paid | **Note 9.3** | (3,937) | (113,350) |
| Dividends Paid/ Premium refunds from subsidiaries | | 5,922 | 66 |
| Issue of equity instruments | **Note 9.4** | (32) | (64) |
| **Proceeds and payments relating to financial liabilities-** | | **360,389** | **(86,686)** |
| Debt issuance with credit institutions | | 282,875 | 656,929 |
| Repayment of bank borrowings | **Note 10.1** | (12,661) | (829) |
| Issue/(Redemption) of debt instruments | **Note 10.2** | 92,025 | (742,786) |
| Other amounts received (paid) from financing activities | **Note 10.5** | (1,849) | - |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | | **264,110** | **(220,517)** |
| **Cash and cash equivalents at beginning of period** | | **461,223** | **429,449** |
| **Cash and cash equivalents at end of period** | | **725,333** | **208,932** |

The accompanying explanatory Notes 1 to 16 are an integral part of the condensed consolidated statement of cash flows

## Merlin Properties SOCIMI, S.A. and Subsidiaries

Explanatory notes for the Interim Condensed Consolidated Financial Statements for the six-month period ending 30 June 2024

### 1. Nature, activity and composition of the Group

Merlin Properties SOCIMI, S.A. (hereinafter, the "Parent") was incorporated in Spain on 25 March 2014 under the Corporate Enterprises Act. On 22 May 2014, it was requested the inclusion of the Parent in the tax regime for real estate investment trusts (SOCIMIs), effective from 25 March 2014 (date of incorporation of the Parent).

On 27 February 2017, the Parent changed its registered office from Paseo de la Castellana 42 to Paseo de la Castellana 257, Madrid.

The Parent's corporate purpose, as set out in its bylaws, is as follows:

- the acquisition and development of urban real estate for subsequent leasing, including the refurbishment of buildings as per the Value Added Tax Law 37/1992, of 28 December;

- the holding of equity stakes in other SOCIMIs or in other non-resident entities in Spain with the same corporate purpose as the aforesaid and that operate under a similar regime as that established for SOCIMIs vis-à-vis the mandatory, legal or bylaw policy on the appropriation of results;

- the holding of equity stakes in other resident or non-resident entities in Spain whose corporate purpose is to acquire urban real estate for subsequent leasing, and which operate under the same regime as that established for SOCIMIs vis-à-vis the mandatory, legal or bylaw policy on the appropriation of results, and which fulfil the investment requirements stipulated for these companies; and

- the holding of shares or equity stakes in collective real estate investment institutions regulated by the Collective Investment Institution Law 35/2003, of 4 November, or any law that may replace this in the future.

In addition to the economic activity relating to the main corporate purpose, the Parent may also carry on any other ancillary activities, i.e., those that generate income, which in total represents less than 20% of its income in each tax period, or those that may be considered ancillary activities under the legislation applicable at any time.

The activities included in the Parent's corporate purpose may be indirectly carried on, either wholly or in part, through the ownership of shares or equity stakes in companies with similar or identical corporate purposes.

None of the activities reserved for other entities under special legislation cannot be directly (or where applicable, indirectly) performed. If the law prescribes the need for a professional qualification, administrative authorisation, entry in a public register, or any other requirement for the purpose of exercising any of the activities within the corporate purpose, no such activity can be exercised until all the applicable professional or administrative requirements have been met.

Merlin Properties SOCIMI, S.A. and Subsidiaries ("the Group") engage mainly in the acquisition and management (through leasing to third parties) of offices, buildings, and shopping centers, and may also invest to a lesser extent in other assets for lease.

On 30 June 2014, the Parent Company was floated on the Spanish stock market through the issuance of EUR 125,000 thousand shares, with a share premium of EUR 1,125,000 thousand. Merlin Properties SOCIMI, S.A.'s shares/securities have been listed on the electronic trading system of the Spanish stock exchanges since 30 June 2014.

On 15 January 2020, the Parent's shares were listed on Euronext Lisbon under a dual listing.

The Parent and the majority of its subsidiaries are governed by Spanish Law 11/2009, of 26 October, as amended by Spanish Law 16/2012, of 27 December, regulating SOCIMIs (*Ley 16/2012, de 27 de diciembre, por la que se* *regulan las Sociedades Anonimas Cotizadas de Inversión en el Mercado Inmobiliario*). Article 3 of said Law sets out the investment requirements for these types of companies, namely:

1. At least 80% of a SOCIMI's assets must be invested in urban real estate for leasing purposes and/or in land to be developed for leasing purposes provided such development starts within three years of acquisition, along with investments in the capital or equity of other entities referred to in Section 1, Article 2 of the Law.

   The value of the assets will be determined according to the average of the individual balance sheets for each quarter of the year, whereby the SOCIMI may opt to calculate such value by taking into account the market value of the assets included in such balance sheets instead of their carrying amount, in which case that value would apply to all balance sheets for the year. For these purposes, the money and collection rights arising from the disposal of these properties or shareholdings, if applicable, during the same year or previous years will not be calculated, provided that, in this last case, the reinvestment period referred to in Article 6 of this Law has not elapsed.

2. Similarly, at least 80% of the income for the tax period corresponding to each year, excluding the income arising from the transfer of the ownership interests and the properties used to achieve its main corporate purpose, once the holding period referred to below has elapsed, should come from the lease of properties and from dividends or shares in profits arising from these investments.

   This percentage will be calculated on the basis of the consolidated profit or loss if the company is the parent of a group as per the criteria of Article 42 of the Code of Commerce, irrespective of residence and of the obligation to draw up consolidated financial statements. That group will be exclusively composed of the SOCIMI and all the other entities referred to in Section 1, Article 2 of said Law.

3. The SOCIMI's real estate assets must be leased for at least three years. The time that the properties have been offered for lease, up to a maximum of one year, will be included for the purposes of this calculation.

   This period will be calculated:

   a. For real estate in the SOCIMI's asset base before the SOCIMI becomes subject to the regime: From the beginning of the first tax period during which the special tax regime applies as regulated by the Law, provided that at the time the asset was leased or on lease. Otherwise, the paragraph below will apply.

   b. For real estate subsequently developed or acquired by the SOCIMI: From the date on which it was leased or offered for lease for the first time.

   c. Shares or equity investments in entities referred to in Section 1, Article 2 of the Law must be kept in the SOCIMI's asset base at least during three years after their acquisition or, if applicable, from the beginning of the first tax period during which the special tax regime established in the Law applies.

   As provided by the First Transitional Provision of Law 11/2009 of 26 October, as amended by Law 16/2012 of 27 December, regulating SOCIMIs, the companies may opt to be subject to the special tax regime as provided by Article 8 of the mentioned Law, even when the legal requirements at the date of inclusion in that regime are not fulfilled, provided said requirements are met within two years of the date application of the SOCIMI tax regime is sought.

   SOCIMIs are taxed at a rate of 0% for income tax. However, where dividends distributed to an equity holder owning at least 5% of the SOCIMI's share capital are exempt from taxation or taxed below 10%, such SOCIMI will be subject to a special charge of 19% of the dividends distributed to the said equity holder, in respect of corporate income tax. If deemed applicable, this special charge shall be paid by the SOCIMI within two months after the dividend distribution date.

   With effect from 1 January 2021, Law 11/2021 of 9 July on Measures to Prevent and Combat Tax Fraud amends Section 4 of Article 9 of Law 11/2009 of 26 October, which regulates listed real estate investment companies (SOCIMI). Specifically, it introduces a special tax of 15% on the amount of profit earned in the year that is not distributed, in the portion derived from a) income that was not taxed at the general corporate tax rate, and b) income that is not derived from the transfer of eligible assets after the expiration of the three-year holding period, which fall under the three-year reinvestment period set forth in Article 6.1.b) of Law 16/2012 of 27 December. This special levy shall be treated in the same way as corporate income tax and shall accrue on the date of the resolution of the general meeting or equivalent body to appropriate the annual profits. Self-assessment and payment of the tax must be made within two months of the tax accruing.

The transitional period in which the Parent had to meet all requirements of this tax regime ended in 2017. At 30 June 2024, the Parent met all requirements under current law.

In view of the business activities currently carried on by the Group, it does not have any environmental liabilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. For this reason, no specific disclosures on environmental issues are included in these interim condensed consolidated financial statements.

## 2. Basis of presentation of the interim condensed consolidated financial statements and consolidation principles

### *2.1 Regulatory framework*

The regulatory financial reporting framework applicable to the Group consists of the following:

- The Spanish Code of Commerce and other corporate law;
- International Financial Reporting Standards (IFRSs) as adopted by the European Union pursuant to Regulation (EC) No 1606/2002 of the European Parliament and Spanish Law 62/2003, of 30 December, on tax, administrative and social security measures (*Ley de medidas fiscales, administrativas y de orden social)*, and applicable rules and circulars of the Spanish National Securities Market Commission (CNMV).
- Law 11/2009, of 26 October, amended by Law 16/2012, of 27 December, regulating SOCIMIs and other corporate law; and
- Other applicable Spanish accounting standards.

The consolidated financial statements for 2023 were prepared in accordance with the regulatory financial reporting framework described in the paragraph above and, accordingly, they present fairly the Group's consolidated equity and consolidated financial position at 31 December 2023 and the consolidated results of its operations, the changes in consolidated equity and the consolidated cash flows in the year ended 31 December 2023.

The separate and consolidated financial statements of Merlin Properties SOCIMI, S.A. for 2023, prepared by its directors, were approved by the shareholders at the Annual General Meeting on 9 May 2024.

The 2023 separate financial statements of the Group companies, which were prepared by their respective directors, were approved by their shareholders at the respective General Meetings within the periods established in applicable tax legislation.

These interim condensed consolidated financial statements are presented in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, and were approved by the Parent's directors on 19 July 2024, in accordance with Article 12 of Royal Decree 1362/2007.

Pursuant to IAS 34, interim financial reports must be prepared with the sole intention of updating the content of the Group's previous consolidated annual financial statements, with an emphasis on any new activities, events or circumstances that may have occurred during the semester, but not duplicating the information that was already published in the consolidated annual financial statements. The interim condensed consolidated financial statements at 30 June 2024 therefore do not include all the disclosures that would be required in complete consolidated financial statements prepared in conformity with International Financial Reporting Standards as adopted by the European Union and, accordingly, the accompanying interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2023.

The consolidated results and determination of consolidated equity are sensitive to the accounting policies and measurement bases and estimates adopted by the Directors of the Parent Company in the preparation of the condensed consolidated financial statements. The main accounting principles and policies and valuation criteria used correspond to those applied in the 2023 consolidated financial statements, except for the standards and interpretations that came into force during the first half of 2024.

### *2.2 Bases for reporting the interim condensed consolidated financial statements*

The interim condensed consolidated financial statements were obtained from the accounting records of the Parent and consolidated companies, and have been prepared in accordance with the regulatory financial reporting framework described in Note 2.1 and, accordingly, they present fairly the Group's consolidated equity and consolidated financial position at 30 June 2024 and the consolidated results of its operations, the changes in consolidated equity and the consolidated cash flows in the six-month period ended 30 June 2024.

Given that the accounting policies and measurement bases applied in preparing the Group's interim condensed consolidated financial statements for the six-month period ended 30 June 2024 may differ from those applied by some of the Group companies, the necessary adjustments and reclassifications were made on consolidation to unify these policies and bases and to make them compliant with IFRSs as adopted by the European Union

In order to uniformly present the various items composing the interim condensed consolidated financial statements, the accounting policies and measurement bases used by the Parent Company were applied to all the consolidated companies.

These interim condensed consolidated financial statements at 30 June 2024 were subject to review by the auditors. The figures relating to 30 June 2023 and 31 December 2023 are presented for comparison purposes only.

#### *2.2.1 Adoption of International Financial Reporting Standards effective as from 1 January 2024*

During the first six months of 2024, the following standards, amendments and interpretations came into force, which, where applicable, were used by the Group in preparing the interim condensed consolidated financial statements:

| **Standards, Amendments and Interpretations** | **Description** | **Mandatory application in the years beginning on or after:** |
|---|---|---|
| Amendments to IAS 1<br>Classification of liabilities as current and non-current and those subject to covenants | Clarifications regarding the presentation of liabilities as current or non-current, and in particular those maturing conditional on compliance with covenants. | 1 January 2024 |
| Amendments to IFRS 16<br>Liabilities for leases in a sale under subsequent lease | This amendment clarifies the subsequent accounting of lease liabilities arising in the sale and subsequent lease transactions. | 1 January 2024 |
| Amendments to IAS 7 and IFRS 7<br>Supplier financing arrangements | This amendment introduces requirements for discounting information specific to financial agreements with suppliers and their effects on the Company's liabilities and cash flows, including liquidity risk and associated risk management. | 1 January 2024 |

These standards and amendments have not had a significant impact.

All accounting policies and measurement bases with a significant effect on the condensed consolidated financial statements were applied.

*2.2.2 Standards not yet in force in 2024*

The following standards were not yet in force in the first six months of 2024, either because their effective date is subsequent to the date of the interim consolidated financial statements, or because they have not yet been adopted by the European Union:

| **Standards, Amendments and Interpretations** | **Description** | **Mandatory application in the years beginning on or after:** |
|---|---|---|
| Amendments to IFRS 10 and IAS 28<br>Sale or contribution of assets between an investor and its associates or joint ventures | These amendments clarify the accounting treatment of sales and contributions of assets between an investor and its associates and joint ventures depending on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a “business.” | No date set |
| Amendments to IAS 21<br>Lack of exchangeability | This amendment adds requirements to help institutions determine whether a currency is exchangeable for another currency and the spot exchange rate to use when it is not. | 1 January 2025 |
| Amendments to IFRS 9 and IAS 7<br>Amendments to the classification and measurement of financial instruments | These amendments clarify the date of recognition and derecognition of certain financial assets and financial liabilities; clarify and add additional guidance for assessing whether a financial asset complies with the criteria solely for principal and interest payments; include new disclosure requirements; and update the disclosures for equity instruments designated at fair value through other comprehensive income. | 1 January 2026 |
| IFRS 18<br>Presentation and disclosure in financial statements | A new standard replacing IAS 1, the key new concepts introduced relate to the structure of the income statement; disclosures for certain performance measures reported in the financial statements; and improved principles on aggregation and disaggregation of information in the financial statements and notes. | 1 January 2027 |
| IFRS 19<br>Subsidiaries without public accountability: Disclosures | This new standard has been developed to permit subsidiaries without public accountability, with a parent that applies IFRS Standards in its consolidated financial statements, to apply IFRS Standards with reduced disclosure requirements. | 1 January 2027 |

The Group is currently assessing the impacts that the future application of these standards, which must be applied for all periods beginning on or after 1 January 2025, may have on the consolidated financial statements once they enter into force, although the impacts are not expected to be material.

### *2.3 Functional currency*

These interim condensed consolidated financial statements are presented in euros, since the euro is the functional currency in the area in which the Group operates.

### *2.4 Comparative information*

As required by international financial reporting standards adopted by the European Union, the information contained in these interim condensed consolidated financial statements for the period ended 30 June 2024 is presented for comparison purposes with the information relating to the six-month period ended 30 June 2023 for the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and for the year ended 31 December 2023 for the condensed consolidated statement the financial position.

### 2.5 *Responsibility for the information and use of estimates*

The information in these Interim Condensed Consolidated Financial Statements is the responsibility of the directors of the Parent Company.

The Group's interim condensed consolidated financial statements for the six-month period ended 30 June 2024 occasionally use estimates made by the senior executives of the Group and of the consolidated companies, later ratified by the directors, to quantify certain of the assets, liabilities, income, expenses and obligations reported by them. These estimates relate basically to the following:

1. The market value of the Group's property assets. The Group obtained valuations from independent experts at 30 June 2024.
2. The fair value of certain financial instruments.
3. The assessment of provisions and contingencies.
4. Management of financial risk and, in particular, of liquidity risk.
5. The recovery of deferred tax assets and the tax rate applicable to temporary differences.
6. Definition of the transactions carried out by the Group as a business combination in accordance with IFRS 3 or as an acquisition of assets.
7. The market value of the net assets acquired in business combinations.
8. Compliance with the requirements that govern listed real estate investment companies.

*Changes in estimates*

Although these estimates were made on the basis of the best information available at 30 June 2024 on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively in accordance with the requirements of IAS 8, recognising the effects of the change in estimates in the related consolidated income statement.

### 2.6 *Contingent assets and liabilities*

There were no significant changes in the Group's main contingent assets or liabilities in the first six months of 2024.

### 2.7 *Seasonal nature of Group transactions*

In view of the activities carried out by the Group companies, the transactions are not markedly cyclical or seasonal. Accordingly, no specific disclosures in this regard are included in these explanatory notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2024.

### 2.8 *Consolidated statement of cash flows*

The following terms are used in the condensed consolidated statement of cash flows, which was prepared using the indirect method, with the meanings specified:

1. Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

2. Operating activities: the principal revenue-producing activities of the entities composing the consolidated Group and other activities that are not investing or financing activities.
3. Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
4. Financing activities: activities that result in changes in the size and composition of the equity and liabilities that are not operating activities.

### *2.9 Relative importance*

In determining the information to be broken down in the explanatory notes to the interim condensed consolidated financial statements or other matters, the Group has, in accordance with IAS 34, taken into account the relative importance in relation to the interim condensed consolidated financial statements for the six-month period ending on 30 June 2024.

### *2.10 Quantitative and qualitative information on the current economic and geopolitical impacts*

In recent months, economic activity has accelerated somewhat on a global scale, while the process of disinflation has continued, albeit with less intensity than expected, in a scenario in which geopolitical tensions persist and may affect the behaviour of consumers and investors.

The rate of expansion of activity accelerated slightly in the first months of the year -especially in the case of services- and was more dynamic than expected. Inflation continued to decelerate in the first months of 2024, although less strongly than in the course of 2023. In part, this was due to the fact that services inflation was characterized by a greater degree of inertia than anticipated and with respect to the rest of the components of the consumption basket.

Looking ahead to the coming quarters, these relatively favourable macro-financial dynamics are not expected to change significantly. In particular, the analyst consensus expects that, in a context in which services and labour markets continue to show considerable strength, economic activity will gain some traction over the 2024-2026 period. In any case, the pace of GDP expansion over this period would be relatively modest from a historical perspective as a result, among other factors, of the high uncertainty that still characterizes the current geopolitical scenario and the eminently restrictive tone that is anticipated for monetary policy during much of this time horizon.

Likewise, most analysts project that inflation rates will continue to fall in the coming quarters, although this process would be, in light of the most recent dynamics, somewhat more gradual than was contemplated a few months ago. In the euro area, for example, the European Central Bank's (ECB) June projection exercise has revised upwards the projected GDP growth for the euro region in 2024 (by three tenths to 0.9%) and has also raised the average headline inflation rates forecast for 2024 (by two tenths to 2.5%) and 2025 (by two tenths to 2.2%). The markets anticipate that most central banks in the rest of the economies will reduce their interest rates in the coming months. Thus, in this scenario, in particular, the ECB decided to lower its benchmark interest rates by 25 basis points (bps) at its meeting on June 6, after keeping them unchanged since September 2023.

As has become normal in other periods, these projections are subject to a high degree of uncertainty, with no major changes related to the nature or valuation of the main sources of risk:

- Thus, at the international level, geopolitical tensions - for example, those associated with the armed conflicts in Ukraine and the Gaza Strip or trade tensions between the United States and China - pose, in the event of an escalation, a considerable downside risk to activity and an upside risk to prices. Furthermore, in a context in which the financial markets have been showing very favorable dynamics in recent months - with some international stock market indexes close to all-time highs and with relatively low risk premiums - episodes of financial turbulence cannot be ruled out, leading to a sharp correction in the prices of financial assets and a deterioration in the macroeconomic outlook in the short and medium term.

- On a domestic level, we highlight the uncertainty regarding the outcome of political and social tensions, which could lead to changes in legislation and other factors that could significantly impact the overall economic growth in Spain, as well as the environment in which the Group operates, as indicated by different agents in the Spanish real estate market.

***Measurement of fair value of investment property***

The Group adjusted the fair value of its real estate investments in accordance with IAS 40. This fair value is determined by using the appraisals carried out every six months by independent third-party experts as reference values, such that at the end of each six-month period the fair value reflects the market conditions of the investment properties at that date. In accordance with the Group's policy, valuers are rotated on a regular basis between the different types of real estate assets, which was carried out in the first half of 2023.

At 30 June 2024, the valuations conducted by CBRE Valuation Advisors, S.A., Jones Lang LaSalle, S.A., and Savills Consultores Inmobiliarios, S.A. did not provide any indications of uncertainty regarding the market value of the Group's investment property.

Furthermore, there have been no modifications to the valuation methodology described in Note 6.

In 2023 and the first half of 2024, the Group included at fair value those assets constructed that came into operation in 2023 in the data centers business line, since Group management considers that they meet the necessary requirements for their valuation at market value.

Although these assets are in their early stages, it should be noted that assumptions have been taken into consideration for these assets regarding growth in occupancy, rents and normalised margins in mature markets, and the rate of completion of the capacity expansion work. The valuation of these assets is therefore sensitive to the assumptions made are achieved, and there may be significant changes in value in the event of deviations with respect to these assumptions.

The details of the main assumptions used in the appraisals at June 2024 and December 2023, based on the nature of the assets and the sensitivities to increases and decreases of those variables are included in Note 6 to the accompanying financial statements.

***Liquidity risk***

In the opinion of the Parent Company's directors, the current scenario of uncertainty and continued high interest rates for longer than expected may lead to negative movements in capital values and greater volatility in some real estate markets. Experience has shown that consumer and investor behaviour can change rapidly during these times of uncertainty and volatility, so lending and investment decisions must reflect this high level of volatility and a potential deterioration in market conditions which may have a significant impact on the companies' overall financial position, which could be divided into the companies' or groups' own liquidity risk and their customers' liquidity risk or credit risk.

Against this backdrop, at 30 June 2024 the Group had a leverage ratio of 35.6%, understood as debt over the fair value of the assets (LTV) (this ratio is obtained by dividing the Company's net debt by the fair value of the assets including transaction costs) and cash and cash equivalents (including treasury shares) amounting to EUR 739,740 thousand. The only significant debt maturity for the Group over the next twelve months is in May 2025, due to the maturity of a bond amounting to EUR 600 million. However, the Group has a liquidity position, including the corporate credit facility and undrawn borrowings, of EUR 1,572 million (see Note 10).

**Credit risk**

As indicated in the consolidated director's report for the year ended 31 December 2023, the deterioration of the Group's receivables was not significant, considering that the risk of default was less than 1% of turnover and that the Group has deposits from its tenants to secure the credits.

In applying the simplified approach to impairment and credit risk, and also taking into consideration other differential factors of the Group's portfolio of tenants, the characteristics of their leases, and the amounts collected thus far, the Group has concluded that the credit risk of its customers is less than 1% of turnover.

In relation to its other financial assets exposed to credit risk, which mainly correspond to loans to associates and third parties, the Parent's directors have determined that there has not been a significant increase in this risk, considering the measures agreed in some cases with borrowers and the long-term expectations based on the historical experience with those entities, which make it possible to estimate that the credit risk will remain stable over the expected life of the financial asset.

## 3. Changes in the scope of consolidation

During the first half of 2024, the merger by absorption of the companies Slack Tailwind Systems, S.L.U. and Slow Rise Spain, S.L.U., by MERLIN Oficinas, S.L.U. (all of them wholly owned by MERLIN Properties SOCIMI, S.A.) took place. This transaction had no effect on the Consolidated Financial Statements.

On 7 November 2023, the Group acquired all the shares representing the share capital of Merlin Edged, S.L.U. for EUR 3 thousand. In the first half of 2024, the Company acquired land for the development of a data centers in Álava (Note 6).

On 13 January 2023, the Group acquired 7.32% of the shares representing the share capital of Moregal Hotels, S.L. for EUR 1,585 thousand. The Company owns land for tertiary use in the city of Malaga.

In 2023, Metroparque, S.A. was fully spun off with the dissolution of Metroparque, S.A. through the transfer en bloc of its shopping centers business to Merlin Retail, S.L. and its office business to Merlin Oficinas, S.L. (both wholly owned by Merlin Properties SOCIMI, S.A.). This transaction had no effect on the Consolidated Financial Statements.

In 2023, the Group increased its ownership interest in Silicius Real Estate, SOCIMI, S.A. to 17.91% (previously 17.80%) due to the distribution of a dividend by means of promissory notes convertible into shares amounting to EUR 1,554 thousand.

## 4. Financial information by business line

### *a) Criteria*

Group management has segmented its business activities into the business lines detailed below based on the type of assets acquired and managed:

- Office buildings
- Shopping centers
- Logistics assets
- Data centers
- Others: Assets not included in the above business lines, which relate mainly to three hotels (which are part of other buildings corresponding to the office and shopping centers business lines), non-strategic land and other smaller assets.

Any revenue or expense that cannot be attributed to a specific business line or relate to the entire Group are attributed to the Parent as a "Corporate unit/Other," as are the reconciling items arising from the reconciliation of the result of integrating the financial statements of the various business lines (prepared using a management approach) and the Group's consolidated financial statements.

The profits of each business line, and each asset within each line, are used to measure performance since the Group considers this information to be the most relevant when evaluating the results of the business lines compared to other groups operating in the same businesses.

The Group carried out its business activities in Spain and Portugal in the six-month period ended 30 June 2024.

b) **Basis and methodology for business line reporting**

The business line information below is based on monthly reports prepared by Group management, which are generated using the same computer application that prepares all the Group's accounting information. The accounting policies applied to prepare the business line information are the same as those used by the Group, as described in Note 2.

Business line ordinary revenue relates to the revenue directly attributable to the business line plus the relevant proportion of the Group's general revenue that can be allocated on a reasonable basis to that business line. The ordinary revenue of each business line does not include interest or dividend income, gains on the disposal of investment property, or gains on bailouts or repayment transactions.

The expenses of each business line are the expenses directly attributable to each line directly attributable to its operating activities, plus the corresponding proportion of the expenses that can be allocated on a reasonable basis to the business line.

The business line's profit or loss is presented before any adjustment for non-controlling interests.

The assets and liabilities of the business lines are those that are directly related to their operations plus those that can be directly attributed to them in accordance with the above allocation basis, and include the relevant proportion of joint ventures.

c) **Information on business lines**

The information by business line at 30 June 2024 and the comparative information for the previous period (30 June 2023 for income and expenses, and 31 December 2023 for assets and liabilities) is as follows:

*At 30 June 2024*

| | Thousand of euros | | | | | | |
|---|---|---|---|---|---|---|---|
| | Office buildings | Shopping centers | Logistics | Data centers | Other | Corporate Unit | Total Group |
| Revenue from non-Group customers: | | | | | | | |
| Rental income | 124,727 | 61,308 | 40,463 | 917 | 7,072 | - | 234,487 |
| Services rendered | 6,368 | 1,030 | - | 115 | - | 640 | 8,153 |
| **Revenue** | **131,095** | **62,338** | **40,463** | **1,032** | **7,072** | **640** | **242,640** |
| Other operating income | 1,611 | 512 | 198 | - | 25 | 135 | 2,481 |
| Staff costs | (3,750) | (3,428) | (1,124) | (185) | - | (9,399) | (17,886) |
| Operating expenses | (17,924) | (6,971) | (1,402) | (3,723) | (2,192) | (13,774) | (45,986) |
| Gains/(losses) on disposal of assets | (159) | 27 | (52) | - | 593 | - | 409 |
| Depreciation and amortisation charge | (620) | - | - | - | (12) | (741) | (1,373) |
| Allocation of grants to profit or loss | 26 | - | - | - | - | - | 26 |
| Provisions | - | - | - | (3,543) | - | 705 | (2,838) |
| Changes in fair value of investment property | (25,615) | (5,104) | (3,743) | 40,188 | 527 | - | 6,253 |
| **Profit/(Loss) from operations** | **84,664** | **47,374** | **34,340** | **33,769** | **6,013** | **(22,434)** | **183,726** |
| **Changes in fair value of financial instruments-** | | | | | | | |
| Changes in fair value of financial instruments - Other | - | - | 1,208 | - | - | (433) | 775 |
| Finance income | - | - | 2 | - | - | 12,634 | 12,636 |
| Finance costs | (7,630) | - | (765) | 30 | (1,315) | (54,217) | (63,897) |
| Profit/(Loss) on disposal of financial instruments | - | - | - | - | - | 11 | 11 |
| Share of results of companies accounted for using the equity method | - | - | - | - | - | 2,856 | 2,856 |
| Exchange differences | - | - | - | - | - | - | - |
| **Profit/(loss) before tax** | **77,034** | **47,374** | **34,785** | **33,799** | **4,698** | **(61,583)** | **136,107** |
| Corporate tax | (2,084) | (1,218) | 298 | - | - | (335) | (3,339) |
| **Profit/(Loss) for the year** | **74,950** | **46,156** | **35,083** | **33,799** | **4,698** | **(61,918)** | **132,768** |

*At 30 June 2023*

| | Thousand of euros | | | | | | |
|---|---|---|---|---|---|---|---|
| | Office buildings | Shopping centers | Logistics | Data centers | Other | Corporate Unit | Total Group |
| Revenue from non-Group customers: | | | | | | | |
| Rental income | 118,834 | 58,730 | 38,217 | - | 6,630 | - | 222,411 |
| Services rendered | 5,633 | 758 | - | - | - | 719 | 7,110 |
| **Revenue** | **124,467** | **59,488** | **38,217** | **-** | **6,630** | **719** | **229,521** |
| Other operating income | 1,174 | 257 | 123 | - | - | 647 | 2,201 |
| Staff costs | (3,885) | (3,703) | (1,122) | (188) | - | (9,651) | (18,549) |
| Operating expenses | (16,550) | (6,045) | (1,655) | (120) | (1,908) | (7,179) | (33,457) |
| Gains/(losses) on disposal of assets | 109 | (10,024) | 411 | - | 2,316 | - | (7,188) |
| Depreciation and amortisation charge | (344) | - | - | - | (6) | (653) | (1,003) |
| Allocation of grants to profit or loss | 14 | - | - | - | - | - | 14 |
| Provisions | - | - | - | - | - | 94 | 94 |
| Changes in fair value of investment property | (164,821) | (60,077) | 66,534 | - | (40,113) | - | (198,477) |
| **Profit/(Loss) from operations** | **(59,836)** | **(20,104)** | **102,508** | **(308)** | **(33,081)** | **(16,023)** | **(26,844)** |
| **Changes in fair value of financial instruments-** | | | | | | | |
| Changes in fair value of financial instruments - Other | - | - | 503 | - | - | (1,830) | (1,327) |
| Finance income | - | - | - | - | - | 5,523 | 5,523 |
| Finance costs | (598) | - | (7,107) | - | - | (49,633) | (57,338) |
| Profit/(Loss) on disposal of financial instruments | - | - | - | - | - | - | - |
| Share of results of companies accounted for using the equity method | - | - | - | - | - | 40,930 | 40,930 |
| Exchange differences | - | - | - | 107 | - | - | 107 |
| **Profit/(loss) before tax** | **(60,434)** | **(20,104)** | **95,904** | **(201)** | **(33,081)** | **(21,033)** | **(38,949)** |
| Corporate tax | 904 | (1,863) | (7,420) | - | - | (200) | (8,579) |
| **Profit/(Loss) for the year** | **(59,530)** | **(21,967)** | **88,484** | **(201)** | **(33,081)** | **(21,233)** | **(47,528)** |

*At 30 June 2024*

| | Thousand of euros | | | | | | |
|---|---|---|---|---|---|---|---|
| | Office buildings | Shopping centers | Logistics | Data centers | Other | Corporate Unit | Total Group |
| Investment property | 6,295,713 | 2,003,890 | 1,645,779 | 452,152 | 346,336 | - | 10,743,870 |
| Non-current financial investments- | 38,158 | 25,131 | 12,897 | 261 | 3,325 | 152,624 | 232,396 |
| *Derivatives* | *3,677* | - | *3,404* | - | *1,230* | *5,213* | 13,524 |
| *Other financial assets* | *34,481* | *25,131* | *9,493* | *261* | *2,095* | *147,411* | 218,872 |
| Deferred tax assets | 768 | 8 | 3,492 | - | - | 61,315 | 65,583 |
| Other non-current assets | 8,161 | - | 2 | - | 1,595 | 537,727 | 547,485 |
| **Non-current assets** | **6,342,800** | **2,029,029** | **1,662,170** | **452,413** | **351,256** | **751,666** | **11,589,334** |
| Trade receivables | 21,730 | 20,874 | 5,641 | 2,350 | 1,471 | 9,776 | 61,842 |
| Other current financial assets | 1,707 | 262 | - | 1 | 48 | 3,136 | 5,154 |
| Other current assets | 105,628 | 73,348 | 15,175 | 11,308 | 1,204 | 589,482 | 796,145 |
| **Current assets** | **129,065** | **94,484** | **20,816** | **13,659** | **2,723** | **602,394** | **863,141** |
| **Total assets** | **6,471,865** | **2,123,513** | **1,682,986** | **466,072** | **353,979** | **1,354,060** | **12,452,475** |
| Non-current bank borrowings and debenture issues | 555,270 | - | 69,138 | - | 73,480 | 3,565,022 | 4,262,910 |
| Other non-current liabilities | 345,591 | 253,348 | 94,880 | 18,359 | 14,178 | 78,294 | 804,650 |
| **Non-current liabilities** | **900,861** | **253,348** | **164,018** | **18,359** | **87,658** | **3,643,316** | **5,067,560** |
| **Current liabilities** | **47,358** | **30,580** | **8,545** | **18,776** | **26,193** | **672,348** | **803,800** |
| **Total liabilities** | **948,219** | **283,928** | **172,563** | **37,135** | **113,851** | **4,315,664** | **5,871,360** |

*At 31 December 2023*

| | Thousand of euros | | | | | | |
|---|---|---|---|---|---|---|---|
| | Office buildings | Shopping centers | Logistics | Data centers | Other | Corporate Unit | Total Group |
| Investment property | 6,289,822 | 2,005,848 | 1,648,314 | 350,177 | 345,602 | - | 10,639,763 |
| Non-current financial investments- | 27,540 | 25,329 | 12,827 | 261 | 2,150 | 134,002 | 202,109 |
| *Derivatives* | - | - | *3,429* | - | - | - | 3,429 |
| *Other financial assets* | *27,540* | *25,329* | *9,398* | *261* | *2,150* | *134,002* | 198,680 |
| Deferred tax assets | 768 | 22 | 3,492 | - | - | 73,291 | 77,573 |
| Other non-current assets | 4,554 | 1 | 2 | - | 1,559 | 539,884 | 546,000 |
| **Non-current assets** | **6,322,684** | **2,031,200** | **1,664,635** | **350,438** | **349,311** | **747,177** | **11,465,445** |
| Trade receivables | 19,850 | 17,471 | 7,888 | 3,819 | 4,033 | 9,537 | 62,598 |
| Other current financial assets | 111 | 196 | (1) | - | 63 | 4,621 | 4,990 |
| Other current assets | 76,197 | 55,628 | 9,071 | 9,222 | 72 | 382,188 | 532,378 |
| **Current assets** | **96,158** | **73,295** | **16,958** | **13,041** | **4,168** | **396,346** | **599,966** |
| **Total assets** | **6,418,842** | **2,104,495** | **1,681,593** | **363,479** | **353,479** | **1,143,523** | **12,065,411** |
| Non-current bank borrowings and debenture issues | 285,179 | - | 68,901 | - | 75,670 | 4,077,318 | 4,507,068 |
| Other non-current liabilities | 344,640 | 253,165 | 94,596 | 10,205 | 19,039 | 82,988 | 804,633 |
| **Non-current liabilities** | **629,819** | **253,165** | **163,497** | **10,205** | **94,709** | **4,160,306** | **5,311,701** |
| **Current liabilities** | **54,832** | **29,980** | **18,742** | **18,090** | **10,746** | **82,282** | **214,672** |
| **Total liabilities** | **684,651** | **283,145** | **182,239** | **28,295** | **105,455** | **4,242,588** | **5,526,373** |

### *d) Information by geographical area*

For the purpose of reporting information on geographical areas, business line revenue is grouped based on the geographical location of the assets. The assets of the business line are also grouped according to their geographical location.

The following tables summarises, by geographical area, the revenue and non-current investment property for each of the assets held by the Group:

*At 30 June 2024*

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Rental income | % | Investment properties | % |
| Comm. Of Madrid | 110,528 | 48% | 5,868,287 | 54% |
| Catalonia | 35,087 | 15% | 1,484,689 | 14% |
| Portugal | 31,059 | 13% | 1,238,728 | 12% |
| Castilla-La Mancha | 14,950 | 6% | 665,693 | 6% |
| Andalusia | 10,876 | 5% | 301,055 | 3% |
| Comm. Of Valencia | 9,478 | 4% | 285,307 | 3% |
| Galicia | 9,935 | 4% | 325,554 | 3% |
| Basque Country | 7,376 | 3% | 406,124 | 3% |
| Rest of Spain | 5,198 | 2% | 168,433 | 2% |
| | **234,487** | **100%** | **10,743,870** | **100%** |

*At 31 December 2023*

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Rental income | % | Investment properties | % |
| Comm. Of Madrid | 208,681 | 48% | 5,799,909 | 54% |
| Catalonia | 68,073 | 14% | 1,498,010 | 14% |
| Portugal | 63,873 | 14% | 1,231,631 | 12% |
| Castilla-La Mancha | 26,833 | 6% | 662,635 | 6% |
| Andalusia | 21,600 | 5% | 303,354 | 3% |
| Comm. Of Valencia | 17,713 | 4% | 282,167 | 3% |
| Galicia | 17,895 | 4% | 328,731 | 3% |
| Basque Country | 12,937 | 3% | 362,225 | 3% |
| Rest of Spain | 9,602 | 2% | 171,101 | 2% |
| | **447,207** | **100%** | **10,639,763** | **100%** |

### e) Main customer

The table below lists the main lessees at 30 June 2024 and 31 December 2023, and the primary characteristics of each of them:

| Position | Name | Type | % of total rental income | % accumulated | Maturity |
|---|---|---|---|---|---|
| 1 | Endesa | Offices | 4.0% | 4.0% | 2028-2030 |
| 2 | Inditex | Shopping Centers | 3.2% | 7.2% | 2024-2026 |
| 3 | Comunidad de Madrid | Offices | 2.4% | 9.6% | 2025-2031 |
| 4 | Técnicas Reunidas | Offices | 2.3% | 11.9% | 2025 |
| 5 | PWC | Offices | 1.8% | 13.7% | 2028-2030 |
| 6 | Hotusa | Hotels | 1.6% | 15.3% | 2028 |
| 7 | BPI | Offices | 1.5% | 16.8% | 2031 |
| 8 | Logista | Logistics | 1.3% | 18.1% | 2025-2040 |
| 9 | Indra | Offices | 1.3% | 19.4% | 2030 |
| 10 | Dachser | Logistics | 1.2% | 20.6% | 2025-2027 |

*31 December 2023*

| Position | Name | Type | % of total rental income | % accumulated | Maturity |
|---|---|---|---|---|---|
| 1 | Endesa | Offices | 4.2% | 4.2% | 2024-2030 |
| 2 | Inditex | Shopping centers/Log. | 3.3% | 7.5% | 2024-2025 |
| 3 | Madrid | Offices | 2.5% | 10.0% | 2024-2031 |
| 4 | Técnicas Reunidas | Offices | 2.4% | 12.4% | 2025 |
| 5 | Hotusa | Hotels | 1.6% | 14.0% | 2028 |
| 6 | PWC | Offices | 1.5% | 15.5% | 2028 |
| 7 | BPI | Offices | 1.5% | 17.0% | 2031 |
| 8 | Logista | Logistics | 1.4% | 18.4% | 2025-2040 |
| 9 | Indra | Offices | 1.3% | 19.7% | 2030 |
| 10 | IBM | Offices | 1.3% | 21.0% | 2030 |

## 5. Other intangible assets and property, plant and equipment

The changes in “Other intangible assets” and “Property, plant and equipment” in the first six months of 2024 were due mainly to the additions corresponding to plant, furniture and office equipment and to the amortisation and depreciation for the year, which amounted to EUR 1,373 thousand and is recognised under “Depreciation and amortisation charge” in the accompanying condensed consolidated income statement.

## 6. Investment property

The changes in this heading in the six-month period ended 30 June 2024 and in 2023 were as follows:

| | Thousands of Euros |
|---|---|
| **Balances at 1 January 2023** | **10,714,200** |
| Additions during the year | 308,172 |
| Disposals | (46,625) |
| Changes in value of investment property | (335,984) |
| **Balances at 31 December 2023** | **10,639,763** |
| Additions during the year | 100,857 |
| Disposals | (3,003) |
| Changes in value of investment property | 6,253 |
| **Balances at 30 June 2024** | **10,743,870** |

Investment property is recognised at fair value. The income recognised in the condensed consolidated income statement at 30 June 2024 from measuring investment property at fair value amounted to EUR 6,253 thousand.

Investment property mainly includes real estate assets in the office, shopping centers, logistics and data centers business lines.

The main additions in the first six months of 2024 relate to the construction of data centers and the construction and refurbishment work carried out on certain logistics warehouses and office buildings, and to the purchase of land for the construction of a data centers in Álava and the acquisition of part of an office building in Madrid.

The disposals in the first half of 2024 relate to the sale of an office building in Granada for a total of EUR 3,000 thousand, which resulted in a capital loss of EUR 75 thousand at 30 June 2024, recognised under “Gains/(losses) on disposal of assets” in the accompanying condensed consolidated income statement.

At 30 June 2024, the Group had pledged real estate assets totalling EUR 1,650 million to secure various loans and derivative financial instruments, the balances of which at 30 June 2024 amounted to EUR 704 million and EUR 8.3 million, respectively, the latter of which were provided in favour of the Group (see Note 10).

At 30 June 2024, all properties included in "Investment property" are insured.

At 30 June 2024, the Group did not have any firm purchase commitments for investment property, excluding the committed investments in construction and improvements.

At 30 June 2024, the gross surface areas and occupancy rates of the assets by business line were as follows:

| | Square metres (*) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross leasable area | | | | | | | | | | |
| | Comm. of Madrid | Catalonia | Comm. of Valencia | Galicia | Andalusia | Basque Country | Castilla-La Mancha | Rest of Spain | Portugal | Total | Occupancy rate (%) |
| Offices | 809,387 | 217,229 | - | - | 13,037 | - | - | - | 123,832 | 1,163,485 | 92.3% |
| Shopping centers | 74,606 | 31,905 | 49,897 | 118,105 | 37,956 | 25,922 | - | 32,869 | 60,089 | 431,349 | 96.0% (**) |
| Logistics | 330,375 | 132,100 | 61,604 | - | 139,218 | 99,491 | 681,270 | 21,579 | 45,171 | 1,510,808 | 97.6% |
| Data centers | 22,508 | 22,131 | - | - | - | 17,600 | - | - | - | 62,239 | n.a. (1) |
| Other | 38,161 | 16,472 | - | 5,898 | - | 46 | - | - | - | 60,577 | 98.0% |
| **Total surface area** | **1,275,037** | **419,837** | **111,501** | **124,003** | **190,211** | **143,059** | **681,270** | **54,448** | **229,092** | **3,228,458** | |
| **% weight** | **39.5%** | **13.0%** | **3.5%** | **3.8%** | **5.9%** | **4.4%** | **21.1%** | **1.7%** | **7.1%** | **100.0%** | |

(*) Does not include square metres of projects in progress or land.

(**) Does not include vacant units acquired for refurbishment.

(1) The market standard for data centers is to measure occupancy based on processing capacity, and not in relation to leasable area. At 30 June 2024, the Group's three data centers currently in operation have an available processing capacity of 9 MW, with 6.2 MW (68.9%) committed at that date. The Group considers committed capacity to be that which is physically occupied at the reporting date or, while not occupied at the reporting date, that for which there are contractual commitments that reserve such capacity to ensure future growth for the Group's customers.

**Fair value measurement and sensitivity**

All investment property leased or to be leased through operating leases are classified as investment property.

The Group adjusts periodically the fair value of its real estate investments in accordance with IAS 40. This fair value is determined by using the appraisals carried out every six months by independent third-party experts as reference values, such that at the end of each six-month period the fair value reflects the market conditions of the investment properties at that date.

The market value of the Group's investment property at 30 June 2024, calculated based on appraisals carried out by Savills Consultores Inmobiliarios, S.A., CBRE Valuation Advisory, S.A. and Jones Lang LaSalle, S.A., independent valuers not related to the Group, amounted to EUR 10,643,957 thousand (EUR 10,566,124 thousand in 2023). This appraisal does not include the value of the rights of use recognised in accordance with IFRS 16 amounting to EUR 53,322 thousand (EUR 51,903 thousand in 2023) or the amounts relating to advances paid by the Group to third parties to purchase assets and other unvalued assets amounting to EUR 46,591 thousand (EUR 21,736 thousand in 2023). The valuation was carried out in accordance with the Appraisal and Valuation Standards issued by the Royal Institute of Chartered Surveyors (RICS) of the United Kingdom and the International Valuation Standards (IVS) issued by the International Valuation Standards Committee (IVSC). In relation to the fair value of the rights of use, the Group also obtains valuations from independent third parties.

The method used to calculate the market value of investment property, involves drawing up ten-year projections of income and expenses for each asset, adjusted at the reporting date using a market discount rate. The residual amount at the end of Year 10 is calculated by applying an exit yield of the net income projections for Year 11. The market values obtained are analysed by calculating and assessing the capitalisation of the returns implicit in these values. In the case of data centers, 7-year projections have been used, which is the period considered for market stabilisation. The projections are intended to reflect the best estimate of future income and expenses from the real estate assets. Both the exit yield and discount rate are determined taking into account the national market and institutional market conditions.

**Breakdown of fair value of investment property**

At 30 June 2024 and at 31 December 2023, the detail of assets measured at fair value by their level in the fair value hierarchy is as follows:

*At 30 June 2024*

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| **Fair value measurement:** | | | | |
| Investment property- | | | | |
| Offices | | | | |
| Land | 2,180,889 | - | - | 2,180,889 |
| Buildings | 4,114,824 | - | - | 4,114,824 |
| Shopping centers | | | | |
| Land | 381,097 | - | - | 381,097 |
| Buildings | 1,622,793 | - | - | 1,622,793 |
| Logistics | | | | |
| Land | 428,418 | - | - | 428,418 |
| Buildings | 1,217,361 | - | - | 1,217,361 |
| Data Centers | | | | |
| Land | 59,570 | - | - | 59,570 |
| Buildings | 392,582 | - | - | 392,582 |
| Other | | | | |
| Land | 148,899 | - | - | 148,899 |
| Buildings | 197,437 | - | - | 197,437 |
| **Total assets measured at fair value** | **10,743,870** | **-** | **-** | **10,743,870** |

*At 31 December 2023*

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Total | Level 1 | Level 2 | Level 3 |
| **Fair value measurement:** | | | | |
| Investment property- | | | | |
| Offices | | | | |
| Land | 2,172,572 | - | - | 2,172,572 |
| Buildings | 4,117,250 | - | - | 4,117,250 |
| Shopping centers | | | | |
| Land | 379,805 | - | - | 379,805 |
| Buildings | 1,626,043 | - | - | 1,626,043 |
| Logistics | | | | |
| Land | 405,689 | - | - | 405,689 |
| Buildings | 1,242,625 | - | - | 1,242,625 |
| Data Centers | | | | |
| Land | 31,852 | - | - | 31,852 |
| Buildings | 318,325 | - | - | 318,325 |
| Other | | | | |
| Land | 148,680 | - | - | 148,680 |
| Buildings | 196,922 | - | - | 196,922 |
| **Total assets measured at fair value** | **10,639,763** | - | - | **10,639,763** |

No assets were reclassified from one level to another during the period.

**Hypotheses used in the valuation**

In relation to determining the fair value of investment property, the significant unobservable inputs used to measure the fair value of investment property corresponded to the rental income, exit yields and the rate used for discounting the cash flows of the projections (IRR).

The quantitative information on the significant unobservable inputs used in measuring fair value of the investment property is shown below.

*30 June 2024*

| | Exit yield | Discount rate |
|---|---|---|
| Offices | 3.70% - 7.60% | 5.20% - 10.10% |
| Shopping centers | 3.92% - 7.75% | 6.25% - 9.75% |
| Logistics | 4.75% - 6.50% | 6.50% - 9.50% |
| Data centers | 5.50% - 6.75% | 12.00% |
| Other | 4.45% - 7.50% | 5.25% - 18.50% |

*31 December 2023*

| | Exit yield | Discount rate |
|---|---|---|
| Offices | 3.70% - 7.35% | 5.20% - 10.10% |
| Shopping centers | 3.92% - 7.75% | 6.25% - 9.75% |
| Logistics | 4.75% - 6.25% | 6.25% - 9.50% |
| Data centers | 5.50% - 6.25% | 12.00% |
| Other | 4.50% - 7.50% | 5.25% - 16.00% |

The market rents per square metre per month used in the valuation have ranged between EUR 3.24 and EUR 61.27 depending on the type of asset and location. The growth rates of the rents used in the projections used in the valuations are mainly based on the CPI. The minimum range corresponds to a logistics asset and the maximum range is a retail asset located in a prime area.

**Analysis of sensitivity of assumptions**

The effect of a one-quarter, one-half and one-point change in the required rates of return (the "IRR," the rate used for discounting the cash flows of the projections), on the consolidated assets and the consolidated income statement, with respect to investment property, would be as follows:

*30 June 2024*

| | Thousands of euros | | | | | |
|---|---|---|---|---|---|---|
| | Assets | | | Consolidated profit/(loss) before tax | | |
| | 0.25% | 0.50% | 1% | 0.25% | 0.50% | 1% |
| Increase in IRR | (206,563) | (408,295) | (797,776) | (206,563) | (408,295) | (797,776) |
| Decrease in IRR | 211,525 | 428,146 | 877,242 | 211,525 | 428,146 | 877,242 |

*31 December 2023*

| | Thousands of euros | | | | | |
|---|---|---|---|---|---|---|
| | Assets | | | Consolidated profit/(loss) before tax | | |
| | 0.25% | 0.50% | 1% | 0.25% | 0.50% | 1% |
| Increase in IRR | (206,813) | (408,786) | (798,719) | (206,813) | (408,786) | (798,719) |
| Decrease in IRR | 211,785 | 428,677 | 878,346 | 211,785 | 428,677 | 878,346 |

The effect of a 1%, 5% and 10% change in the rents considered has the following impact on investment property in consolidated assets and in the consolidated income statement:

*30 June 2024*

| | Thousands of euros | | | | | |
|---|---|---|---|---|---|---|
| | Assets | | | Consolidated profit/(loss) before tax | | |
| | 1% | 5% | 10% | 1% | 5% | 10% |
| Increase in rents | 83,142 | 415,710 | 831,419 | 83,142 | 415,710 | 831,419 |
| Decrease in rents | (83,142) | (415,710) | (831,419) | (83,142) | (415,710) | (831,419) |

*31 December 2023*

| | Thousands of euros | | | | | |
|---|---|---|---|---|---|---|
| | Assets | | | Consolidated profit/(loss) before tax | | |
| | 1% | 5% | 10% | 1% | 5% | 10% |
| Increase in rents | 83,131 | 415,654 | 831,308 | 83,131 | 415,654 | 831,308 |
| Decrease in rents | (83,131) | (415,654) | (831,308) | (83,131) | (415,654) | (831,308) |

The effect of a one-quarter, one-half and one point change in the exit yields considered, in the case based on return calculated as the result of dividing the net operating income for the last year of the period analysed by the estimated exit value, on consolidated assets and on the consolidated income statement, regarding investment property, would be as follows:

*30 June 2024*

| | Thousands of euros | | | | | |
|---|---|---|---|---|---|---|
| | Assets | | | Consolidated profit/(loss) before tax | | |
| | 0.25% | 0.50% | 1% | 0.25% | 0.50% | 1% |
| Increase in exit yield | (294,743) | (564,592) | (1,041,241) | (294,743) | (564,592) | (1,041,241) |
| Decrease in exit yield | 323,248 | 679,347 | 1,512,392 | 323,248 | 679,347 | 1,512,392 |

*31 December 2023*

| | Thousands of euros | | | | | |
|---|---|---|---|---|---|---|
| | Assets | | | Consolidated profit/(loss) before tax | | |
| | 0.25% | 0.50% | 1% | 0.25% | 0.50% | 1% |
| Increase in exit yield | (293,554) | (562,416) | (1,037,559) | (293,554) | (562,416) | (1,037,559) |
| Decrease in exit yield | 321,810 | 676,164 | 1,504,467 | 321,810 | 676,164 | 1,504,467 |

Accordingly, the impact on the consolidated income statement of the revaluations of the Group's investment property during the first six months of 2024, taking into consideration all headings affected in the consolidated income statement, is as follows:

| | Thousands of euros | |
|---|---|---|
| | 30-06-2024 | 30-06-2023 |
| Changes in fair value of investment property | 6,253 | (198,477) |
| **Effect on the income statement** | **6,253** | **(198,477)** |

## 7. Investments accounted for using the equity method

The changes in the first six months of 2024 in investments in companies accounted for using the equity method are as follows:

| | Thousand of euros | |
|---|---|---|
| | 30-06-2024 | 31-12-2023 |
| Beginning balance | 537,288 | 500,300 |
| Additions | 1,317 | 6,678 |
| Disposals | - | - |
| Transfers | 438 | (110) |
| Dividends | (5,922) | (9,503) |
| Profit/(Loss) for the year | 2,856 | 39,923 |
| Ending balance | **535,977** | **537,288** |

In relation to the investments accounted for using the equity method, the additions in the first half of 2024 relate mainly to the subscription of the capital increase carried out by Crea Madrid Nuevo Norte, S.A. as a result of the capital increase carried out in June 2024, which led to an increase in the Group's investment of EUR 1,317 thousand.

The rest of the changes in the first half of 2024 related to the profit obtained by the minority stake companies and the dividend distributed by CILSA.

The additions in 2023 relate mainly to the subscription of the capital increase carried out by Crea Madrid Nuevo Norte, S.A. as a result of the capital increase carried out during the year, which entailed an increase in the Group's share capital of EUR 3,040 thousand, the distribution of a dividend in shares of Silicius Real Estate SOCIMI, S.A. amounting to EUR 1,554 thousand, and the purchase of 7.32% of Moregal Hotels, S.L. (see Note 3) for EUR 1,585 thousand.

The investee Silicius Real Estate SOCIMI, S.A. holds a call option on the shares held by the Group, the fair value of which is recognised under "Other non-current financial liabilities." Its final settlement will not be in cash but rather will affect the final valuation adjustment of the shareholding, if any.

The most significant shareholdings relate to the 48.5% investment in CILSA with a consolidated net value of EUR 235,121 thousand and the 14.46% investment in Crea Madrid Nuevo Norte, S.A. with a consolidated net value of EUR 176,305 thousand. In relation to the investment accounted for using the equity method in Crea Madrid Nuevo Norte, S.A., the Group considers that the value recognised for accounting purposes is reasonable as it does not differ significantly from the current value, in view of the long-term time horizon for developing the investment.

Appendix I to the Group’s consolidated financial statements for 2023 includes a list of the main investments in associates, including the name, country of incorporation, business activity and the percentage of interest in the share capital, and there were no significant changes in the main aggregates of the Group’s associates.

## 8. Current and non-current financial assets

The breakdown of the balance of this heading in the condensed consolidated statement of financial position is as follows:

*Classification of financial assets by category*

| | Thousands of euros | |
|---|---|---|
| | 30-06-2024 | 31-12-2023 |
| **Non current:** | | |
| At fair value- | | |
| Interest rate derivatives | 13,524 | 3,429 |
| At cost | | |
| Equity instruments | 10,721 | 9,915 |
| At amortised cost- | | |
| Loans to third parties | 137,853 | 130,107 |
| Loans to associates | 13,484 | 3,303 |
| Deposits and guarantees | 56,814 | 55,355 |
| | **232,396** | **202,109** |
| **Current:** | | |
| At cost | | |
| Investments in associates | 3,321 | 3,148 |
| At amortised cost- | | |
| Loans to third parties | 236 | 236 |
| Other financial assets | 1,597 | 1,606 |
| Trade and other receivables | 61,842 | 62,598 |
| | **66,996** | **67,588** |

The carrying amount of financial assets recognised at amortised cost does not differ from their fair value.

***Derivatives***

At the end of June 2024 and December 2023, the valuation of interest rate derivatives receivable was recognised under “Derivatives” (see Note 10).

***Loans to third parties***

“Other non-current financial assets” includes the loan granted to Desarrollos Urbanísticos Udra, S.A.U. for an initial amount of EUR 86,397 thousand, which accrues interest at market rates. At 30 June 2024, EUR 92,219 thousand in principal and EUR 1,250 thousand in interest are yet to be paid. In relation to the above loan, the Group has guarantees from the creditor associated with the 10% shareholding in Crea Madrid Nuevo Norte, S.A. and the borrower was not identified as having any credit risk.

In addition, this heading also includes rental income recognised on a straight-line basis, marketing costs and tenant establishment expenses amounting to EUR 43,729 thousand (EUR 37,571 at 31 December 2023).

**Deposits and guarantees**

“Deposits and guarantees” primarily includes the guarantees provided by lessees as security deposits amounting to EUR 55,057 thousand (EUR 53,796 thousand at 31 December 2023), which the Group has deposited with the housing authority (Instituto de la Vivienda) in each region. At 30 June 2024, the guarantees provided by lessees as security deposits amounted to EUR 65,701 thousand (EUR 64,567 thousand at 31 December 2023) and were recognised under “Non-current liabilities - Other financial liabilities” on the liability side of the accompanying consolidated statement of financial position for the period ended 30 June 2024 (see Note 11).

***Classification of financial assets by maturity***

The classification of the main financial assets by maturity is as follows:

*At 30 June 2024*

| | Thousand of euros | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | From 1 to 5 years | More than 5 years | Undetermined | Total |
| Interest rate derivatives | - | - | 13,524 | - | 13,524 |
| Equity instruments | - | - | - | 10,721 | 10,721 |
| Loans to third parties and associates | 236 | 35,676 | 115,661 | - | 151,573 |
| Deposits and guarantees | - | - | - | 56,814 | 56,814 |
| Investments in Group companies and associates | 3,321 | - | - | - | 3,321 |
| Other financial assets | 1,597 | - | - | - | 1,597 |
| Trade and other receivables | 61,842 | - | - | - | 61,842 |
| **Total financial assets** | **66,996** | **35,676** | **129,185** | **67,535** | **299,392** |

*At 31 December 2023*

| | Thousand of euros | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | From 1 to 5 years | More than 5 years | Undetermined | Total |
| Interest rate derivatives | - | - | 3,429 | - | 3,429 |
| Equity instruments | - | - | - | 9,915 | 9,915 |
| Loans to third parties and associates | 236 | 22,089 | 111,321 | - | 133,646 |
| Deposits and guarantees | - | - | - | 55,355 | 55,355 |
| Investments in Group companies and associates | 3,148 | - | - | - | 3,148 |
| Other financial assets | 1,606 | - | - | - | 1,606 |
| Trade and other receivables | 62,598 | - | - | - | 62,598 |
| **Total financial assets** | **67,588** | **22,089** | **114,750** | **65,270** | **269,697** |

## 9. Equity

### *9.1 Share capital*

There were no changes in the share capital of the Parent in the first half of 2024.

At 30 June 2024, the share capital of Merlin Properties SOCIMI, S.A. amounted to EUR 469,771 thousand, represented by 469,770,750 fully subscribed and paid shares of EUR 1 par value each, all of which are of the same class and grant the same rights to their holders.

All the Parent Company's shares can be publicly traded and are listed on the Madrid, Barcelona, Bilbao and Valencia and Lisbon Stock Exchanges. The market price of the Parent's shares at 30 June 2024 and the average market price for the fourth quarter amounted to EUR 10.40 and EUR 10.52 per share, respectively.

At 30 June 2024, according to information extracted from the CNMV, in relation to the provisions of Royal Decree 1362/2007, of 19 October and Circular 2/2007, of 19 December, the shareholders with significant holdings in the share capital of Merlin Properties SOCIMI, S.A., both direct and indirect, in excess of 3% of the share capital, are as follows according to public information:

| | Shares | | | % of share capital |
|---|---|---|---|---|
| | Direct | Indirect | Total | |
| Banco Santander, S.A. | 89,542,423 | 26,072,123 | 115,614,546 | 24.61% |
| Nortia Capital Investment Holding, S.L. | 38,371,083 | - | 38,371,083 | 8.17% |
| BlackRock, INC | - | 26,419,907 | 26,419,907 | 5.62% |

The information on Banco Santander and Nortia Capital Investment Holding, S.L. was obtained from the Company's Shareholder Register as at 30 June 2024.

### *9.2 Share premium*

The Consolidated Text of the Corporate Enterprises Act expressly permits the use of the share premium to increase capital and establishes no specific restrictions as to its use.

This reserve is unrestricted as long as its allocation does not lower equity to below the amount of share capital of the Parent.

On 9 May 2024, the shareholders at the Annual General Meeting approved the distribution of a dividend with a charge to the share premium in the amount of EUR 108,505 thousand.

### *9.3. Reserves*

The detail of reserves at 30 June 2024 and 31 December 2023 is as follows:

| | Thousands of euros | |
|---|---|---|
| | 30-06-2024 | 31-12-2023 |
| Legal reserve | 93,954 | 93,954 |
| Reserves of consolidated companies | 2,105,466 | 2,286,573 |
| Other reserves | 350,166 | 348,876 |
| **Total other reserves** | **2,549,586** | **2,729,403** |

The balance of "Other reserves" includes EUR 332,691 thousand, which originated from the undistributed profit arising from the transfer of properties and the shares or holdings referred to in section 2.1 of Law 11/2009, of 26 October, regulating real estate investment trusts. This amount relates to the undistributed profits from the divestment of the Net Lease business line in 2022 and must be reinvested in other properties or holdings used for the Parent's main corporate purpose within three years of the date of transfer.

*Legal reserve*

The legal reserve will be established in accordance with Article 274 of the Consolidated Text of the Corporate Enterprises Act, which stipulates, in all cases, that 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

This reserve cannot be distributed, and if it is used to offset losses, in the event no other reserves are available for this purpose, it must be restored with future profits.

At 30 June 2024, the Parent had reached the legally required minimum established in the consolidated text of the Corporate Enterprises Act.

The legal reserve of companies which have chosen to avail themselves of the special tax regime established in Law 11/2009, governing SOCIMIs, must not exceed 20% of share capital. The bylaws of these companies may not establish any other type of restricted reserves.

*Dividends*

On 9 May 2024, the shareholders at the Annual General Meeting approved the distribution of a dividend with a charge to the share premium in the amount of EUR 108,505 thousand, and the distribution of a dividend out of 2023 profit for EUR 3,937 thousand, with both dividends being paid on 4 June 2024.

On 16 November 2023, the Company's Board approved the distribution of an interim dividend out of profit for 2023 in the amount of EUR 93,673 thousand, which was paid on 12 December 2023.

On 27 April 2023, the shareholders at the General Meeting approved the distribution of a dividend out of profit for 2022 in the amount of EUR 113,350 thousand, which was paid on 22 May 2023.

### *9.4 Treasury shares*

At 30 June 2024, the Parent held treasury shares amounting to EUR 14,407 thousand.

The changes in 2023 and in the first six months of 2024 were as follows:

| | Number of shares | Thousands of Euros |
|---|---|---|
| **Balance at 31 December 2022** | **1,536,184** | **17,166** |
| Additions | 83,106 | 689 |
| Disposals | (220,166) | (2,445) |
| **Balance at 31 December 2023** | **1,399,124** | **15,410** |
| Additions | 16,400 | 156 |
| Disposals | (105,421) | (1,159) |
| **Balance at 30 June 2024** | **1,310,103** | **14,407** |

The shareholders at the Annual General Meeting held on 27 April 2023 revoked the unused portion of the authorisation granted by the shareholders at the General Meeting of 10 April 2019 and authorised the acquisition of treasury shares by the Parent itself or by Group companies pursuant to section 146 et seq. of the Corporate Enterprises Act, complying with the requirements and restrictions established in current law during the five-year period.

The disposal of 105,421 treasury shares (average cost of EUR 11.00 per share) relate mainly to the delivery of shares to employees under the flexible remuneration plan in the amount of EUR 1,019 thousand and to sales under the Group's liquidity agreement for securities listed on the Lisbon Stock Exchange. Net acquisitions of 3,600 shares were made under this liquidity agreement in the first six months of 2024.

At 30 June 2024, the Parent held treasury shares representing 0.28% of its share capital.

### *9.5 Earnings per share*

Details of the calculation of earnings per share are as follows:

*Basic*

Basic earnings per share are calculated by dividing the net profit attributable to common equity holders of the Parent by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares.

The detail of the calculation of basic earnings per share is as follows:

| | 30-06-2024 | 30-06-2023 |
|---|---|---|
| Weighted average number of shares outstanding (thousands) | 468,412 | 468,291 |
| **Continuing operations** | | |
| Profit/(Loss) for the period attributable to the Parent (thousands of euros) | 132,768 | (47,528) |
| Basic earnings/(loss) per share (euros) | 0.28 | (0.10) |

The average number of ordinary shares outstanding is calculated as follows:

| | Number of Shares | |
|---|---|---|
| | 30-06-2024 | 30-06-2023 |
| Ordinary shares at beginning of period | 469,770,750 | 469,770,750 |
| Treasury shares | (1,310,103) | (1,425,062) |
| Average effect of outstanding shares | (49,105) | (55,011) |
| **Weighted average number of ordinary shares outstanding at 30 June (shares)** | **468,411,542** | **468,290,677** |

*Diluted*

In accordance with paragraph 41 of IAS 33, potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares could reduce the earnings per share of the continuing activities. As at 30 June 2024, there is no potential dilutive effect due to the variable remuneration granted by the Group to its executives and key management personnel (see Note 15), with basic earnings matching diluted earnings.

### *9.6 Valuation adjustments*

This heading of the consolidated statement of financial position includes changes in the value of financial derivatives designated as cash flow hedges.

## 10. Current and non-current financial liabilities

The detail of bank borrowings and debentures issued is as follows:

| | Thousands of euros | |
|---|---|---|
| | 30-06-2024 | 31-12-2023 |
| **Non current:** | | |
| Measured at amortised cost- | | |
| Syndicated loan | 665,000 | 665,000 |
| Syndicated loan arrangement expenses | (3,438) | (3,889) |
| **Total syndicated loan** | **661,562** | **661,111** |
| Non-mortgage loan | 127,880 | 127,880 |
| Mortgage loans | 703,438 | 431,735 |
| Loan arrangement expenses | (8,625) | (6,470) |
| **Total other loans** | **822,693** | **553,145** |
| Debentures and bonds | 2,800,000 | 3,300,000 |
| Debenture issue expenses | (21,345) | (16,663) |
| **Total debentures and bonds** | **2,778,655** | **3,283,337** |
| **Total amortised cost** | **4,262,910** | **4,497,593** |
| Measured at fair value- | | |
| Derivative financial instruments | - | 9,475 |
| **Total at fair value** | **-** | **9,475** |
| **Total non-current** | **4,262,910** | **4,507,068** |
| **Current:** | | |
| Measured at amortised cost- | | |
| Syndicated loans | 997 | 1,144 |
| Debentures and bonds | 636,587 | 20,966 |
| Mortgage loans | 2,536 | 2,943 |
| Non-mortgage loan | 618 | 291 |
| Revolving credit facility | 504 | 525 |
| Loan arrangement expenses | (664) | - |
| Total amortised cost | **640,578** | **25,869** |
| Measured at fair value- | | |
| Interest on derivative financial instruments | (682) | (375) |
| Total at fair value | **(682)** | **(375)** |
| **Total current** | **639,896** | **25,494** |

There is no material difference between the carrying amount and the fair value of financial liabilities at amortised cost.

The detail of the Parent Company's rating is as follows:

| AGENCY | RATING | OUTLOOK | LAST REVIEW | PREVIOUS |
|---|---|---|---|---|
| Standard & Poor's | BBB+ | Stable | 26/03/2024 | BBB Positive |
| Moody's | Baa2 | Positive | 24/07/2023 | Baa2 Positive |

***10.1 Loans and credits***

The detail of the bank borrowings at 30 June 2024 and 31 December 2023 is as follows:

*Bank borrowings*

*At 30 June 2024*

| | Thousands of euros | | | | |
|---|---|---|---|---|---|
| | | Debt | 30-06-2024 | | |
| | Limit | arrangement expenses | Long term | Short term | Short-term interest |
| Syndicated loan | 665,000 | (3,438) | 665,000 | - | 997 |
| Non-mortgage loan | 220,225 | (254) | 127,880 | - | 618 |
| Revolving credit facilities | 740,000 | (2,821) | - | - | 504 |
| Mortgage loans | 704,000 | (5,550) | 703,438 | 469 | 2,067 |
| **Total** | **2,329,225** | **(12,063)** | **1,496,318** | **469** | **4,186** |

*At 31 December 2023*

| | Thousands of euros | | | | |
|---|---|---|---|---|---|
| | | Debt | 31-12-2023 | | |
| | Limit | arrangement expenses | Long term | Short term | Short-term interest |
| Syndicated loan | 665,000 | (3,889) | 665,000 | - | 1,144 |
| Non-mortgage loan | 220,225 | (283) | 127,880 | - | 291 |
| Revolving credit facilities | 740,000 | (3,191) | - | - | 525 |
| Mortgage loans | 441,000 | (2,996) | 431,735 | 1,629 | 1,314 |
| **Total** | **2,066,225** | **(10,359)** | **1,224,615** | **1,629** | **3,274** |

Certain financing arrangements include commitments to maintain certain coverage ratios, which are standard in these types of real estate companies, such as the loan-to-value ratio, the ratio of the Company's income used to service the debt (interest coverage ratio, ICR), or the ratio of mortgage-free assets and non-mortgage debt. The Parent’s directors have confirmed that these ratios were met at 30 June 2024 and do not expect that they will not be fulfilled in the coming years.

*Syndicated loan and revolving credit facility of the Parent*

On 25 April 2019, the Group arranged a senior syndicated loan amounting to EUR 1,550 million, which included two tranches, a corporate loan of EUR 850 million and a corporate credit facility of EUR 700 million due in 2024.

The syndicated loan of EUR 850 million accrued interest at a rate of the one-month EURIBOR + 120 basis points, while the revolving credit facility accrued interest at a rate of the one-month EURIBOR + 90 basis points, with both including a cost adjustment mechanism based on four sustainability criteria.

The initial maturity date for this revolving credit facility was 2024, with the possibility of two optional one-year extensions. The second one-year extension was approved on 30 June 2021, and the new maturity date is 9 May 2026.

On 21 June 2022, the Group repaid the syndicated loan of EUR 850 million early.

In 2022, as a result of repaying this financing early, the application of the amortised cost option in relation to IFRS 9 resulted in a finance cost of EUR 4,213 thousand.

On 18 November 2022, the Parent Company entered into a new senior syndicated loan facility of EUR 600 million with the possibility of drawdown before 24 April 2023 to repay the bond maturing in 2023. This financing has a term of 5 years from the date of drawdown and accrues interest at a market rate of EURIBOR plus 130 basis points. As long as the financing is not drawn down, an undrawn funds fee of 26 basis points is applicable. On 20 April 2023, the Parent had drawn down the full amount of this financing.

In addition, a novation agreement was entered into on that date for the senior syndicated loan, including a Tranche B corresponding to a revolving credit facility with a limit of EUR 700 million.

This new credit facility has a term of 5 years with the possibility of two optional one-year extensions. This credit facility accrues interest at a rate of EURIBOR + 100 basis points; it includes a cost adjustment mechanism based on four sustainability criteria.

On 18 July 2023, the novation of the syndicated loan and credit facility was signed. The senior syndicated loan was increased to EUR 665 million with the inclusion of the amounts of the bilateral loans of Kutxabank and Unicaja described in the following section. In addition, the credit facility limit was increased to EUR 740 million. At 30 June 2024, this credit facility had not been drawn down.

This financing includes the same obligations to maintain certain coverage ratios as the Group’s bonds and the financing from Banco Sabadell and the European Investment Bank. These ratios are defined as the ratio of the value of assets to outstanding debt (Loan to Value), the ratio of Group income to debt service (interest coverage ratio, or ICR) and the ratio of assets to debt, both without collateral (Unencumbered Ratio). The Parent’s directors have confirmed that these ratios were met at 30 June 2024 and do not expect that they will not be fulfilled in the coming years.

*Bilateral loans without mortgage guarantee*

On 18 November 2022, the Parent took out an unsecured loan with Banco Sabadell for EUR 60 million, maturing in January 2028 and accruing interest at a market rate of EURIBOR + 120 basis points.

This financing includes obligations to maintain the coverage ratios described in the previous point. The Parent’s directors have confirmed that these ratios were met at 30 June 2024 and do not expect that they will not be fulfilled in the coming years.

On 31 March 2023, the Parent took out an unsecured loan with Kutxabank, S.A. for EUR 30 million, maturing in 5 years from its drawdown and accruing interest at a market rate of EURIBOR + 130 basis points. While the financing was not drawn down, an undrawn funds fee of 26 basis points was applied. On 20 April 2023, this financing was drawn down in full.

On 24 April 2023, the Parent took out and drew down on an unsecured loan with Unicaja Banco, S.A. for EUR 35 million, maturing in 5 years from its drawdown and accruing interest at a market rate of EURIBOR + 130 basis points.

On 18 July 2023, both entities (Kutxabank, S.A. and Unicaja Banco, S.A.) were included in the senior syndicated loan, becoming part of this arrangement.

*European Investment Bank Loan*

On 20 December 2018, the Parent formalised a loan without mortgage security with the European Investment Bank in an amount of EUR 51 million. On 4 November 2019, the Parent arranged the second tranche of the unsecured loan with the European Investment Bank for EUR 64 million, with the two tranches amounting to EUR 115 million. Such financing can be made available through several loans with a maturity of 10 years each drawdown. This credit facility will be allocated to the development of logistical assets in the Castilla–La Mancha region.

On 10 March 2020 and 26 October 2020, the Group drew down EUR 23.4 million and EUR 5.6 million corresponding to the first tranche of the financing. This loan accruals a fixed interest rate of 60 basis points. On 20 December 2022, the Group drew down EUR 22 million at an interest rate of 358 basis points and the first tranche of EUR 51 million was drawn down in full.

On 20 December 2023, the Group drew down EUR 16.9 million at an interest rate of 386 basis points. This loan corresponds to the first drawdown of the second tranche of EUR 64 million.

On 16 December 2021, the Parent arranged an unsecured loan with the European Investment Bank amounting to EUR 45.2 million and maturing in 10 years. This financing will be used for energy efficiency investments. At year-end, this loan had not yet been drawn down.

This financing includes obligations to meet certain coverage ratios. These ratios are defined as the ratio of the value of assets to outstanding debt (Loan to Value), the ratio of Group income to debt service (interest coverage ratio, or ICR) and the ratio of assets to debt, both without collateral (Unencumbered Ratio). The Parent's directors have confirmed that these ratios were met at 30 June 2024 and do not expect that they will not be fulfilled in the coming years.

*Mortgage loans*

At 30 June 2024 and 31 December 2023, the Group had taken out the following mortgage loans:

*At 30 June 2024*

| | Thousand of euros | | | | |
|---|---|---|---|---|---|
| Financial institution | Original Loan | Long Term | Short Term | Interest | Collateral |
| Novo Banco | 134,000 | 134,000 | - | 56 | Mortgage |
| Caixabank | 150,000 | 149,438 | 469 | 1,620 | Mortgage |
| ING | 70,000 | 70,000 | - | 27 | Mortgage |
| BBVA | 180,000 | 180,000 | - | 65 | Mortgage |
| Allianz | 170,000 | 170,000 | - | 299 | Mortgage |
| **Total** | **704,000** | **703,438** | **469** | **2,067** | |

*At 31 December 2023*

| | Thousand of euros | | | | |
|---|---|---|---|---|---|
| Financial institution | Original Loan | Long Term | Short Term | Interest | Collateral |
| Caixabank | 21,000 | 11,735 | 1,629 | 182 | Mortgage |
| ING | 70,000 | 70,000 | - | 29 | Mortgage |
| BBVA | 180,000 | 180,000 | - | 99 | Mortgage |
| Allianz | 170,000 | 170,000 | - | 1,004 | Mortgage |
| **Total** | **441,000** | **431,735** | **1,629** | **1,314** | |

On 26 March 2015, the Group subrogated a mortgage-backed loan taken out with Caixabank, S.A. with a mortgage guarantee on the Alcalá 38-40 office building. This loan has a principal of EUR 21 million, a term of 15 years, an interest rate of 3-month EURIBOR + 150 basis points, a 4-year grace period for the principal, and the principal is repayable in full using the French method over the following 11 years. On 2 April 2024, the Group repaid this loan early.

On 26 April 2019, the Group entered into a novation agreement modifying the mortgage loan taken out on 4 December 2015 with ING Bank N.V. by the subsidiary Merlin Logística, S.L.U. The maturity date for this financing arrangement, originally set to be in 2020, was extended until 2026. This financing accrues interest at a rate of 3-month EURIBOR + 100 basis points, and it includes a mechanism for adjusting the finance cost based on complying with four sustainability criteria. On 26 March 2021, the mortgage financing agreement was amended, increasing the loan amount by EUR 2.1 million to a total of EUR 70 million.

This financing includes obligations to maintain certain coverage ratios, such as the loan-to-value ratio and the ratio of the subsidiary's income used to service the debt (interest coverage ratio, ICR). It also includes certain conditions linked to compliance with the following environmental and sustainability factors: i) sustainable capex, ii) LEED and BREAM certifications, iii) AIS certifications, and iv) green energy consumption, which can lead to certain savings in finance charges. The Parent's directors have confirmed that these ratios were met at 30 June 2024 and do not expect that they will not be fulfilled in the coming years.

In accordance with IFRS 9, the Group assessed the nature of the refinancing carried out for the previous ING loan and concluded that it did not represent a material change (10% test). Therefore, the difference between the value of the old debt at amortised cost and the new debt discounted at the effective interest rate of the old debt was recognised as a decrease in finance costs of EUR 2,291 thousand under "Finance costs" in the consolidated income statement for 2019. This amount will be reversed in the consolidated income statement for subsequent years in accordance with the effective interest rate of the debt.

In the first half of 2024, the application of the amortised cost method in relation to these items gave rise to a finance cost of EUR 181 thousand (EUR 362 thousand in 2023).

On 27 July 2023, the Parent took out a loan with BBVA secured by a mortgage on the Torre Castellana. The loan is for EUR 180 million, with a term of 7 years and accrues interest at a market rate of EURIBOR + 110 basis points.

On 15 November 2023, the Parent took out a loan with Allianz secured by a mortgage on a portfolio of four office buildings in Madrid. The loan is for EUR 170 million, with a term of 10 years and accrues interest at a fixed interest rate of 4.523%.

On 17 January 2024, the Parent took out a loan with Caixabank, S.A. secured by a mortgage on a portfolio of two office buildings in Madrid. The loan is for EUR 150 million, matures in 2034 and has a spread of 130 basis points. This loan was drawn down on 2 April 2024.

On 28 June 2024, the Group took out a loan with Novo Banco, S.A., secured by mortgage on a portfolio of 5 office buildings in Lisbon. The loan amounts to EUR 134 million, maturing in 2031 and have a spread of 125 basis points. At 30 June 2024, the loan has been drawn down in full.

This financing includes obligations to maintain certain coverage ratios, such as the loan-to-value ratio and the ratio of the subsidiary's income used to service the debt (interest coverage ratio, ICR). The Parent's directors have confirmed that these ratios were met at 30 June 2024 and do not expect that they will not be fulfilled in the coming years.

### *10.2 Debenture issues*

On 12 May 2017, the Parent subscribed a Euro Medium Term Notes (EMTN) issue programme of up to EUR 4,000 million, which replaced the original bond issue programme and its supplement subscribed on 25 April 2016 and 14 October 2016, respectively, for an overall maximum amount of EUR 2,700 million.

On 18 May 2018, the Parent expanded the Euro Medium Term Notes (EMTN) issue programme to EUR 5,000 million.

On 17 June 2020, the shareholders at the Annual General Meeting approved the extension of this bond issuance programme up to an amount of EUR 6,000 million, with the extension carried out on 21 March 2021. The programme was subsequently renewed on 4 August 2022, 11 May 2023 and 10 May 2024 for another year.

On 1 June 2022, the Group obtained the consent of its bondholders to the conversion of all its bonds into green bonds in accordance with the Green Funding Framework published by the Group on 25 April 2022. The reclassification of the bonds to green bonds does not entail changes to any other features of the bonds, such as their terms and conditions, interest or maturity. In April 2024, the Group has renewed the Green Financing Framework.

On 25 April 2023, the Group repaid the corresponding bond on the maturity date in the amount of EUR 742.8.

On 2 February 2024, the Group increased the amount drawn down (tap) on the bond maturing in September 2029 at 2.375% for an amount of EUR 100 million (implicit cost 3.93%).

The detail at 30 June 2024 and at 31 December 2023 of the bonds issued by the Parent is as follows:

*30 June 2024*

| Maturity | Par value (Millions of Euros) | Coupon | Listed price | Yield | Market |
|---|---|---|---|---|---|
| May 2025 | 600 | 1.750% | MS +38 p.b. | 3.98% | Luxembourg |
| November 2026 | 800 | 1.875% | MS +52 p.b. | 3.67% | Luxembourg |
| July 2027 | 500 | 2.375% | MS +84 p.b. | 3.87% | Luxembourg |
| September 2029 | 400 | 2.375% | MS +105 p.b. | 3.91% | Luxembourg |
| June 2030 | 500 | 1.375% | MS +133 p.b. | 4.17% | Luxembourg |
| December 2034 | 600 | 1.875% | MS +163 p.b. | 4.47% | Luxembourg |
| | **3,400** | **1.912%** | | | |

*31 December 2023*

| Maturity | Par value (Millions of Euros) | Coupon | Listed price | Yield | Market |
|---|---|---|---|---|---|
| May 2025 | 600 | 1.750% | MS +82 bp | 3.94% | Luxembourg |
| November 2026 | 800 | 1.875% | MS +74 bp | 3.32% | Luxembourg |
| July 2027 | 500 | 2.375% | MS +105 bp | 3.54% | Luxembourg |
| September 2029 | 300 | 2.375% | MS +102bp | 3.44% | Luxembourg |
| June 2030 | 500 | 1.375% | MS +176 bp | 4.18% | Luxembourg |
| December 2034 | 600 | 1.875% | MS +184 bp | 4.35% | Luxembourg |
| | **3,300** | **1.898%** | | | |

These debenture issues include obligations to meet certain coverage ratios. These ratios are defined as the ratio of the value of assets to outstanding debt (Loan to Value), the ratio of Group income to debt service (interest coverage ratio, or ICR) and the ratio of assets to debt, both without collateral (Unencumbered Ratio). The Parent's directors have confirmed that these ratios were met at 30 June 2024 and do not expect that they will not be fulfilled in the coming years.

During the first half of 2024, the interest expense on debenture issues amounted to EUR 32,107 thousand (EUR 36,217 thousand in the first half of 2023). The accrued interest payable at 30 June 2024 amounted to EUR 36,587 thousand (EUR 20,966 thousand at 31 December 2023). Debt arrangement expenses taken to the consolidated income statement in the first half of 2024 amounted to EUR 2,631 thousand (EUR 2,131 thousand in the first half of 2023).

### *10.3 Derivatives*

The detail of the financial instruments at 30 June 2024 is as follows:

| | Thousands of euros | |
|---|---|---|
| | 30-06-2024 | 31-12-2023 |
| **Non current:** | | |
| Interest rate derivatives on assets | (13,524) | (3,429) |
| Interest rate derivatives on liabilities | - | 9,475 |
| Other (Note 11) | 15,400 | 14,828 |
| **Total non-current** | **1,876** | **20,874** |
| **Current:** | | |
| Interest rate derivatives | (682) | (375) |
| **Total current** | **(682)** | **(375)** |

To determine the fair value of the interest rate derivatives, the Group discounts the cash flows based on the embedded derivatives determined by the euro interest rate curve in accordance with market conditions on the measurement date.

These financial instruments have been classified as Level 2 in accordance with the fair value hierarchy established in IFRS 7, except for that related to the investment in Silicius classified as Level 3, associated with the value of the call option that Silicius Real Estate SOCIMI, S.A. has on the ownership interest held by the Group.

The detail of the derivative financial instruments, without including non-current interests, included in the consolidated statement of financial position at 30 June 2024 and at 31 December 2023, and their hedged notional amount, is as follows:

*30 June 2024*

| | | Thousands of euros | | | | | |
|---|---|---|---|---|---|---|---|
| | | | Notional Outstanding at Each Year End | | | | |
| Type of loan | Interest Contracted | Fair Value | 2024 | 2025 | 2026 | 2027 | Subsequent Years |
| Syndicated - the Parent | 2.537% | (4,724) | 665,000 | 665,000 | 665,000 | 665,000 | 665,000 |
| Non-mortgage - the Parent | 2.512% | (489) | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| Mortgage - the Parent | 2.470% | (4,907) | 329,719 | 329,063 | 328,313 | 327,000 | 313,500 |
| Other subsidiaries | 0.310% | (3,404) | 67,900 | 67,900 | 67,900 | - | - |
| | | **(13,524)** | **1,122,619** | **1,121,963** | **1,121,213** | **1,052,000** | **1,038,500** |

*31 December 2023*

| | | Thousands of euros | | | | | |
|---|---|---|---|---|---|---|---|
| | | | Notional Outstanding at Each Year End | | | | |
| Type of loan | Interest Contracted | Fair Value | 2023 | 2024 | 2025 | 2026 | Subsequent Years |
| Syndicated - the Parent | 2,537% | 7,839 | 665,000 | 665,000 | 665,000 | 665,000 | 665,000 |
| Non-mortgage - the Parent | 2.512% | 594 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| Mortgage - the Parent | 2.363% | 1,042 | 180,000 | 180,000 | 180,000 | 180,000 | 180,000 |
| Other subsidiaries | 0.310% | (3,429) | 67,900 | 67,900 | 67,900 | 67,900 | - |
| | | **6,046** | **972,900** | **972,900** | **972,900** | **972,900** | **905,000** |

In the first half of 2024, the Group arranged a new interest rate hedge to cover the new mortgage financing with Caixabank, S.A. for the period from April 2024 to March 2034. The initial notional amount contracted totals EUR 150,000 thousand and, in accordance with the loan repayment schedule, decreases to EUR 133,500 thousand, with a fixed cost of 2.598%.

The Group opted to use hedge accounting, having adequately designated the hedging relationships in which these derivative instruments hedge the financing used by the Group, neutralising changes in interest payment flows by setting a fixed rate to be paid for the financing. The derivatives that are highly effective, prospectively and retrospectively, on a cumulative basis, since the date of designation are those associated with the new syndicated financing, the bilateral loan with Banco Sabadell, the mortgage loan with BBVA and the mortgage loan with Caixabank, with their changes in value therefore recognised under "Equity."

The Group recognised the fair value of the derivatives that meet the requirements for effectiveness under "Equity," without taking into consideration any tax effect due to application of the SOCIMI regime. The Group recognised an income of EUR 1,208 thousand (EUR 503 thousand in the first half of 2023) under "Changes in fair value of financial instruments" in the consolidated income statement at 30 June 2024 as a result of the derivative financial instruments that did not meet the hedging requirements due to ineffectiveness.

On adopting IFRS 13, the Group adjusted the measurement techniques for calculating the fair value of its derivatives. The Group includes a bilateral credit risk adjustment to reflect both its own risk and that of the counterparty in measuring the fair value of the derivatives. The Group applied the discounted cash flow method, considering a discount rate affected by the risk of these financial instruments.

In order to calculate the fair value of the financial derivatives, the Group used generally accepted measurement techniques in the market, which account for current and future expected exposure, adjusted by the probability of default and the potential loss given default affecting the contract. The credit value adjustment (CVA) or counterparty credit risk and debt value adjustment (DVA) or own credit risk were therefore estimated.

Current and expected exposure in the future is estimated using simulations of scenarios of fluctuations in market variables, such as interest rate curves, exchange rates and volatilities as per market conditions at the measurement date.

Furthermore, the Group's net exposure has been taken into account as regards each of the counterparties for the credit risk adjustment, if the financial derivatives arranged with them are included in a framework agreement for financial transactions that provides for netting-off positions. For counterparties for whom credit information is available, credit spreads have been obtained from the credit default swaps (CDS) quoted in the market; whereas for those with no available information, references from peers have been used. The Group hired an independent expert to measure the fair value of the derivatives.

The impact on the balance sheet and the income statement before tax of a 5% fluctuation in the estimated credit risk rate would be as follows:

| | Thousands of euros | | |
|---|---|---|---|
| Scenario | Liabilities | Equity | Consolidated profit/(loss) before tax |
| 5% rise in credit risk rate | (23,299) | 22,813 | (486) |
| 5% reduction in credit risk rate | 24,068 | (23,574) | 494 |

### *10.4 Maturity of bank borrowings*

The detail of the bank borrowings, by maturity, at 30 June 2024 is as follows:

| | Thousands of euros | | | |
|---|---|---|---|---|
| | Syndicated and other loans | Mortgage loans | Revolving credit facility | Total |
| 2H 2024 | - | 188 | - | 188 |
| 2025 | - | 656 | - | 656 |
| 2026 | - | 70,750 | - | 70,750 |
| 2027 | - | 1,313 | - | 1,313 |
| 2028 | 725,000 | 1,500 | - | 726,500 |
| 5 years or more | 67,880 | 629,500 | - | 697,380 |
| | **792,880** | **703,907** | **-** | **1,496,787** |

*10.5 Debt arrangement expenses*

The changes in debt arrangement expenses in the first half of 2024 are as follows:

| | Thousands of euros | | | | |
|---|---|---|---|---|---|
| | 31-12-2023 | Allocation to profit or loss – Amortised cost | Impact on income statement of IFRS 9 | Capitalisation of arrangement expenses | 30-06-2024 |
| Unsecured financing | 7,363 | (849) | - | - | 6,514 |
| Mortgage loans - other assets | 2,996 | (240) | (181) | 2,974 | 5,549 |
| Debentures and bonds | 16,663 | (2,631) | - | 7,977 | 22,009 |
| | **27,022** | **(3,720)** | **(181)** | **10,951** | **34,072** |

## 11. Other current and non-current liabilities

The detail of these headings at 30 June 2024 and 31 December 2023 is as follows:

| | Thousands of euros | | | |
|---|---|---|---|---|
| | 30-06-2024 | | 31-12-2023 | |
| | Non-current | Current | Non-current | Current |
| Other provisions | 17,259 | - | 20,181 | - |
| Guarantees and deposits received | 85,403 | 2,132 | 84,190 | 1,976 |
| Deferred tax liabilities | 613,396 | - | 613,190 | - |
| Other payables | 73,192 | 2,719 | 71,794 | 5,393 |
| Other (Note 10.3) | 15,400 | - | 14,828 | - |
| Payable to Group companies and associates | - | - | 450 | - |
| Other current liabilities | - | 25,187 | - | 10,210 |
| | **804,650** | **30,038** | **804,633** | **17,579** |

"Other provisions" includes provisions for measuring the risk associated with a number of lawsuits and claims filed by third parties arising from the Group's activities, which have been recognised in accordance with the best estimates to date, and the provision corresponding to the long-term variable remuneration to be paid in the amount of EUR 1,518 thousand (EUR 4,510 thousand in 2023).

In addition, "Other provisions" includes liabilities for tax charges that are uncertain as to their amount or timing, whereby it is probable that an outflow of resources will be required to settle these obligations as the result of a present obligation. On 10 January 2022, the tax authorities notified the Parent of the commencement of a tax audit relating to corporate tax, value added tax and tax withholdings for various years. Based on the best estimates of the amounts to be paid as a result of the assessments arising from this tax audit and supplementary tax returns for the years subsequent to those reviewed, in 2023 the Group recognised a provision of EUR 5,862 thousand under "Period provisions" in the accompanying consolidated income statement. On 21 February 2024, the following assessments were signed on an uncontested basis:

- Corporate tax for 2016 to 2019, by virtue of which it was determined that EUR 13,984 thousand was to be refunded to the Parent, which includes the tax charge and late payment interest. This assessment recognises the effects of the ruling of 19 January 2024 handed down by the Spanish Constitutional Court, which renders null and void certain provisions of Royal Decree Law 3/2016 that had an impact on taxable profit for corporate tax for 2016 to 2019.

- Value added tax for 2018 to 2019, by virtue of which EUR 799 thousand was determined to be payable, which includes the tax charge and late payment interest.

- Tax withholdings on non-resident income tax for 2018 to 2019, by virtue of which EUR 834 thousand was determined to be payable, which includes the tax charge and late payment interest.

- Tax withholdings and prepayments on income from capital for 2018 and 2019, by virtue of which it was determined that no amount was to be paid or refunded.

On 2 April 2024, the tax authorities made a net payment for the amounts relating to the assessments described above.

During the first half of 2024, the Parent filed supplementary tax returns for value added tax and tax withholdings for 2020 to 2023 amounting to EUR 2,138 thousand, which includes the tax charge and late payment interest. Provisions were recognised for these amounts at 2023 year-end under “Non-current liabilities - Other provisions” in the accompanying balance sheet.

“Guarantees and deposits received” primarily comprise the amounts deposited by lessees to secure leases, which will be reimbursed at the end of the lease term.

The Parent and the majority of its subsidiaries adhere to the SOCIMI tax regime. Under this regime, gains from the sale of assets are taxed at a rate of 0%, provided that certain requirements are met (basically, the assets must have been owned by the SOCIMI for at least three years). Any gains from the sale of assets acquired before inclusion in the SOCIMI tax regime, and those belonging to companies that are not included in that regime, will be distributed on a straight-line basis (unless proven otherwise) over the periods in which the asset was owned by the SOCIMI. The gains relating to periods before inclusion in the SOCIMI tax regime will be taxed at the standard rate, while a rate of 0% will be applied to the other years. The Parent’s directors estimated the tax rate applicable to the tax gain on the assets acquired before their inclusion in the SOCIMI tax regime (calculated in accordance with the fair value of the assets obtained from the appraisals at the date of the business combination and their tax value), recognising the related deferred tax liability.

The Parent’s directors do not envisage disposing of any of the investment property acquired after the Parent and its subsidiaries adhered to the SOCIMI tax regime within three years and, therefore, have not recognised the deferred tax liability corresponding to the changes in fair value since the assets were acquired as the applicable tax rate is 0%.

## 12. Trade and other payables

The detail of this heading at 30 June 2024 and 31 December 2023 is as follows:

| | Thousands of euros | |
|---|---|---|
| | 30-06-2024 | 31-12-2023 |
| **Current:** | | |
| Providers | 64,767 | 84,585 |
| Payable to suppliers - Group companies and associates | 1,895 | 1,800 |
| Sundry accounts payable | 9,387 | 8,660 |
| Remuneration payable | 9,497 | 12,612 |
| Other accounts payable to public authorities | 8,662 | 31,392 |
| Advances from customers | 29,284 | 24,959 |
| | **123,492** | **164,008** |

The carrying amount of the trade payables is similar to their fair value.

## 13. Revenue and expenses

### a) Revenue

The detail of revenue, together with the business line information, is provided in Note 4.

### b) Other operating expenses

The breakdown of this item of the consolidated income statement is as follows:

| | Thousands of euros | |
|---|---|---|
| | 30-06-2024 | 30-06-2023 |
| Non-recoverable expenses of leased properties | 25,386 | 21,947 |
| Overhead expenses: | | |
| Professional services | 6,825 | 5,671 |
| Travel expenses | 581 | 556 |
| Insurance | 328 | 379 |
| Other | 1,503 | 1,241 |
| Costs associated with asset acquisitions, sales and financing | 5,563 | 1,274 |
| Losses on, impairment of and changes in provisions | 539 | (654) |
| Other expenses | 5,261 | 3,043 |
| | **45,986** | **33,457** |

The Group obtained income during the period as a result of having passed on the rental property expenses to tenants amounting to EUR 48,348 thousand (EUR 48,023 thousand in the same period of the previous year).

### c) Staff costs and average headcount

The breakdown of "Staff costs" is as follows:

| | Thousands of euros | |
|---|---|---|
| | 30-06-2024 | 30-06-2023 |
| Wages, salaries and similar expenses | 14,353 | 14,940 |
| Termination benefits | - | 45 |
| Social security costs | 1,848 | 1,869 |
| Other employee benefit costs | 283 | 293 |
| Long-term incentive plans (Note 15) | 1,402 | 1,402 |
| | **17,886** | **18,549** |

In the first half of 2024 and 2023, the amount recognised under "Wages, salaries and similar expenses" includes EUR 5,940 thousand and EUR 6,800 thousand, respectively, as a provision for short-term variable remuneration.

The average number of employees at the various Group companies in the six-month period ended 30 June 2024 was 269 (256 in the same period of 2023).

### *d) Finance income and costs*

The breakdown of this item of the consolidated income statement is as follows:

| | Thousand of euros | |
|---|---|---|
| | 30-06-2024 | 30-06-2023 |
| **Finance income:** | | |
| Credit interest | 947 | 933 |
| Interest on deposits and current accounts | 9,171 | 3,414 |
| Other financial income | 2,518 | 1,176 |
| | 12,636 | 5,523 |
| **Finance costs:** | | |
| Interest on loans and other credits | (62,682) | (51,406) |
| Other finance costs | (1,215) | (5,932) |
| | (63,897) | (57,338) |
| **Net finance expense** | **(51,261)** | **(51,815)** |

During the first half of 2024, the finance costs mainly included the interest corresponding to the bank borrowings and debentures detailed in Note 10 amounting to EUR 33,278 thousand and EUR 32,106 thousand, respectively (EUR 10,716 thousand and EUR 36,217 thousand, respectively, in the first half of 2023). These amounts do not include the amortisation of the debt arrangement expenses amounting to EUR 3,901 thousand (EUR 5,147 thousand in the first half of 2023), as a result of applying the effective interest rate to the financial debt (see Note 10), and the finance income associated with the interest rate derivatives amounting to EUR 6,603 (income of EUR 674 thousand in the first half of 2023).

## 14. Related party transactions

Related party transactions are transactions carried out by the Company or its subsidiaries with directors, shareholders holding 10% or more of the voting rights or represented on the Company's board of directors, or any other persons who must be considered related parties in accordance with International Accounting Standards, adopted in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

At 30 June 2024, the detail of transactions that are significant in amount or subject, carried out between the Parent or its Group companies and related parties, is as follows:

| Related party | Nature of the relationship | Thousand of euros | | | |
|---|---|---|---|---|---|
| | | Income | Expense | Assets | Liabilities |
| Banco Santander, S.A. (a) | Financing | - | 217 | - | 100,000* |
| Banco Santander, S.A. (a) | Cash | 1,388 | - | 134,554 | - |
| Banco Santander, S.A. (b) | Lease | 417 | - | - | 391 |
| Banco Santander, S.A. (b) | Services | - | 110 | - | - |
| Paseo Comercial Carlos III (c) | Financing | 179 | - | 12,799 | - |
| Provitae Centros Asistenciales, S.L. (e) | Financing | 21 | - | 1,221 | - |
| Silicius Real Estate SOCIMI, S.A. (e) | Financing | - | - | - | 1,350 |
| **Total** | | **2,005** | **327** | **148,574** | **101,741** |

(*) Part of the revolving credit facility corresponding to Banco Santander, undrawn at 30 June 2024

## Transactions with significant shareholders

During the first half of 2024, the only shareholder considered a significant shareholder pursuant to current regulation was Banco Santander, S.A.

### a) *Financing transactions*

At 30 June 2024, the Group did not have any loans arranged with shareholders except for a corporate credit facility of EUR 740 million, undrawn at 30 June 2024, in which Banco Santander, S.A. participates with EUR 100 million. This credit facility was signed on 20 April 2023 and replaces the existing credit facility until then in force.

In the first half of 2024, the finance costs incurred in transactions with Banco Santander, S.A. amounted to EUR 217 thousand, which includes, mainly EUR 180 thousand related to the finance costs of the revolving credit facility, EUR 19 thousand in guaranteed fees and EUR 16 thousand in current account management expenses.

The income of EUR 1,388 thousand due to the ordinary remuneration of the current accounts held by the Group with Banco Santander.

Also, at 30 June 2024, the Group has bank balances deposited with Banco Santander amounting to EUR 134,554 thousand (which include the accounts in the name of the associated company Edged Spain, S.L.U. amounting to EUR 23 thousand).

Finally, the Group was granted guarantee lines by Banco Santander, S.A. for an amount of EUR 3,070 thousand euros granted to Merlin Properties SOCIMI, S.A.

### b) *Lease transactions and services rendered*

During the first half of 2024, the Group had 5 leases with the Banco Santander Group for various office buildings and shopping centers. The terms of the leases cover a period of up to 7 years and in the first half of 2024 they generated income amounting to EUR 417 thousand (EUR 412 thousand in the first half of 2023), which includes rental income, and income from parking spaces and the assignment of space for ATMs in shopping centers. The security deposits received for these leases amounted to EUR 391 thousand (same amount that 2023 year-end).

In addition, the Group contracted organisational services for the General Meeting and shareholder registration services amounting to EUR 80 thousand, in addition to agent services for the listing on the Euronext Lisbon stock exchange and agent services for dividends amounting to EUR 30 thousand.

**Financing transactions with companies accounted for using the equity method**

***c) Paseo Comercial Carlos III, S.A.***

At 30 June 2024, the Parent Company and the associate Paseo Comercial Carlos III, S.A. (owner of a shopping centers in Madrid) have a loan in force amounting to EUR 12,799 thousand.

This amount includes EUR 2,539 thousand of the initial loan that was granted on 27 July 2020 (2,539 at 30 June 2023).

During the first half of 2024, Paseo Comercial Carlos III, S.A., has made a novation of this mortgage loan with credit institutions. This novation included a partial repayment of EUR 20,000 thousand. To this end, the Group has made a contribution, via loan, to the concession subsidiary of EUR 10,000 thousand.

Also, the amount at 30 June 2024, includes EUR 259 thousand of accrued interest (EUR 65 thousand at 30 June 2023), being the financial income for the year 2024, EUR 179 thousand.

***e) Provitae Centros Asistenciales, S.L.***

At 30 June 2024, the Parent Company has a loan in force, initially granted on 10 January 2002, in the amount of EUR 1,221 thousand, which includes EUR 203 thousand of accrued interest, being the financial income for the year 2024, EUR 21 thousand.

***e) Silicius Real Estate SOCIMI, S.A.***

At 30 June 2024, the Parent had outstanding obligations amounting to EUR 1,350 thousand, recognised as current and non-current other financial liabilities.

**Dividends and other profit distributed to related parties (thousands of euros)**

| | 30-06-2024 | 30-06-2023 |
|---|---|---|
| **Significant shareholders** | **27,357** | **27,527** |
| Banco Santander, S.A. | 27,357 | 27,527 |
| **Directors and executives** | **1,703** | **1,623** |
| Directors | 977 | 985 |
| Executives | 726 | 638 |
| **Total** | **29,060** | **29,150** |

## 15. Information on directors

The Parent's directors and the parties related to them did not have any conflicts of interest that had to be reported in accordance with that set out in section 229 of the consolidated text of the Corporate Enterprises Act.

***Directors' compensation and other benefits***

At 30 June 2024, the salaries, attendance fees and fixed remuneration earned by members of the Parent's managing bodies amounted to EUR 2,101 thousand (EUR 1,868 thousand at 30 June 2023) as detailed below:

| | Thousands of euros | |
|---|---|---|
| | 30-06-2024 | 30-06-2023 |
| Fixed remuneration | 1,979 | 1,750 |
| Statutory compensation | - | - |
| Termination benefits | - | - |
| Attendance fees | 122 | 118 |
| Life and health insurance | 5 | 5 |
| | **2,106** | **1,873** |

In addition to the above amounts, in the first half of 2024, the executive directors received payments totalling EUR 2,561 thousand corresponding to the variable remuneration for 2023 and the deferred variable remuneration for 2021 and 2022. At 30 June 2024, the accrued amounts payable related to the variable remuneration for 2022 and 2023 totalled EUR 1,886 thousand, of which EUR 621 thousand are recognised under "Non-current provisions" and EUR 1,265 thousand under "Trade and other payables" in the accompanying balance sheet.

The breakdown, by Board member, of the amounts disclosed above received for fixed remuneration and attendance fees, is as follows:

| Director | Type | Thousands of euros | |
|---|---|---|---|
| | | 30-06-2024 | 30-06-2023 |
| **Directors' remuneration:** | | | |
| José Luis de Mora Gil-Gallardo (*) | Chairman - Proprietary director | 55 | - |
| Javier García Carranza Benjumea (*) | Chairman - Proprietary director | 170 | - |
| Ismael Clemente Orrego | CEO | 500 | 500 |
| Miguel Ollero Barrera | Executive director | 500 | 500 |
| Maria Luisa Jordá Castro | Independent director | 91 | 95 |
| Ana García Fau | Independent director | 105 | 105 |
| Fernando Ortiz Vaamonde | Independent director | 72 | 72 |
| George Donald Johnston | Independent director | 95 | 95 |
| Juan María Aguirre Gonzalo | Independent director | 90 | 90 |
| Pilar Cavero Mestre | Independent director | 77 | 78 |
| Francisca Ortega Hernández-Agero | Proprietary director | 85 | 85 |
| Emilio Novela Berlín | Independent director | 95 | 93 |
| María Ana Forner Beltrán | Proprietary director | - | 78 |
| Ignacio Gil Casares Satrústegui | Proprietary director | 51 | 72 |
| Juan Antonio Alcaraz García | Proprietary director | 72 | 5 |
| Julia Bayón Pedraza | Proprietary director | 21 | - |
| Inès Archer Toper | Independent director | 22 | - |
| | | **2,101** | **1,868** |

(*) On 16 May 2024, the Parent's Board accepted and approved the resignation of Javier García Carranza Benjumea as Board member. At this same meeting, the Parent's Board unanimously approved the appointment by co-option of José Luis de Mora Gil-Gallardo as proprietary director representing the shareholder Banco Santander, S.A., and his appointment as Chairman of the Board of the Parent, following a favourable report from the Appointments and Remuneration Committee, to fill the vacancy on the Board as a result of the resignation of Javier García-Carranza Benjumea.

In the first half of fiscal year 2024, the mandate of Ignacio Gil Casares Satrústegui as a member of the Board of Directors expired.

At the Ordinary General Shareholders' Meeting held on 9 May 2024, the appointment of Inès Archer Toper as independent director was approved, as well as the appointment of Julia Bayón Pedraza, as proprietary director representing the shareholder Banco Santander, S.A., thus fixing the number of members of the Board of Directors of the Parent Company at 14.

The Parent has not granted any advances, loans or guarantees to any of its Board members.

The Parent's directors are covered by the "Corporate Third-Party Liability Insurance Policies for Directors and Executives" taken out by the Parent to cover any possible harm and loss that may be claimed, and that are evidenced as a result of a management error committed by its directors or executives, and those of its subsidiaries, in discharging their duties. The premium amounted to an annual total of EUR 251 thousand (EUR 320 thousand in 2023).

As regards golden parachute clauses for executive directors in the event of dismissal or a takeover, at 30 June 2024 these golden parachute clauses provide for compensation that represented a total commitment of EUR 9,058 thousand

***Remuneration and other benefits of senior executives***

The remuneration of the Parent's senior executives, including the Head of Internal Audit and excluding those who are simultaneously Board members (whose remuneration is disclosed above), in the six-month period ended 30 June 2024 is summarised as follows:

| Thousands of euros | | | | | | | |
|---|---|---|---|---|---|---|---|
| 30-06-2024 | | | | 30-06-2023 | | | |
| Number of people | Fixed remuneration | Other remuneration | Total | Number of people | Fixed remuneration | Other remuneration | Total |
| 9 | 1,120 | 17 | 1,137 | 9 | 1,067 | 16 | 1,083 |

In addition to the above amounts, in the first half of 2024, the senior executives received payments totalling EUR 3,736 thousand corresponding to the variable remuneration for 2023 and the deferred variable remuneration for 2021 and 2022. At 30 June 2024, the accrued amounts payable related to the variable remuneration for 2022 and 2023 totalled EUR 2,624 thousand, of which EUR 854 thousand are recognised under "Non-current provisions" and EUR 1,770 thousand under "Trade and other payables" in the accompanying balance sheet.

The main characteristics of the incentive plan with an impact on these condensed consolidated financial statements are set out below:

***2022-2024 Incentive Plan***

The shareholders at the General Meeting held on 4 May 2022 approved a long-term remuneration plan consisting of the delivery of 3,491,767 ordinary shares of the Company (representing 0.74% of the share capital), for the management team and other important members of the Group's workforce ("2022-2024 Incentive Plan").

The 2022-2024 Incentive Plan consists of a single cycle with a target measurement period that will last three years, starting on 1 January 2022 and ending on 31 December 2024. If the targets are met, the shares will be delivered in 2025 once the financial statements for 2024 have been authorised for issue and audited. All shares delivered under the 2022-2024 Incentive Plan to executive directors will be subject to a 2-year retention period. A maximum of 1,088,082 shares will be allocated to executive directors.

The specific number of Company shares that, within the established maximum, will be delivered to the beneficiaries of the 2022-2024 Incentive Plan at the end of the Plan will be conditional on achievement of the following targets linked to the creation of shareholder value and sustainability:

| Metrics | Definition | Weighting |
|---|---|---|
| **Absolute TSR**<br><br>**Relative TSR** | Absolute Total Shareholder Return (TSR) is the return on the share considering the cumulative change in the Company's share price, including dividends and other similar items received by the shareholder during the 2022-2024 period.<br><br>Relative TRS measures the performance of the TRS of the Company's share over the 2022-2024 period in relation to the TRS of the FTSE EPRA Nareit Developed Europe Index over the same period. | 50% |
| **EPRA NTA 31/12/24 + Dividends (2022-2024) / share** | The EPRA NTA is calculated based on the Company's consolidated equity and adjusting specific items in accordance with EPRA recommendations. Furthermore, the dividends paid and other similar items received by the shareholder during the target measurement period (2022, 2023 and 2024) are taken into account | 35% |
| **Net carbon emissions** | Level of reduction of the Company's CO2 emissions at 31 December 2024, compared to 31 December 2021, calculated for the comparable portfolio of assets over which the Company has operational control (scope of the Company's pathway to net zero). | 10% |
| **Environment and society** | Progress on the initiatives linked to improving the environment and society. The economic and social impact of the Company's assets on the local communities around these assets and the various stakeholders will therefore be assessed. | 5% |

At 30 June 2024, the Group had recognised an expense of EUR 1,402 thousand corresponding to the accrued portion of the 2022-2024 Incentive Plan (EUR 1,402 thousand in the same period of 2023), with a balancing entry in reserves.

## 16. Events after the reporting period

No significant events have taken place between 30 June 2024 and the date of authorisation for issue of these interim consolidated financial statements.

# Merlin Properties SOCIMI, S.A. and Subsidiaries

Trading update for the six-month period ended 30 June 2024

MERLIN PROPERTIES

# 6M24 RESULTS
Trading Update

## CONSOLIDATED PERFORMANCE

**+2.8%**
**Gross rents like-for-like YoY**

**+0.3%**
**FFO per share YoY**

**+1.8%**
**TSR YTD**

- Strong operating performance continues, with good **rental growth (+2.8% LfL)** and positive release spreads
- **FFO impacted by the overhead drag of the ramp up of Data Centers** (+0.3% FFO vs 6M23)
- **Healthy occupancy figure (95.4%) that will improve towards year-end**
- **>€ 90m non core disposals either signed or in advanced** negotiations at a premium to GAV
- **S&P has upgraded MERLIN's to BBB+** on the basis of sustained lower leverage and expanding cash flow base
- **Flat overall 1H appraisals thanks to Data Centers (+13.3%** in 6M24) while **yields continue expanding (+12 bps)**
- **NTA per share** at **€ 15.11** after € 0.24 cash paid in 2Q

| (€ million) | 6M24 | 6M23 | YoY |
|---|---|---|---|
| Total revenues | 253.7 | 243.4 | 4.3% |
| Gross rents | 248.2 | 237.8 | 4.4% |
| Gross rents after incentives | 234.5 | 222.4 | 5.4% |
| Net rents after propex & collection losses | 208.6 | 201.1 | 3.7% |
| *Gross-to-net margin*[1] | *88.9%* | *90.4%* | |
| EBITDA[2] | 188.4 | 181.7 | 3.7% |
| *Margin* | *75.9%* | *76.4%* | |
| FFO[3] | 147.8 | 147.4 | 0.3% |
| *Margin* | *59.5%* | *62.0%* | |
| AFFO | 142.5 | 140.8 | 1.2% |
| Net earnings | 132.8 | (47.5) | n.m. |

| (€ per share) | 6M24 | 6M23 | YoY |
|---|---|---|---|
| FFO | 0.31 | 0.31 | 0.3% |
| AFFO | 0.30 | 0.30 | 1.2% |
| EPS | 0.28 | (0.10) | n.m. |
| EPRA NTA | 15.11 | 15.36 | (1.6%) |

## BUSINESS PERFORMANCE

**Rents like-for-like YoY**

| +1.8% | +4.1% | +3.3% |
|---|---|---|
| Offices | Logistics | S. Centers |

**Release spread**

| +1.1% | +2.9% | +6.4% |
|---|---|---|
| Offices | Logistics | S. Centers |

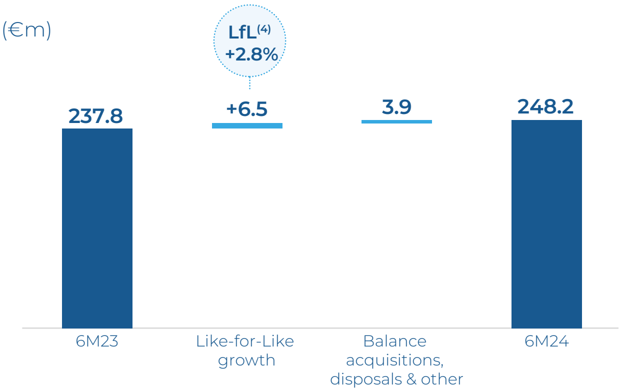
**Occupancy vs 31/03/2024**

**(35 bps)** → **95.4%**

- **Offices:** 92,934 sqm contracted. **LfL** of **+1.8%** and **release spread** of **+1.1%**
- **Logistics:** 62,484 sqm contracted. **LfL** of **+4.1%** and **release spread** of **+2.9%**
- **Shopping centers:** 30,899 sqm contracted. **LfL** of **+3.3%%** and **release spread** of **+6.4%**

| 6M24 | Contracted | Rent | | Leasing activity | Occ. vs 31/03/24 |
|---|---|---|---|---|---|
| | sqm | €m | LfL change | Release spread | Bps |
| Offices | 92,934 | 134.6 | +1.8% | 1.1% | +13 |
| Logistics | 62,484 | 42.0 | +4.1% | 2.9% | (81) |
| Shopping centers | 30,899 | 63.4 | +3.3% | 6.4% | (4) |
| Data Centers | n.a. | 0.9 | n.a. | n.a. | n.a. |
| Other | n.a. | 7.3 | +8.6% | n.m. | +44 |
| **Total** | **186,317** | **248.2** | **+2.8%** | | **(35)** |

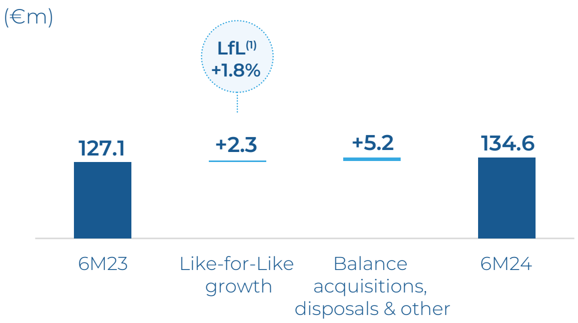
### Gross rents bridge




[1] Net of incentives
[2] Excludes non-overhead costs items (€ 5.7m) plus LTIP accrual (€ 1.4m)
[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 6M23 (€ 230.8m of GRI) and for 6M24 (€ 237.3m of GRI)

# OFFICES

## Gross rents bridge




## Rents breakdown

| | Gross rents 6M24 (€ m) | Passing rent (€/sqm/m) | WAULT (yr) |
|---|---|---|---|
| Madrid | 94.5 | 20.5 | 3.1 |
| Barcelona | 22.2 | 21.2 | 2.7 |
| Lisbon | 16.7 | 22.4 | 3.9 |
| Other | 1.2 | 11.9 | 6.0 |
| **Total** | **134.6** | **20.7** | **3.2** |

## Leasing activity

- **Positive rent increase on renewals continues (+1.1%) despite the indexation already captured**
- **2Q24 leasing activity highlights:**
  - 7,450 sqm new leases with SAP, Bluetab and Seidor in Plaza Ruiz Picasso 11, Madrid
  - 6,352 sqm renewal with P&G in Avenida de Bruselas 24, Madrid
  - 6,299 sqm new lease with PWC in Adequa 1, Madrid
  - 1,873 sqm renewal with Pharmaceutical Research Associates in Atica XIX, Madrid

| | | | | | | LTM | |
|---|---|---|---|---|---|---|---|
| sqm | Contracted | Out | In | Renewals(2) | Net | Release spread | # Contracts |
| Madrid | 82,801 | (20,589) | 44,708 | 38,093 | 24,119 | +1.9% | 83 |
| Barcelona | 9,264 | (6,874) | 6,635 | 2,629 | (239) | (1.1%) | 31 |
| Lisbon | 869 | (1,860) | 564 | 305 | (1,296) | (0.2%) | 5 |
| **Total** | **92,934** | **(29,323)** | **51,907** | **41,027** | **22,584** | **+1.1%** | **119** |

## Occupancy

- Resilient occupancy (92.3%). **FY24 physical occupancy guidance improves to 93%**
- By markets, **best performer this quarter has been Madrid NBA A-1 with 6,299 sqm signed with PwC and 6,016 sqm signed (post closing) with BBVA**
- **Madrid** has overtaken Barcelona in occupancy

| | |
|---|---|
| **Stock** | 1,163,485 sqm |
| **WIP** | 156,815 sqm |
| **Stock incl. WIP** | 1,320,300 sqm |

| | Occupancy rate(3) | | |
|---|---|---|---|
| | 6M24 | 6M23 | Change bps |
| Madrid | 91.5% | 90.0% | +149 |
| Barcelona | 90.9% | 95.3% | (445) |
| Lisbon | 98.8% | 100.0% | (119) |
| Other | 100.0% | 100.0% | - |
| **Total** | **92.3%** | **92.3%** | **(1)** |

(1) Portfolio in operation for 6M23 (€ 123.2m of GRI) and for 6M24 (€ 125.5m 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 extension, Torre Lisboa, PE Cerro Gamos 2, 3 & 5, Encinar and Josefa Valcarcel 48

# LOGISTICS

## Gross rents bridge

(€m)


## Rents breakdown

| | Gross rents 6M24 (€ m) | Passing rent (€/sqm/m) | WAULT (yr) |
|---|---|---|---|
| Madrid | 27.2 | 4.4 | 3.6 |
| Barcelona | 6.0 | 7.8 | 2.5 |
| Other | 8.8 | 4.5 | 1.6 |
| **Total** | **42.0** | **4.8** | **3.0** |

## Leasing activity

- **Compelling organic performance (+4.1% LfL),** with positive release spread (+2.9%)
- **2Q24 leasing activity highlights:**
  - 6,534 sqm new lease (extension) with Rangel in Lisboa Park A
  - 5,812 sqm renewal with The Phone House in Coslada-Complex, Madrid
  - 2,709 sqm new lease with Satys in Coslada-Complex, Madrid

| | | | | | | LTM | |
|---|---|---|---|---|---|---|---|
| **sqm** | **Contracted** | **Out** | **In** | **Renewals** | **Net** | **Release spread** | **# Contracts** |
| Madrid | 55,950 | (5,560) | 50,138 | 5,812 | 44,578 | +2.1% | 8 |
| Barcelona | - | (6,829) | - | - | (6,829) | +12.1% | 2 |
| Other | 6,534 | (18,199) | 6,534 | - | (11,665) | n.m. | n.m. |
| **Total** | **62,484** | **(30,588)** | **56,672** | **5,812** | **26,084** | **+2.9%** | **10** |

## Occupancy

- The portfolio continues **close to full occupancy (97.6%) and is set to improve towards year-end**
- In 6M24, MERLIN signed a turn-key project with Total for the delivery of a **18,133 sqm warehouse in Cabanillas Park II and with XPO for the delivery of a 2,477 sqm warehouse in Sevilla ZAL.** Further contracts are expected to be signed in the following months, materialising the conversion of head-of-terms into pre-lets
- **Zal Port** occupancy stands at **97.9%**

| | |
|---|---|
| **Stock** | 1,510,808 sqm |
| **WIP[2]** | 510,826 sqm |
| **Short term** | 162,325 sqm |
| **Mid term** | 105,922 sqm |
| **Long term** | 242,579 sqm |
| **Stock incl. WIP** | 2,021,634 sqm |
| **ZAL Port** | 765,006 sqm |
| **Stock managed** | 2,786,640 sqm |

| | Occupancy rate | | |
|---|---|---|---|
| | **6M24** | **6M23** | **bps** |
| Madrid | 98.4% | 94.7% | +375 |
| Barcelona | 93.5% | 98.6% | (517) |
| Other | 96.8% | 100.0% | (318) |
| **Total** | **97.6%** | **96.4%** | **+123** |

[1] Portfolio in operation for 6M23 (€ 39.5m of GRI) and for 6M24 (€ 41.1m of GRI)
[2] WIP includes in progress and Landbank Best II & III

# LOGISTICS (CONT.)

## INVESTMENTS, REFURBISHMENTS AND DEVELOPMENTS

### Logistics development program (as of 30/06/2024)

- Best II & III plans **have been merged**
- **525k sqm** delivered to date achieving a YoC at delivery of 7.8%
- **511k sqm of Landbank owned,** all of which has now reached **ready-to-build status,** distributed among selected locations in Madrid, Lisbon, Valencia and Seville
- Within the Landbank, **33k sqm pre-let and 179k sqm with HoT signed**

### Logistics pipeline as of 6M24

| | GLA (sqm) | Pending capex (€m) | Expected GRI (€m) | YoC[1] (%) |
|---|---|---|---|---|
| Near term pipeline (2025) | 162k | 91 | 9.5 | 7.5% |
| Medium term pipeline (2026-2027) | 106k | 60 | 6.3 | 7.6% |
| Non-committed long-term pipeline[2] | 243k | 115 | 13.3 | ±7.0% |

# DATA CENTERS

- **MAD01-GET, BCN01-PLZF and BIO03-ARA** Data Centers **fully operational,** proving to market best-in-class technical specifications (1.15 PUE and 0.0 WUE)
- **LIS01-VFX** Data Center **construction license granted and power secured** for a **100 MW AI Campus**
- **BIO02-ARA** construction license expected in 4Q24. **Power in place** for the new **94 MW**

### Data Centers pipeline (Phase I: 60 MW IT capacity)

| | Capex (€m) | | | | | Expected stabilized GRI (€m) | Stabilized GRI YoC[1] (%) | Stabilized NOI YoC[1] (%) |
|---|---|---|---|---|---|---|---|---|
| Invested 6M24 | 2H 2024 | 2025 | 2026 | 2027 | Total | | | |
| 294 | 55 | 97 | 75 | 44 | 565 | 81 | c.14.4% | >10% |

### Data Centers pipeline (Phase II: 200 MW IT capacity)

- **Fully licensed land and power available** for an additional **200 MW of IT capacity[3] (Phase II)**
- **€ 2.1 bn of capital needed to fund Phase II development**

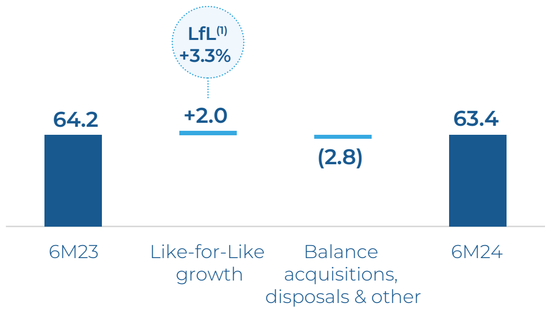
| | Capex (€m) | | | | | | Expected stabilized GRI (€m) | Stabilized GRI YoC[1] (%) | Stabilized NOI YoC[1] (%) |
|---|---|---|---|---|---|---|---|---|---|
| Invested 6M24 | 2H 2024 | 2025 | 2026 | 2027 | 2028 | Total | | | |
| 7 | 19 | 791 | 886 | 397 | 6 | 2,106 | 313 | c.14.4% | >10% |

[1] Including land cost
[2] To be developed on a pre-let basis
[3] Including 100 MW in Lisbon-VFX, 94 MW in Bilbao-Arasur and 6 MW of repowering capacity in Barcelona-PLZF

# SHOPPING CENTERS

## Gross rents bridge

(€m)




## Rents breakdown

| | Gross rents 6M24 (€ m) | Passing rent (€/sqm/m) | WAULT (yr) |
|---|---|---|---|
| TOTAL | 63.4 | 25.3 | 2.2 |

## Footfall and tenant sales

| | vs 6M23 |
|---|---|
| Tenant sales | +5.0% |
| Footfall | +3.3% |
| OCR | 11.5% |

## Leasing activity

- **Footfall** (+3.3% vs 6M23), above the Spanish average, **and sales** (+5.0% vs 6M23) continue outperforming
- **LfL rental increase (+3.3%)** reflecting strong operating performance of the assets, as the effort rate continues at historical lows **(11.5% OCR in 6M24)**
- **2Q24 leasing activity highlights:**
  - 5,864 sqm renewal with Primark in Marineda
  - 891 sqm renewal with Climbat in X-Madrid
  - 847 sqm renewal with Kiabi in Saler
  - 507 sqm renewal with Denim&Friends in Saler
  - 450 sqm renewal with Goiko Grill in Marineda
  - 427 sqm new lease with Mundimoto in X-Madrid
  - 410 sqm renewal with Pepco in Arenas

| | | | | | | LTM | |
|---|---|---|---|---|---|---|---|
| sqm | Contracted | Out | In | Renewals | Net | Release spread | # Contracts |
| Total | 30,899 | (11,815) | 10,757 | 20,142 | (1,058) | +6.4% | 88 |

## Occupancy

- **Occupancy stands at 96.0%**
- Best performer this quarter has been **Centro Oeste**

| | |
|---|---|
| **Stock** | 431,348 sqm |
| **Tres Aguas**[2] | 67,940 sqm |
| **Stock with Tres Aguas** | 499,288 sqm |

| | Occupancy rate | | |
|---|---|---|---|
| | 6M24 | 6M23 | bps |
| Total | 96.0% | 96.4% | (45) |

[1] Portfolio in operation for 6M23 (€ 61.3m of GRI) and for 6M24 (€ 63.3m of GRI)
[2] Tres Aguas at 100% allocation

# BALANCE SHEET

- **LTV stands at 35.6%** (+62 bps vs FY23)
- **No further debt maturities until November 2026 after tackling May 2025** with a mix of bank debt (secured and unsecured) and bond financing
- **S&P has upgraded MERLIN's debt rating to BBB+** on the basis of sustained lower leverage and expanding cash flow base

| Ratios | 30/06/2024 | 31/12/2023 |
|---|---|---|
| LTV (Inc. TC) | 35.6% | 35.0% |
| Av. Interest rate | 2.49% | 2.38% |
| Av. Maturity (years) | 4.8 | 5.1 |
| Unsecured debt to total debt | 85.6% | 90.4% |
| Interest rate fixed | 97.2% | 99.7% |
| Liquidity position (€m)[1] | 1,572 | 1,309 |

| | € million |
|---|---|
| GAV | 11,375 |
| Gross financial debt | 4,897 |
| Cash and equivalents[2] | (740) |
| Net financial debt | 4,157 |
| NTA | 7,097 |

| Corporate rating | | Outlook |
|---|---|---|
| S&P Global | BBB+ | Stable |
| Moody's | Baa2 | Positive |

# VALUATION

- **€ 11,375m GAV, flat LfL** as compared to December 2023
- **Value created on developments (+€ 53.5m) offsets loss in operating portfolio (€ 48.7m)**
- **Yields have expanded by a further 12bps** during the semester across all asset classes, with modest impact in valuations due to resilient operating performance. **Since FY20, passing yields have expanded by 107 bps** while still delivering positive TSR during the period

| | GAV (€ m) | LfL Growth | Gross yield | Yield expansion /(compression)[3] |
|---|---|---|---|---|
| Offices | 6,198 | (0.4%) | 4.8% | +11 |
| Logistics | 1,445 | (0.6%) | 5.6% | +7 |
| Shopping centers | 2,004 | (0.3%) | 6.2% | +14 |
| Logistics WIP & Office landbank | 254 | n.a. | n.a. | |
| Data Centers | 444 | +13.3% | n.a. | n.a. |
| Others | 355 | +0.1% | 5.2% | +28 |
| Equity method | 676 | - | n.a. | |
| **Total** | **11,375** | **+0.0%** | **5.2%** | **+12** |

(1) Includes cash (€ 725.3m) and treasury stock (€ 14.4m) and undrawn credit facilities (€ 832.4m) in 6M24
(2) Includes cash (€ 725.3m) and treasury stock (€ 14.4m)
(3) Bps based on passing rent

# INVESTMENTS, DIVESTMENTS AND CAPEX

- **€ 3.0m in non-core divestments. Further non-core sales in excess of € 90m either signed or in advanced negotiacions at a premium to GAV**
- **Muted acquisitions during 6M24,** limited to consolidating a 100% ownership in a c. 4,500 sqm building adjacent to our Plaza Ruiz Picasso development and increasing the Landbank of our Bilbao-Arasur DC campus
- Capex efforts continue focused on **Best II & III and Digital Infrastructure Plan (Mega)**

| | Offices | Retail | Logistics | Data Centers | € million |
|---|---|---|---|---|---|
| Acquisitions | Plaza Ruiz Picasso extension | | | Bilbao (Data Center) Landbank | 22.6 |
| Greenfield development | | | A2-Cabanillas Park II<br>Lisboa-Park | Bilbao Arasur (Data Center)<br>Madrid-Getafe (Data Center)<br>Barcelona PLZF (Data Center)<br>Lisboa-VFX (Data Center) | 46.9 |
| Refurbishments | Plaza Ruiz Picasso<br>PE Cerro Gamos<br>Josefa Valcarcel 48<br>Torre Lisboa | Callao 5<br>Marineda | | | 26.1 |
| Like-for-like portfolio (Defensive Capex)[1] | | | | | 7.8 |
| **Total** | | | | | **103.4** |

[1] € 5.3m are capitalized in balance sheet and € 2.5m are expensed in P&L

# APPENDIX

## 1. Consolidated Profit and Loss

| (€ thousand) | 30/06/2024 | 30/06/2023 |
|---|---|---|
| **Gross rents** | **248,207** | **237,811** |
| Offices | 134,599 | 127,075 |
| Logistics | 42,017 | 39,674 |
| Shopping centers | 63,412 | 64,184 |
| Data Centers | 917 | - |
| Other | 7,262 | 6,878 |
| **Other income** | **5,531** | **5,548** |
| **Total Revenues** | **253,738** | **243,359** |
| Incentives | (13,720) | (15,400) |
| **Total Operating Expenses** | **(58,743)** | **(48,229)** |
| Propex | (25,924) | (21,291) |
| Personnel expenses | (16,484) | (17,102) |
| Opex general expenses | (9,236) | (7,848) |
| Opex non-overheads | (5,697) | (586) |
| LTIP Provision | (1,402) | (1,402) |
| **Accounting EBITDA** | **181,275** | **179,730** |
| Depreciation | (1,373) | (1,003) |
| Gain / (losses) on disposal of assets | 409 | (7,188) |
| Provisions | (2,838) | 94 |
| Change in fair value of investment property | 6,253 | (198,477) |
| **EBIT** | **183,726** | **(26,844)** |
| Net financial expenses | (47,361) | (46,560) |
| Debt amortization costs | (3,900) | (5,148) |
| Gain / (losses) on disposal of financial instruments | 11 | - |
| Change in fair value of financial instruments | 775 | (1,327) |
| Share in earnings of equity method instruments | 2,856 | 40,930 |
| **PROFIT BEFORE TAX** | **136,107** | **(38,949)** |
| Income taxes | (3,339) | (8,579) |
| **PROFIT (LOSS) FOR THE PERIOD RECURRING OPERATIONS** | **132,768** | **(47,529)** |
| Minorities | - | - |
| **PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE** | **132,768** | **(47,528)** |

## 2. Consolidated Balance Sheet

**(€ thousand)**

| ASSETS | 30/06/2024 | EQUITY AND LIABILITIES | 30/06/2024 |
|---|---|---|---|
| **NON CURRENT ASSETS** | **11,589,334** | **EQUITY** | **6,581,115** |
| Intangible assets | 1,304 | Subscribed capital | 469,771 |
| Property, plant and equipment | 10,204 | Share premium | 3,432,874 |
| Investment property | 10,743,870 | Reserves | 2,549,586 |
| Investments accounted by the equity method | 535,977 | Treasury stock | (14,407) |
| Non-current financial assets | 232,396 | Other shareholder contributions | 540 |
| Deferred tax assets | 65,583 | Interim dividend | - |
| | | Profit for the period | 132,768 |
| | | Valuation adjustments | 9,983 |
| | | **NON-CURRENT LIABILITIES** | **5,067,560** |
| | | Long term debt | 4,436,905 |
| | | Long term provisions | 17,259 |
| | | Deferred tax liabilities | 613,396 |
| **CURRENT ASSETS** | **863,141** | **CURRENT LIABILITIES** | **803,800** |
| Trade and other receivables | 61,842 | Short term debt | 644,747 |
| Short-term financial assets | 5,154 | Trade and other payables | 133,866 |
| Cash and cash equivalents | 725,333 | Other current liabilities | 25,187 |
| Other current assets | 70,812 | | |
| **TOTAL ASSETS** | **12,452,475** | **TOTAL EQUITY AND LIABILITIES** | **12,452,475** |

APM: definitions and reconciliation of APMs to the latest audited financial accounts can be found on page 51 of
https://ir.merlinproperties.com/wp-content/uploads/2024/07/Results-report-6M24.pdf

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**MERLIN PROPERTIES, SOCIMI, S.A.**
**Preparation of the interim financial statements for the six-month period ended June 30, 2024**

At their meeting of July 19, 2024, the directors of Merlin Properties SOCIMI, S.A. prepared the interim financial statements for the six-month period ended June 30, 2024. The consolidated interim financial statements comprise the accompanying documents preceding this statement, drawn up on ______ sheets of ordinary paper. Furthermore, by signing this signature sheet, the members of the Board of Directors of MERLIN PROPERTIES, SOCIMI, S.A. state that they have personally signed the consolidated interim financial statements, which have also been signed on all pages by the Secretary or the Non-Director Deputy Secretary merely for identification purposes.

Signed:

| | |
|---|---|
| Mr. José Luis de Mora Gil-Gallardo<br>Chairman of the Board of Directors | Mr. Ismael Clemente Orrego<br>Vice-Chairman of the Board of Directors |
| Ms. Francisca Ortega Hernández-Agero<br>Member | Mr. Juan Antonio Alcaraz García<br>Member |
| Ms. María Luisa Jordá Castro<br>Member | Ms. Pilar Cavero Mestre<br>Member |
| Mr. Juan María Aguirre Gonzalo<br>Member | Mr. Miguel Ollero Barrera<br>Member |
| Ms. Inès Archer Toper<br>Member | Ms. Ana María García Fau<br>Member |
| Mr. Emilio Novela Berlín<br>Member | Mr. George Donald Johnston<br>Member |
| Mr. Fernando Javier Ortiz Vaamonde<br>Member | Ms. Julia Bayón Pedraza<br>Member |

**MERLIN PROPERTIES, SOCIMI, S.A.**
**Statement of responsibility for the interim financial statements for the six-month period ended June 30, 2024**

The members of the Board of Directors of Merlin Properties, SOCIMI, S.A. declare that, to the best of their knowledge, the interim financial statements for the six-month period ended June 30, 2024, prepared and approved by the Board of Directors at the meeting held on July 19, 2024, were prepared in accordance with the applicable accounting principles and offer a true and fair view of the equity, financial position and results of Merlin Properties, SOCIMI, S.A. and of the subsidiaries included in the consolidated group, taken as a whole, and that the interim directors' report includes a true analysis of the required information and of the business performance, results and position of Merlin Properties, SOCIMI, S.A. and of the subsidiaries included in the consolidated group, taken as a whole, and a description of the main risks and uncertainties they face.

Signed:

| | |
|---|---|
| Mr. José Luis de Mora Gil-Gallardo<br>Chairman of the Board of Directors | Mr. Ismael Clemente Orrego<br>Vice-Chairman of the Board of Directors |
| Ms. Francisca Ortega Hernández-Agero<br>Member | Mr. Juan Antonio Alcaraz García<br>Member |
| Ms. María Luisa Jordá Castro<br>Member | Ms. Pilar Cavero Mestre<br>Member |
| Mr. Juan María Aguirre Gonzalo<br>Member | Mr. Miguel Ollero Barrera<br>Member |
| Ms. Inès Archer Toper<br>Member | Ms. Ana María García Fau<br>Member |
| Mr. Emilio Novela Berlín<br>Member | Mr. George Donald Johnston<br>Member |
| Mr. Fernando Javier Ortiz Vaamonde<br>Member | Ms. Julia Bayón Pedraza<br>Member |