Q3 2020

QUARTERLY REPORT

Meridia III

Meridia Real Estate III, SOCIMI, S.A.

September 2020

Meridia Capital

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Capital

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Unless specifically otherwise indicated, all performance information presented herein is calculated on a "gross" basis without giving effect to management fees, carried interest fees, transaction costs and other expenses to be borne by investors, which will reduce returns and in the aggregate may be substantial.

Statements contained in the Report that are not historical facts (such as those relating to current and future market conditions and trends in respect thereof) are based on current expectations, estimates, projections, opinions and/or beliefs of Meridia. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. Certain information contained in this Report constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," "target" or "believe" or the negatives thereof or other comparable terminology. Due to various risks and uncertainties, actual events or results, including the actual performance of the Vehicle, may differ materially from those expressed or contemplated in such forward-looking statements.

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It is expressly pointed out that Meridia's valuations of unrealized investments are based on assumptions that Meridia believes are reasonable under the circumstances and, consequently, the actual realized returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuations used in the performance data contained herein are based. Accordingly, the actual realized returns on these unrealized investments may differ materially from the returns indicated herein.

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Letter from the management

Dear Investors,

We hope this letter finds you well and in good health.

Please find enclosed Meridia III ("the Vehicle")'s Q3 2020 quarterly report. This quarter continues to be highly influenced by the COVID-19 pandemic, which is still in full force with a strong second wave hitting around the globe as we close this report. The second wave's impact on the economy is yet to be quantified, but some downgrades to the initial economic recovery could be expected.

The team remains fully focused on addressing existing and potential issues and subscribes to the following principles in tenant relations: Closeness, Immediacy, Intensity, & Flexibility. We believe that applying these principles will generally improve the assets' performance and, perhaps more importantly, increases their marketability to unlock attractive exit opportunities for Meridia III.

On general terms, and despite the current macro context, our portfolio remains relatively stable. We have not suffered meaningful early terminations or downsizing from tenants. Rent collection from March to October represented 94% of the total amount invoiced.

We are also closely tracking liquidity, monitoring and ensuring that we comply with all financial covenants – no major risks have been identified. Additionally, we are taking all appropriate measures to strategically protect our cash balances. However, the financing market remains tight post Covid. We are a strong sponsor and continue to keep an open dialogue with financing entities of different nature while exploring various options, especially in relation to the financing of the project Smart.

As of September 30th, 2020, the Vehicle had total outstanding investments of €340.1 million. Total equity invested amounted to €169.4 million, plus an additional €5.3 million of committed equity for future CapEx.

Based on the latest financial statements included in this Quarterly Report, total Net NAV plus distributions of the Vehicle stands at €263.4 million. This represents a c.1.43x net equity multiple (post-carried interest estimate). Except for the change in valuation for retail and hospitality assets (which together account for 15.4% of total commitments), NAV vs. Q2 2020 has not been meaningfully affected by the COVID-19 situation. According to our appraisers, it is still too early to accurately reflect the impact on market comps from the pandemic. We are in close contact with them and other consultants to monitor the evolution of the crisis and its impact on valuations.

Acquisitions

Meridia III is fully invested and we do not expect to complete any new acquisitions.

Dispositions

The irruption of COVID-19 has brought the market to a standstill, which may inevitably translate into some delays in our exits. Despite the current circumstances, we are working on several exit plans which could come into fruition over the coming quarters.

Portfolio Overview

Portfolio exposure is evenly balanced between Madrid (42% of equity) and Barcelona (57%). Other locations stand at only 1%. By segment, office is the predominant sector, accounting for 64%, followed by logistics (14%), retail (9%), hotel (8%) and residential (5%).

As of September 30th, 2020, the portfolio is composed of 26 properties: 18 office buildings, 4 logistics warehouses, 1 shopping center, 1 hotel and 2 residential assets.

Asset and Project Management Updates

As mentioned above, the Asset Management team has had another very intense quarter. The team has remained at our tenants' disposal, ensuring close communication with them, and ultimately maintaining stable occupancy levels.

A total of 16 new contracts were negotiated and signed during the quarter, amounting to 6,265 sqm. These included: 3 new leases and 3 renewals totaling 1,298 sqm, plus 10 amendments to existing leases addressing tenants' requests – these being predominantly about negotiations with tenants to adapt to the pandemic's impact on their operations. Despite the wider market weak demand, we have managed to increase the occupation of some assets by signing new contracts and consolidating existing ones for the longer term, such as (i) 2 new leases signed in Cityparc (Project Insurance) - which has allowed us to reach 100% occupancy within the 3 buildings and leave these assets ready for sale – and (ii) renewal of 2 tenants in Barnasud (Project Beatle - retail) - a segment highly affected by the health crisis.

The impact of COVID-19 on rent terminations has so far been small (only 0.6% of total rents).

The main activity in Project Management during this quarter is detailed below:

Project Seseña: We are working on receiving the First Occupancy Licence with the imminent urban project approval after finally receiving the inspection from the city hall.

Project Sea: Despite COVID-19, structural works have been completed on-schedule. The installations and façade are quickly advancing.

Project Scottish: Construction is progressing well. The Smart Building project is ready. As part of us working towards the United Nations Sustainable Development Goal 11: improving cities and communities, we have retained a graffiti artist to paint the construction perimeter fences from the Art Gallery / Cultural Centre adjacent to the site.

Project Beatle: We have maintained the corridor refurbishment project to adapt to a new tenant and have also conditioned its space and shop front.

Project Gold: The sectorization of the different warehouse units to adapt to new fire and safety regulations is at its final stage. We have extended the scope of the works to include modernising lighting to LEDs. We will receive the BREEAM certificate at the start of Q4 20.

Project Gel: We have delivered the refurbished warehouse to the tenant on-time at the end of Q3 20. After the inspection and extra scope requested by the tenant we are now finalizing the works. We will receive the BREEAM certificate at the start of Q4 20.

Project Julian Camarillo 4 (BBVA): We are now launching a comprehensive refurbishment project for the building.

As always, and most especially during these uncertain times, we remain at your disposal to go over our strategy and any queries that you may have.

Yours truly,

Javier Faus and Juan Barba


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COVID 19
Effect

COVID 19 Effect

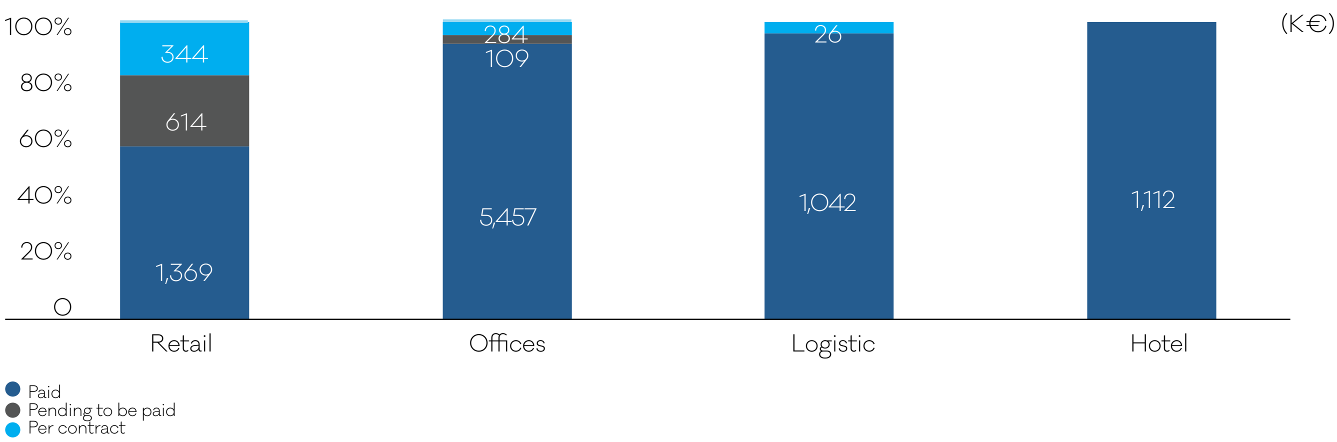
Given the unprecedent circumstances we are facing we wanted to attach to our usual quarterly report the below ad-hoc statement addressing the most up to date trading of our portfolio. Please note that this is just a best estimate, we are still facing large amounts of uncertainty and the final income of 2020 could highly vary depending on how the situation unfolds.

Rent Collection from March to October

The Asset Management team is still working closely with all tenants to attend to all tenant requests and adapting to their needs by seeking a balance between the two parties. Some negotiations are still open, specifically with tenants in the Retail segment, and are expected to be closed as soon as possible.

At the moment, 94% of the turnover from March to October has been collected normally. The remaining percentage corresponds to allowance granted to tenants as rent abatement or deferment of the income over the lease's life..

A total of 98% of the amount invoiced in the Offices portfolio has already been paid. Also Logistics and Hospitality show a high percentage of rent collection at 100%.



COVID 19 Effect

Retail

Allowances correspond to (i) rent abatements granted to tenants forced to close their stores following Government guidelines and those with poor sales after their opening and who required support in dealing with liquidity problems (€209,000) and ii) short-term relief in exchange of longer compulsory periods or rents deferred over lease life (i.e. increase of future rent) (€134,113).

The outstanding amounts correspond to tenant whose negotiations are still ongoing after receiving requests for further assistance as the above-mentioned aid were not enough to deal with the situation they are facing.

Offices

Almost all requests from tenants have been addressed and agreements have already been reached. Support has focused on rent deferral or extensions of the compulsory period in return. The outstanding amounts correspond to tenants with whom we are currently in negotiations.

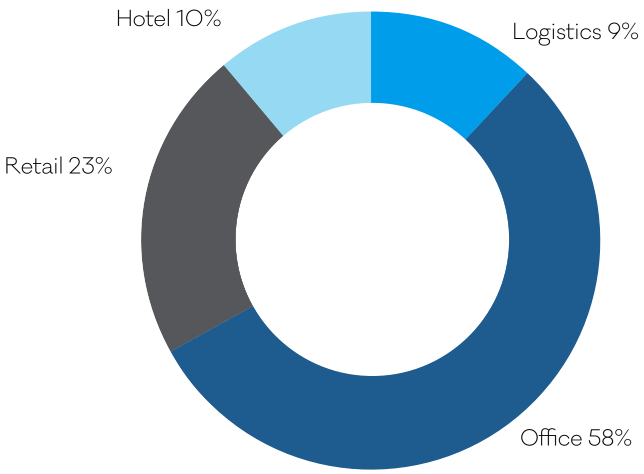
Logistic

Logistics tenants continue to show a positive response to the COVID crisis and there has been no relevant impact on them, and their activities have not been materially accepted. Only one tenant was granted rent relief in exchange for extending compulsory period.

Hotel

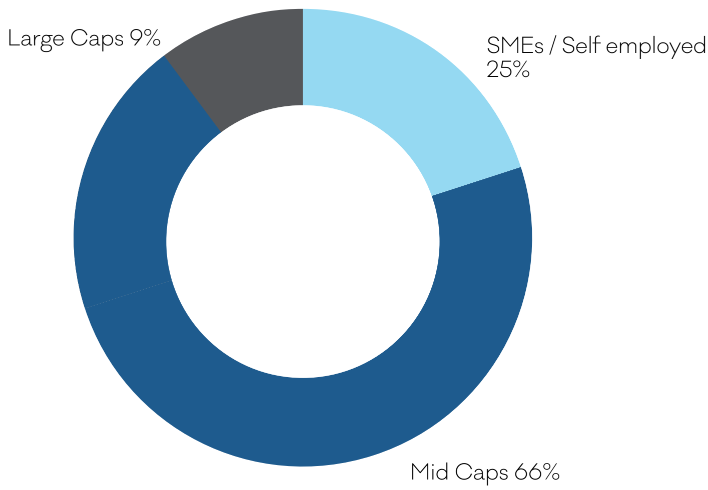
The Tryp Hotel rentals have been completely collected.

Rent allocation by sector



- 67% of the income in the portfolio corresponds to logistics and office sectors (sectors less affected by COVID)

Enterprise breakdown by size-class based on rent



- Good balance of tenants by size.
- 75% of the companies are not SMEs as defined by the EU Regulation or Self-employed (9% are large caps).

Finance Perspective

Calendar of debt maturities

Investment Name	Bank	Loan Maturity	Debt at September 30, 2020 (€m)
Project Insurance	Santander/Caixabank	Apr-23	19.1
Project Alta	Caixabank	Sep-24	14.2
Project Vila	Caixabank/Sabadell	Oct-24	15.2
Project Seseña	Popular	Jun-25	4.2
Project Sea	Santander/Caixabank	Feb-29	27.7
Project Light	Santander	Jul-22	7.9
Project Gel	Bankinter	Dec-21*	4.0*
Project Barnasud	Bankia	Nov-32	22.3
Project Gold	Santander	Nov-25	8.9
Project Tryp	Abanca	Apr-32	15.1

(*) On October 15, 2020, a new loan was signed with BBVA amounting €11.5 with a term of 7 years. Thanks to that, we cancelled the loan of €4m with Bankinter.

Covenants

Investment Name	LTV	DSCR	Frecuency
Project Insurance	<50%	1.10x	Annual
Project Alta	<70%	1.05x	Annual
Project Vila	<60%	1.15x	Annual/Biannual
Project Seseña	n.a.	1.20x	Annual
Project Sea	<66.5%	1.05x	Annual
Project Light	<60%	1.05x	Annual/Biannual
Project Gel	n.a.	n.a.	n.a.
Project Barnasud	<65%	1.10x	Annual/Biannual
Project Gold	<65%	1.05x	Annual/Biannual
Project Tryp	<60%	1,22x	Anual

No risk of breaching any bank covenant except for the following ones:

- Project Barnasud: Monitoring its compliance for the DSCR at December 31, 2020.
- Project Gold: After the lease expiration of an important tenant in May 2020 we are monitoring weekly the compliance of the covenants. Tha Bank is aware of the situation.

Valuations

- Based on an external party's RICS valuation.
- Except Project Smart valuation, that has significantly increase, all valuations in Q3 2020 are relatively stable vs Q2 2020. However, they were already affected by COVID-19 in previous quarters.
- The external appraisal reports include a material valuation uncertainty (MVU) in the Hotel (Project Tryp) and the Shopping Center (Project Barnasud). We are working with our external valuers to remove the MVU as soon as possible.
- Project Barnasud and Tryp Hotel's valuation decreased 2.6% and 2.0%, respectively vs September 30, 2020 while, Project Smart, Project Sea and Alta increase their valuations by 26%, 4% and 4%% respectively.

COVID-19 | Spanish measures approved for non-residential leases

The Spanish government has approved certain measures to mitigate the impact that COVID-19 is having on the most vulnerable tenants, for both non-residential leases and leases on habitual residences, which apply if (i) certain requirements are met by the landlord and the tenant, (ii) the tenant specifically applies for the measures before the landlord, and (iii) the parties have not reached an agreement covering the COVID-19 situation. We will not explain measures for residential leases, as these are not relevant based on our portfolio.

¿What are the most relevant measures for non-residential leases?

For the most vulnerable tenants of non-residential leases due to COVID-19, measures have been approved to (i) defer payments of loans and other financing facilities, (ii) defer payments of rent up to 4 months to, at least, the next 2 years (or until the end of the lease if it occurs before), if the landlord of the leased premises owns more than 10 urban real estate properties (excluding parking spaces and storage rooms) or more than 1,500 sqm of built surface area (provided that the parties have not agreed before to defer rent payments or write them off and that the tenants have applied for such rent deferral measure no later than 23 May 2020); and (iii) have access to financing facilities to pay the rent if the landlord does not meet the requirements specified in section (ii) above.

If the landlord is not clasified as per section (ii) above but the tenant complies with the legal requirements to be deemed vulnerable, the tenant could have asked the landlord no later than 23 May 2020 to extraordinarily and temporarily delay payment of the rent (but the landlord would not be obliged to apply it automatically); and the parties might have agreed to use the legal deposit to pay part or all of one or more months of rent, in which case the tenant would be obliged to pay the amount used within 1 year from the date of signing of the COVID-19 agreement (or, if it happens before, no later than the lease termination date).

In the 2020 first quarterly report, the rent deferral measure referred to above and the requirements to be met by tenants to be entitled to the same were explained in more detail (we will not explain them in detail in this quarterly report since tenants' right to apply for such measure, in case they met the requirements, expired on 23 May 2020).

Additionally, for vulnerable tenants of the tourism industry that meet certain legal requirements (which have not already agreed with the landlord to defer rent payments or write them off), if the landlord has a mortgage loan granted before 14 March 2020 on the leased premises where the touristic business is carried out:

(a) if the landlord has the legal right to defer payment of the principal amount of the mortgage loan up to 12 months (for which the landlord must meet certain requirements to be deemed vulnerable) and benefits from such deferral, the tenant may request the landlord to defer rent payments for an amount equivalent to at least 70% of the loan amount deferred (and the landlord will have to apply the rent deferral); or

(b) if the landlord does not meet the legal requirements (as per financial status due to COVID-19) to ask for the loan deferral but the tenant meets such financial requirements, the tenant may request the landlord to apply for the loan deferral (the bank will have to apply it upon proof that the tenant meets the requirements) and, then, to apply the rent deferral described in section (a) above (and the landlord will have to apply the rent deferral if the bank applies the loan deferral).

For those non-residential lease agreements regarding assets located in Catalonia, where the tenant's activity in those assets has been temporarily suspended or restricted by law, the tenant may formally request the landlord a reasonable change of the contractual terms and conditions to re-balance the parties' obligations under the lease agreement. Upon such formal request, the parties shall negotiate during 1 month and, failing an agreement, the following will apply:

(a) if the tenant's activity has been temporarily suspended by law (this basically applies to shopping centers, premises inside shopping centers with no access from the street, casinos, theaters, cinemas, amusement parks, restaurants and gyms), a 50% reduction on the amounts to be paid by the tenant under the lease agreement, to be applied during the suspension period.

(b) if the tenant's activity has been temporarily limited by law (i.e. a restriction on capacity or opening hours applies; this basically applies to premises located inside shopping centers with access from the street, commercial premises, hotels, museums and showrooms), a reduction on the amounts to be paid by the tenant under the lease agreement equal to 50% of the percentage of the applicable restriction, to be applied during the limitation period.

(c) In both cases above, the tenant may request the landlord to use the guarantees agreed on the lease agreement (other than the legal deposit required by law) to pay all or part of the amounts due and payable by the tenant, in which case the tenant must pay the amount of the guarantee used to the landlord within 1 year from the date on which the legal suspension or limitation stops (or if it is a shorter period, within the remaining term of the lease agreement).

(d) In case (a) above only, if the tenant's activity suspension lasts longer than 3 months within 1 year from 22 October 2020, the tenant may terminate the lease agreement by formal notice to the landlord no later than 3 months after the date on which the legal suspension stops completely, at least 1 month in advance to the termination effective date.

¿Are there other general measures to help tenants? The Spanish government has also approved other measures such as (i) some limitations to eviction proceedings in certain cases; and (ii) for the most vulnerable tenants (freelancers and SMEs), the possibility to have access to or defer payment of certain financing instruments (such as ICO credit lines), and to benefit from some measures to avoid or defer certain costs, such as employment and tax costs (for instance, temporary workforce restructuring measures – the so-called ERTEs –). Other more specific measures have been approved for the most vulnerable tenants of habitual residences, not relevant for our portfolio. Also, certain subsidies for particularly affected business sectors have been approved by local and regional public authorities (e.g. in Catalonia, for restaurants, beauty salons, pubs, discotheques, premises inside shopping centers and private children playgrounds, among others).

Executive summary

Meridia III

- **A €190m equity value added vehicle focused on the Spanish real estate sector**
- **Focus Madrid / Barcelona**
- **2016 vintage**
- **All real estate segments**

Key highlights during Q3 2020

At Vehicle level:

Vehicle's overview:
- Total capital calls since inception: €183.9 m (96.8%)
- Acquired c. 300,000 sqm in real estate
- Equity Realesed: €15.0 m (7.9%)
- Distribution: €22.8 m
- Current Equity deployed: €169.4 m (1) (89.1%)
- Current Equity committed: €174.7 m (91.9%)
- 42% Madrid, 57% Barcelona, 1% Other
- 64% Office, 14% Logistics, 5% Residential, 9% Retail, 8% Hotel
- Total funds invested (incl. debt): €340.1m
- Financing: average LTC 46% (2)
- NAV+Distributions after carried interests: €263.4 m; EM: 1.43x (unrealised)

At market level:

- At a macroeconomic level, latest forecasts now show that the Spanish economy will contract this year by 12-13%. Expectations are that it should regain some of the lost ground as early as 2021, when GDP growth estimates show a range of 6-7%. This compares with a c. 7-8% contraction in Europe in 2020 followed by growth of around 4% in 2021.
- The economic constraints and Spain's reliance on the tourism sector will have an impact on the country's unemployment, which is expected to rise from 14% in 2019 to 18-20% in 2020, decreasing again to 17-18% in 2021. These unemployment rates, although very significant, are still lower than what Spain witnessed in the 2012-13 crisis (c.26%).

Valuation summary:

Investment Name	Location	Investment Type	Entry Date	% Drawn of Total Fund
Project Insurance	Madrid/Barcelona	Office/Logistics	abr-16	16.1%
Project Alta	Barcelona/Pamplona	Office	sept-16	4.7%
Project Vila	Barcelona	Office	oct-16	5.2%
Project Seseña	Toledo	Logistics	jun-17	3.2%
Sea Project	Barcelona	Office/Residential	jul-17	15.3%
Light Project	Madrid	Office	jul-17	4.1%
Barnasud	Barcelona	Retail	nov-17	8.0%
Project Gel	Madrid	Logistics	jan-18	4.2%
Project Gold	Madrid	Logistics	dec-18	4.3%
Project Smart	Barcelona	Office	dec-18	16.6%
Project Tryp	Madrid	Hotel	jan-19	7.4%
Total Unrealised				**89.1%**

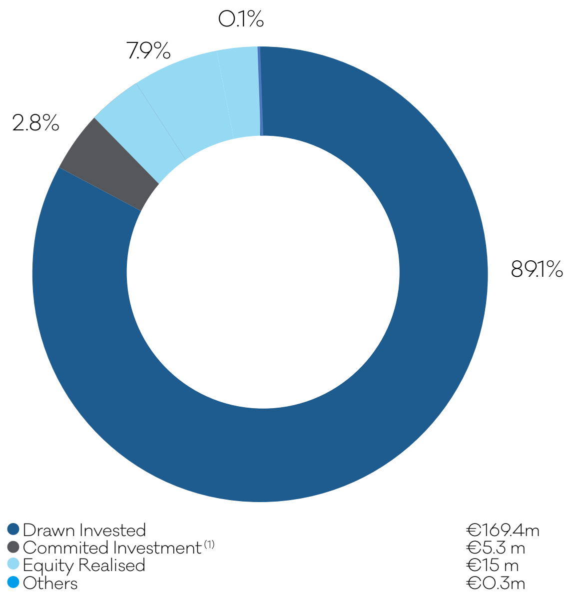
(1) Excluding €26.6 m co-investment as well as €1.2 m ,€0.7m, 1,1€m and €2.4m committed equity investment for Capex improvement and working capital in Seseña, Barnasud, Gold and Tryp Projects respectively.
- Meridia III total size: €190 m.
- Based on an external party's RICS valuation. When less than 12 months since entry date, acquisition price considered at cost. For development projects, development costs effectively incurred are considered at cost (land as per RICS valuation).

(2) Without taking into account the developments (Sea and Smart projects)

IV

Vehicle’s overview

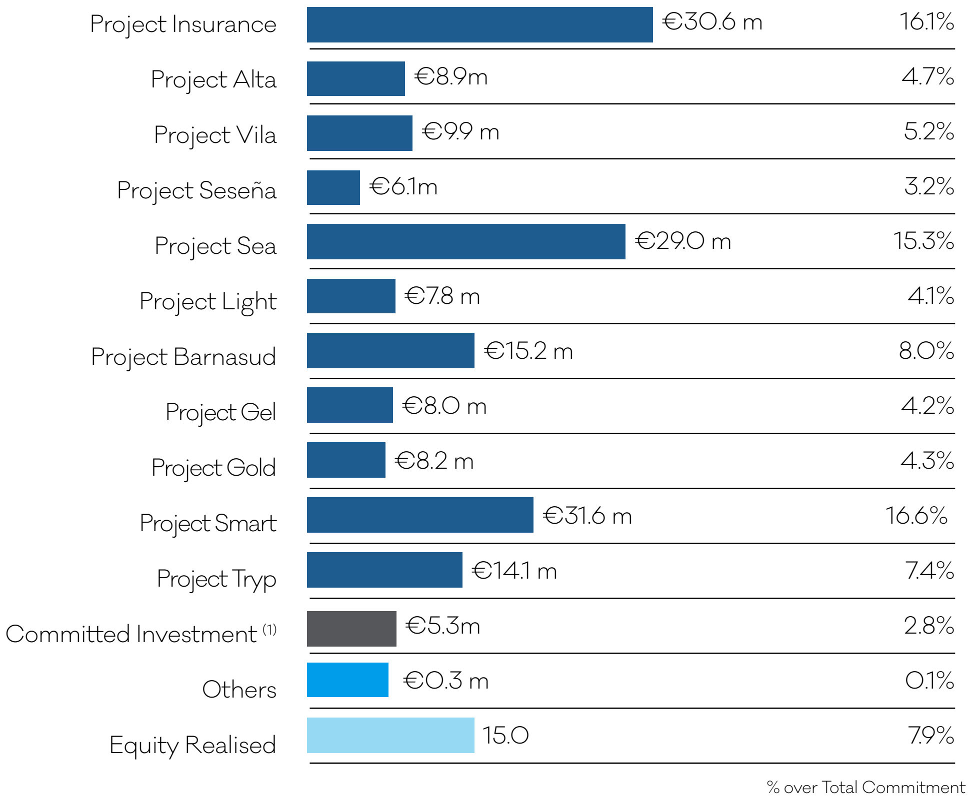
Equity commitment status – September 30th 2020



Total Commitment = €190 m

Drawn Invested (Equity Deployed)= €169.4m (89.1%)

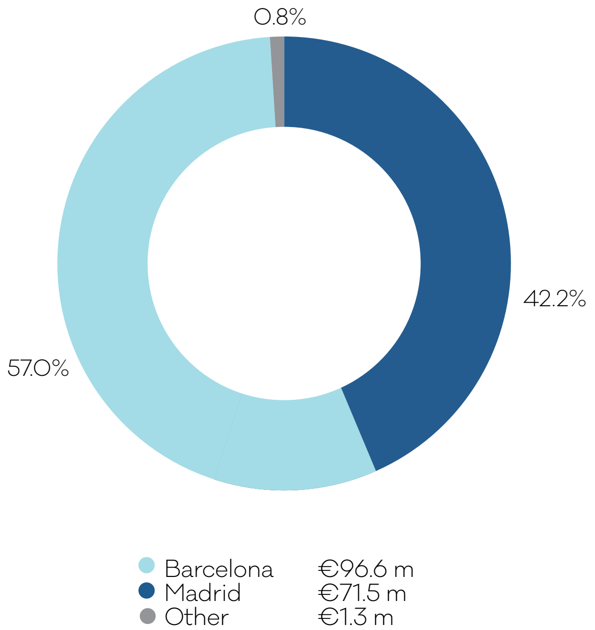
Total Capital Calls since inception = €183.9 m (96.8%)



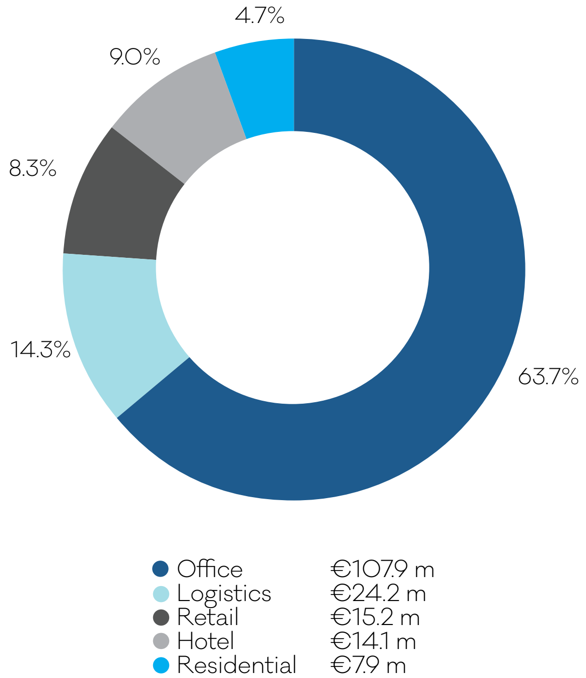
(1) Includes equity required to undertake CapEx improvement and working capital in Seseña, Barnasud, Gold and Tryp.

Portfolio allocation (equity) - September 30th 2020

By City (2)



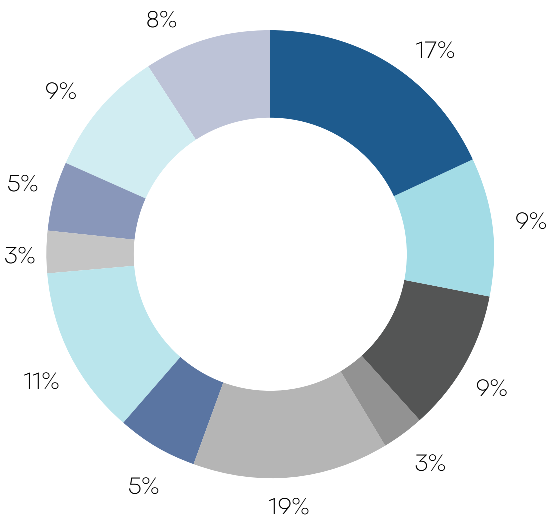
By Sector



Total Invested = €169.4 m (1)

Note: Pie by sector includes drawn invested.
(1) Excluding €26.6 m co-investment as well as €1.2 m ,€0.7m, 1,1€m and €2.4m committed equity investment for Capex improvement and working capital in Seseña, Barnasud, Gold and Tryp Projects respectively.
(2) Seseña and Gel Projects considered as Madrid

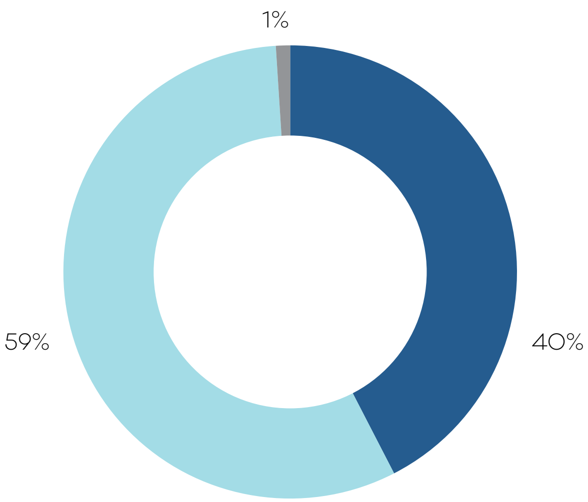
Outstanding Investment[1] status - September 30th 2020



Project Insurance	€58.3 m
Project Alta	€30.7m
Project Vila	€32.1 m
Project Seseña	€10.6 m
Project Sea	€64.9 m
Project Light	€16.9 m
Project Barnasud	€38.6 m
Project Gel	€11.6 m
Project Gold	€16.6 m
Project Smart	€31.6 m
Project Tryp	€28.1 m

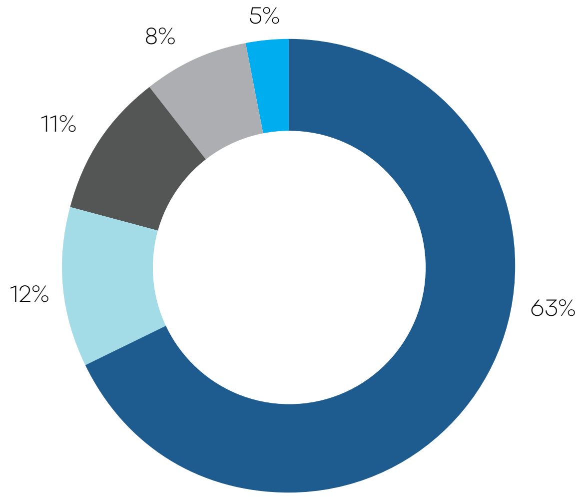
Total Outstanding Investment [1] = €340.1m

By City[2]



Barcelona	€200.3 m
Madrid	€135.7 m
Other	€4.0 m

By Sector

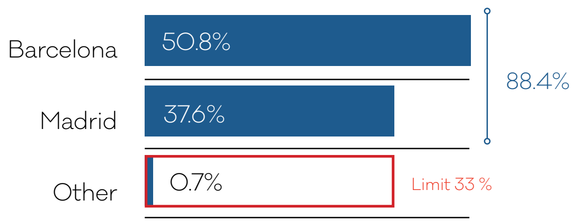


Office	€213.6 m
Logistics	€41.9 m
Retail	€38.6 m
Hotel	€28.1 m
Residential	€17.8 m

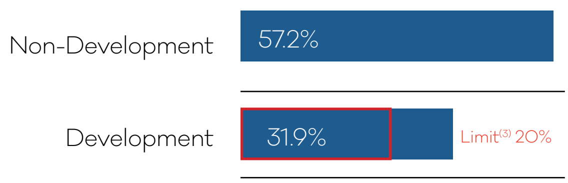
(1) Investment corresponds to purchase price including capitalized transactions and development costs. Insurance, Alta, Vila and Sea Projects correspond to 100% of the deal, not adjusted by co-investment.
(2) Seseña an Gel Projects considered as Madrid.

Commitment limits - September 30th 2020

By City (1) (2)



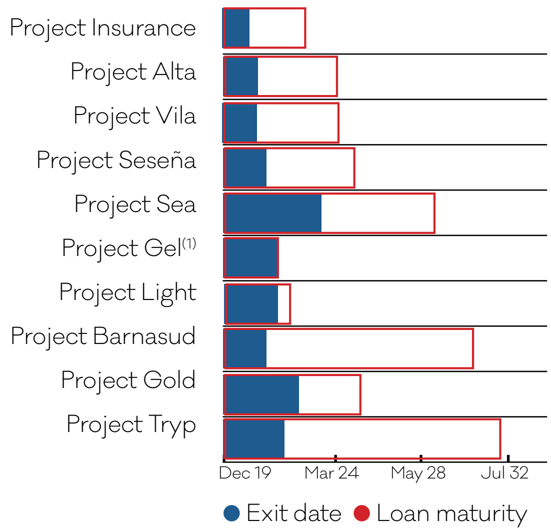
By Investment (1)



(1) % calculated over total vehicle of €190 m. (2) Seseña and Gel Projects considered as Madrid (3) Excess limit approved by the Advisory Committee

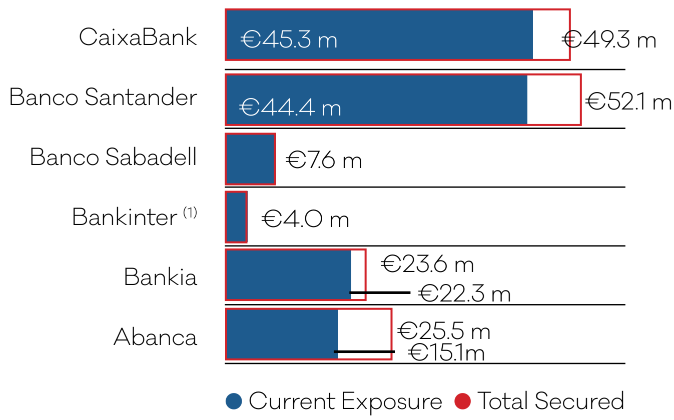
Financing - September 30th 2020

Refinancing Risk



Weighted Average Loan Maturity is 6.7 years

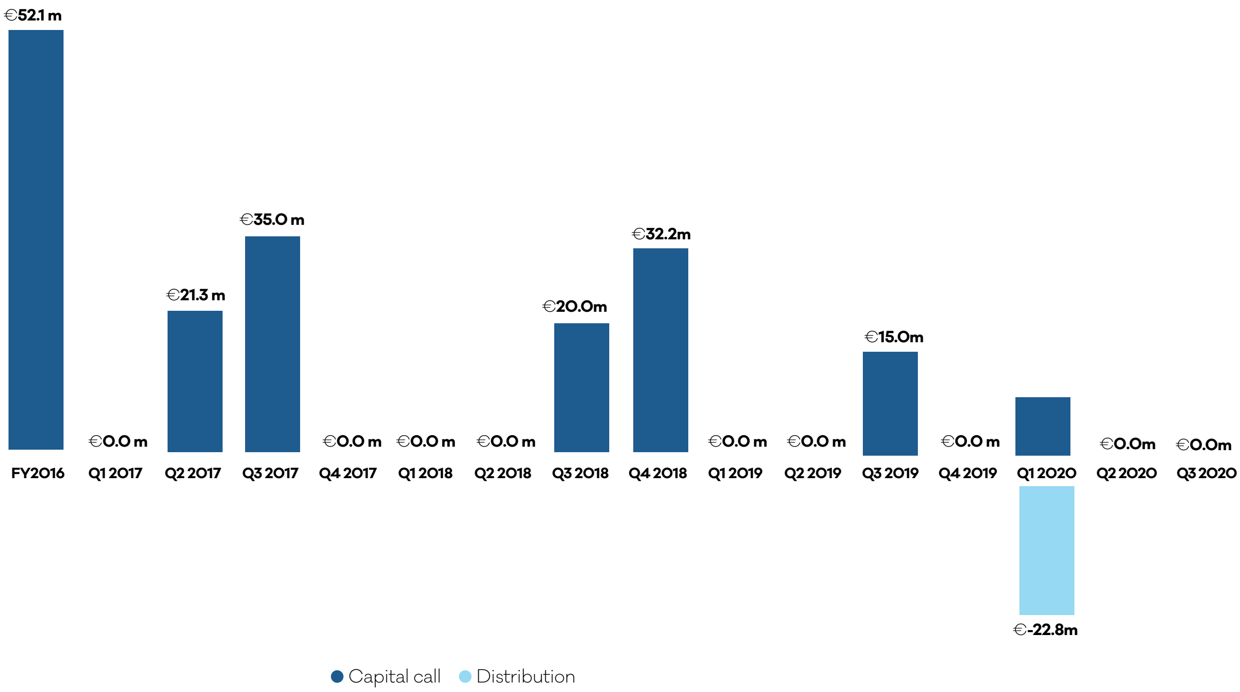
Exposure to Banks (€ m)



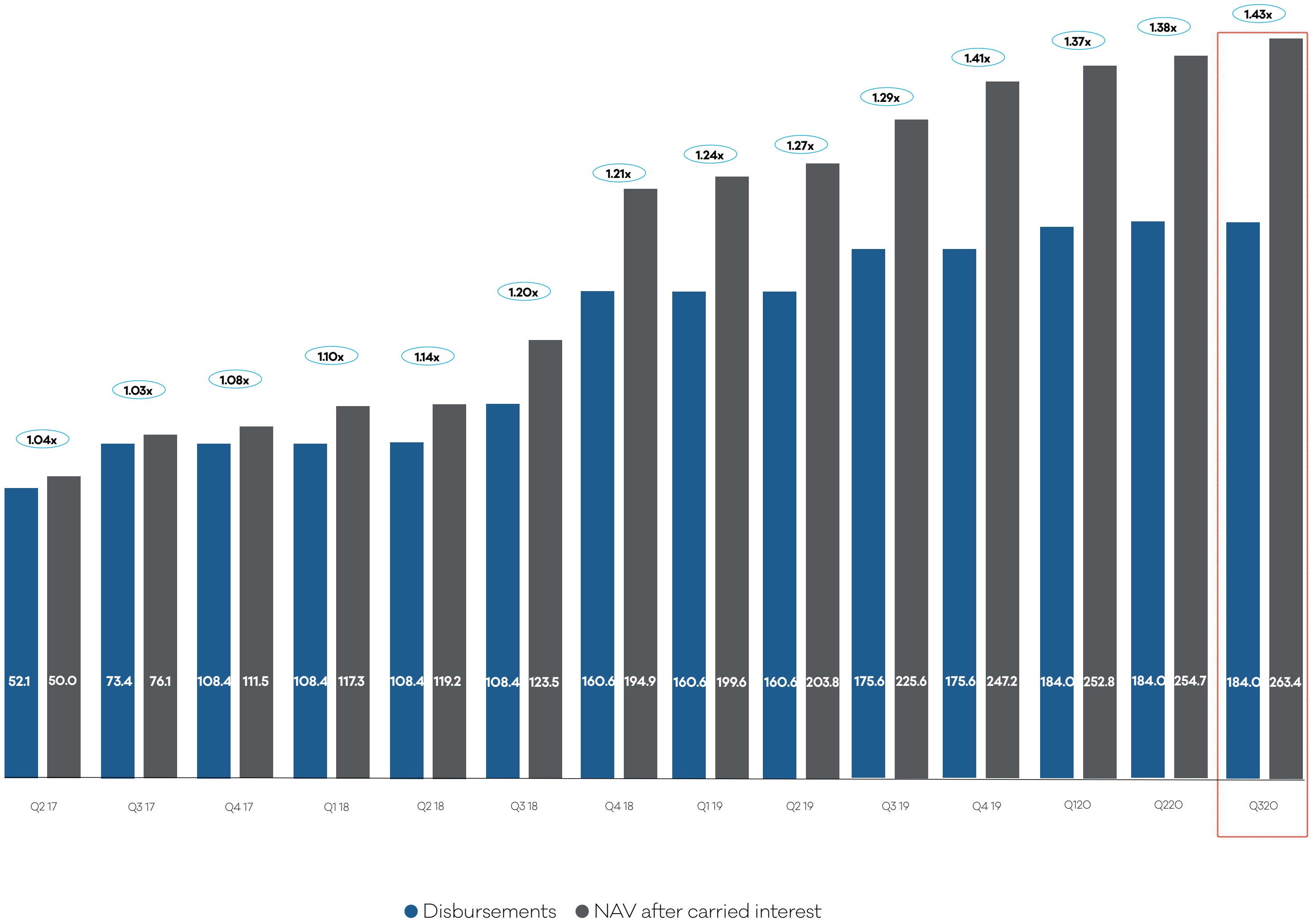
(1) At October 15, 2020, a new loan with BBVA amounting €11.5m, with a maturity of 7 years was signed. Thanks to that, we cancelled the loan of €4m with Bankinter.

Evolution of disbursed amount (Capitall calls & Distributions)

Accumulated Disbursed amount (€m)	52,05	52,05	73,35	108,35	108,35	108,35	108,35	128,35	160,56	160,56	160,56	175,56	175,56	183,96	183,96	183,96
% Acc. disbursed over Total Vehicle's size (€190 m)	27,4%	27,4%	38,6%	57,0%	57,0%	57,0%	57,0%	67,6%	84,5%	84,5%	84,5%	92,4%	92,4%	96,8%	96,8%	96,8%



Meridia III Valuation



€ million, unless otherwise stated.

Note: As per the vehicle's financial statements, external valuations (performed under RICS standard) used as Asset Gross Value for all Real Estate assets. Post tax and post management fees and fund's expenses.

V

Deal by deal overview

A. Overview

Project Insurance

Location	Sector	Size (sqm)	Acquisition Date	Equity Investment	Valuation (1)	
					Gross Asset	Equity Value
Madrid/ Barcelona	Office / Logistics	41,648	April 2016	€30.6 (+€5 m of co-investment)	€73.4 m	€47.8m

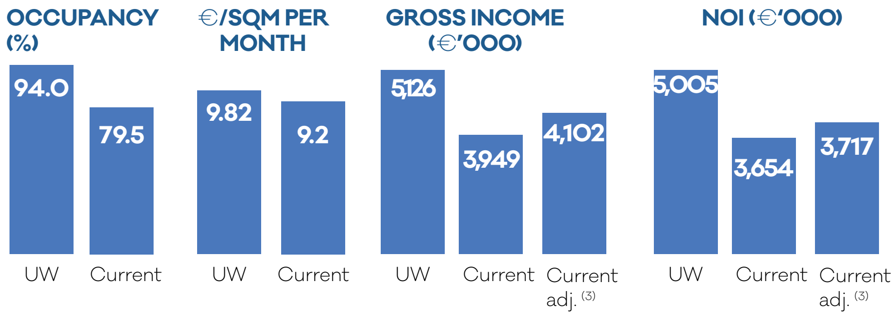
DESCRIPTION

- 8 office buildings (3 in Barcelona and 5 in Madrid) and 1 logistics warehouse.
- Madrid (89% of total value at entry) and Barcelona (11%).
- Offices (94% of total value at entry) and logistics (6%).

UPDATE

- **Cityparc** (5,545 sqm). 3 buildings. Occupancy: 100%
  - Signed 2 new contract leases increasing occupancy from 97% to 100%.
- **Virgilio** (4,444 sqm). Occupancy: 43.6%
  - With the new marketing material we are now focused in commercializing the remaining floor.
- **Julián Camarillo 29** (5,186 sqm). 2 buildings. Occupancy: 57%.
  - One of the tenant is going through a difficult situation due to COVID -19. For this reason they are requesting a surface reduction.
- **Julián Camarillo 4** (9,882 sqm). Occupancy: 100%
  - The main tenant will vacate the building in January 2021. We have anticipated their exit by selecting Cushman & Wakefield and Knight Frank to lead the leasing efforts through a co-exclusive mandate.
  - Marketing: project marketing materials are being developed, including new brand, leasing book, website, project video and renders. Additionally, a number of initiatives are being undertaken to promote the project and improve the perception of the building in the market.
  - After carrying out the design tender process we have selected the main architect and they are now underway with the design of the comprehensive refurbishment of the Entrance Lobby and lift lobbies including the washrooms of the office. We have also studied the means of increasing the occupation capacity of the building from 1/10 persons/m2 to 1/5 persons/sqm to help the commercial team to lease out the property. A cost and licence study has been undertaken for phase 2 and could be launched depending on the potential tenants needs.
- **Omega** (8,946.79 sqm). Occupancy: 61%
  - A new contract has been signed. This tenant focused on ecological nutrition, will occupy 618 sqm.

OPERATING KPIs(2)



(1) Based on RICS valuation undertaken by CBRE Valuation Advisory.
(2) Based on actual invoiced rent (including rent free periods, rent discounts, etc.). Rent and NOI not impacted by Covid-19.
(3) Excluding impact of rent free periods.


INBISA

Project Alta

Location	Sector	Size (sqm)	Acquisition Date	Equity Investment	Valuation (1)	
					Gross Asset	Equity Value
Barcelona/ Pamplona	Office	14,367	September 2016	€8.9 (+€5 m of co-investment)	€44.9 m	€25.3 m

DESCRIPTION

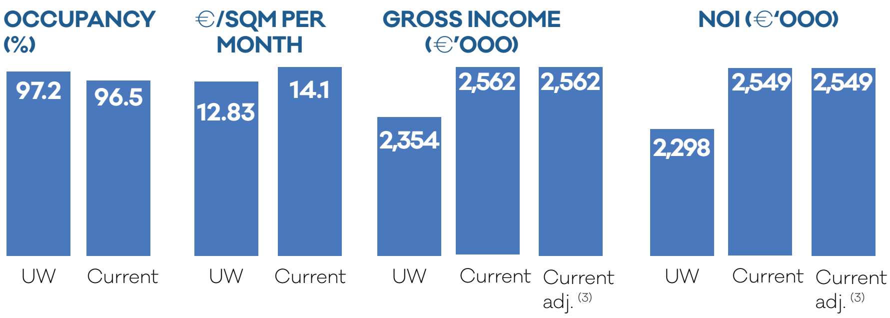
- 2 main office buildings (68% of deal value - Alta 1 located in front of Nestlé's Spanish HQ; Passeig St Joan in Barcelona's centre) and a non-core office building located in Pamplona.
- Barcelona (89% of deal value) and Pamplona (11%).

UPDATE

- **Alta 1** (8,366 sqm). Alta 1 (8,366 sqm). Occupancy 94%. We continue working to optimize operating costs of the building while working to keep our tenants safe. The retail operator has requested further assistance, but in exchange we have achieved rent increases over the existing lease term. We are also starting some market rent review process with effects in 2Q 2022 in 1,915 sqm.

- **Paseo Sant Joan:** Occupancy 100%. We have reached an agreement with the existing tenant to renew their expiring lease for the entire building. Pending their internal final approval, and due to administrative procedures, it could take several months.

OPERATING KPIs(2)



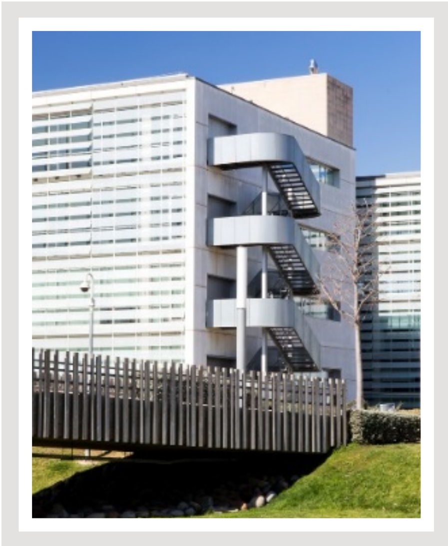
(1) Based on RICS valuation undertaken by CBRE Valuation Advisory.
(2) Based on actual invoiced rent (including rent free periods, rent discounts, etc.).
(3) Excluding impact of rent free periods.

Project Vila

Location	Sector	Size (sqm)	Acquisition Date	Equity Investment	Valuation (1)	
					Gross Asset	Equity Value
Barcelona	Office	23,036	October 2016	€9.9 m (+€5 m of co-investment)	€37.9 m	€16.8m

DESCRIPTION

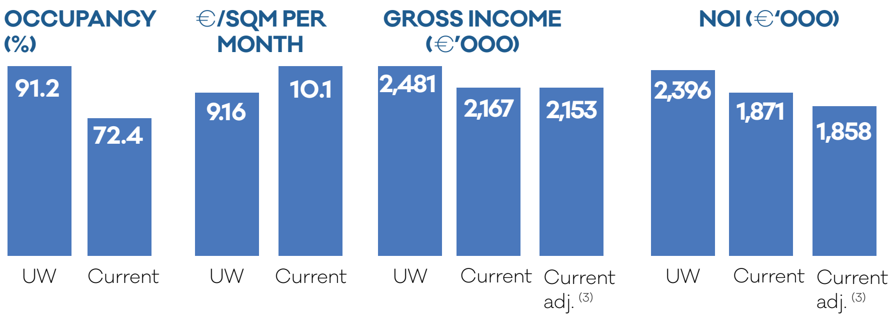
- Portfolio of two office buildings located within a 4-building state-of-the-art business park in Barcelona's periphery.
- c.23,000 sqm - equivalent to 66% of the business park.



UPDATE

- Advanced negotiation with a tenant for 1,217 sqm (5.28%) in Brasil.
- We have reached an agreement with an existing tenant (224 sq m / 0.97%) to renew its contract for 5 years of compulsory period.
- Agreed renovation conditions with a tenant for 220 sq m (0.96%) increasing rent to market rents and extending the compulsory period until 2024.
- Ongoing renovation negotiations with two tenants (1.143 sqm / 6,3%).
- We continue to work proactively with our tenants trying to anticipate 2021 potential tenant exits.
- Commercialization: a new model is being developed by the Project and Asset Management teams which consists on going to the market with plug&play offices giving a full fitted-out office to the tenants and charging higher rents.
- We continue working to optimize operating costs of the business park while working to keep our tenants safe.

OPERATING KPIs(2)



(1) Based on RICS valuation undertaken by CBRE Valuation Advisory.
(2) Based on actual invoiced rent (including rent free periods, rent discounts, etc.). Rent and NOI not impacted by Covid-19.
(3) Excluding impact of rent free periods.

Project Seseña

Location	Sector	Size (sqm)	Acquisition Date	Equity Investment	Valuation [1]	
					Gross Asset	Equity Value
Seseña (Toledo)	Logistics	38,964	June 2017	€6.1 m (+€1.2 m not drawn)	€18.0 m	€14.4m

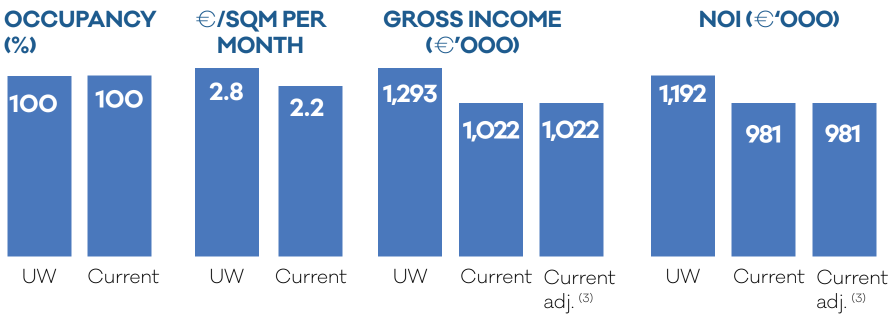
DESCRIPTION

- 40,000 sqm logistics platform located in Seseña (Toledo).
- Prime location in the 3rd ring of the well-known A-4 highway (Andalucía highway), just c.40 km away from Madrid.

UPDATE

- Phase 2 A – We are working on receiving the First Occupancy Licence with the imminent urban project approval after finally receiving the inspection from the city hall.
- BREEAM certificate for the warehouse was secured during Q2 20.
- With DHL (100%) we are in advanced negotiations to renew the lease contract for a 7year compulsory term and increasing rent.

OPERATING KPIs[2]



(1) Based on RICS valuation undertaken by CBRE Valuation Advisory.
(2) Based on actual invoiced rent (including rent free periods, rent discounts, etc.). Includes impact of Blanco (although its insolvency they are paying the rent).
(3) Excluding impact of rent free periods.

Project Sea

Location	Sector	Size (sqm)	Acquisition Date	Equity Investment (2)	Valuation (1)	
					Gross Asset	Equity Value
Barcelona	Office/ Residential	36,000	July 2017- July 2018	Current: €29m (+ €11.6m of co-investment)	€103.6m	€48.6m

DESCRIPTION

- Located in Barcelona, just one block away from the beach, and close to the Olympic Port and Olympic Village, in the well-known area of '22@ Districte de la Innovació'.
- Acquisition of a plot of land occupying an entire block that offers the opportunity for a mixed-use development in one of the most sought-after areas of Barcelona (22@ neighborhood) for both, office and residential use.
- Risk diversified product mix (c.29,000 sqm for Offices and c.7,000 sqm for Residential use).

UPDATE

- We have signed a new amendment to the lease agreement with the major tenant of the project; improving certain aspects on contractual regulations in exchange of some flexibility but maintaining the major economic terms unchanged. We are also defining the extent of the fit-out project and we will sign in the next quarter a document that contains the definitive construction plans and budget. We continue holding periodical meetings to coordinate timings and contractual milestones.
- The structural works having been finished on time, despite the threat of the COVID 19. The waterproofing to the LL-3 concrete slab to the basement parking's and the exterior tower terraces are near completion. The installations are advancing quickly after a slow start and are currently working from the 3rd up to the 6th floor of B13 and the 1st and 4th floor of B7. The contractor for the façade is now working on the 8th and 9th floors of the B13 tower and the 4th and 5th floor of the B7 tower. The headcount of workers on the project is up to 170.
- Designing with Cushman & Wakefield a marketing strategy for the vacant surfaces to promote the project and improve the perception of the building in the market. Working on digital materials such as website, project video, amongst others. We continue to proactively market the vacant surfaces and we are carrying out some visits.

(1) Based on RICS valuation undertaken by CBRE Valuation Advisory. (2) Total Equity of the Project €40.6m. Meridia participation represents €29m

Project Light

Location	Sector	Size (sqm)	Acquisition Date	Equity Investment	Valuation (1)	
					Gross Asset	Equity Value
Madrid	Office	8,373	July 2017	€7.8 m	€20.6 m	€13.3m

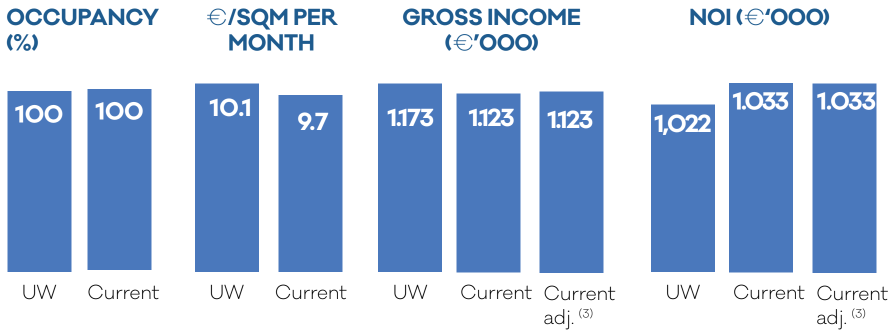
DESCRIPTION

- Grade A, 100% occupied and very well-maintained office building.
- Located in Julián Camarillo 16, Madrid.
- 8,373 of office GLA and 137 parking units.

UPDATE

- The main tenant will vacate the building in December 2020 and we have anticipated their exiting by launching leasing efforts.
- After reviewing their commercial and strategy proposals, we have selected Cushman & Wakefield and Knight Frank to lead the leasing efforts through a co-exclusive mandate.
- Commercialization: we are in conversations with potential tenants, but negotiations are evolving slowly due to the current situation.

OPERATING KPIs(2)



(1) Based on RICS valuation undertaken by CBRE Valuation Advisory. (2) Based on actual invoiced rent (including rent free periods, rent discounts, etc.). (3) Excluding impact of rent free periods.

Project Barnasud

Location	Sector	Size (sqm)	Acquisition Date	Equity Investment	Valuation (1)	
					Gross Asset	Equity Value
Gavà (Barcelona)	Shopping Centre	34,352	November 2017	€15.2 m (+€0.7m Equity Capex)	€36.8 m	€17.8m

DESCRIPTION

- Shopping Centre (30,470 sqm) located in Barcelona metro area.
- Strong anchors and well-balanced tenant mix: Carrefour (supermarket category) as main anchor as well as Media Markt and Cinesa.

UPDATE

- We continue working to optimize operating costs of the shopping center while working to keep our operators and customers safe.

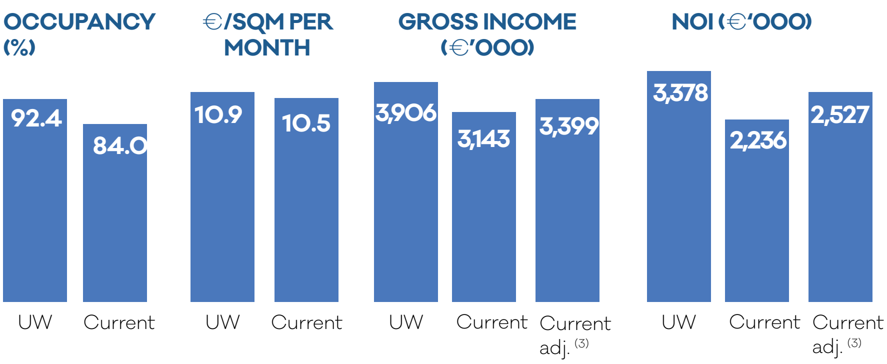
- Cinesa (9.7%): They have finished their refurbishment works on 29th July 2020 and they have launched their new concept "Cinesa Luxe". With this works completion we have updated and increased the monthly rent payable by the tenant according to Lease Contract.

- Carrefour (43.0%): Under the new agreement, they have agreed to refurbish the store by June 2021. They have confirmed that they will start their refurbishment works at the beginning of 2021.

- We continue negotiating with operators that due to the COVID-19 pandemic have requested further assistance.

- We continue with the refurbishment of the corridor in order to give a better look and more natural light to the center. In October 2020, we delivered the first refurbished space of that corridor to a new tenant. We are also reorganizing the common spaces of that corridor, moving some kiosks to another locations.

OPERATING KPIs(2)



(1) Based on RICS valuation undertaken by CBRE Valuation Advisory. (2) Rent and NOI not impacted by Covid-19.
(3) Excluding impact of rent free periods.

Project Alovera

Location	Sector	Size (sqm)	Acquisition Date	Equity Investment	Valuation (1)	
					Gross Asset	Equity Value
Guadalajara (Madrid)	Logistic Warehouse	27,560	January 2018	€8.0 m	€19.9 m	€16.3 m

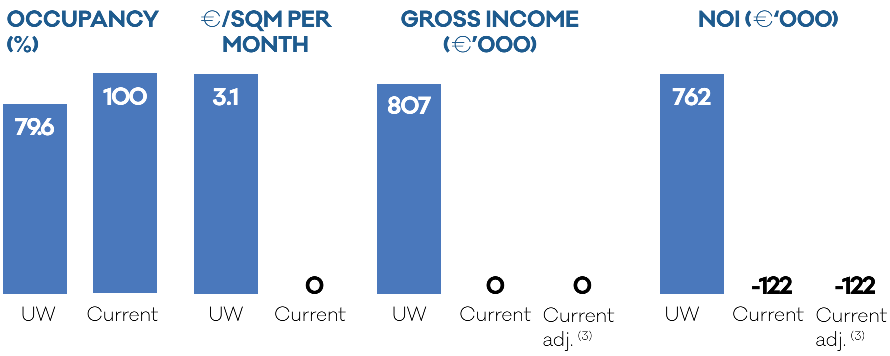
DESCRIPTION

- Logistics Warehouse (27,560 sqm) located in Guadalajara, Madrid.
- The property benefits from a prime location in the 3rd Ring of the well-known A-2 Highway (Barcelona Highway) in exit 44, within the Madrid logistic network.
- Built in 2006.

UPDATE

- Warehouse delivered to Verallia on 1st October.
- We handed over the refurbished warehouse to the tenant at the end of Q3 20 and after the inspection and extra scope requested by the tenant, we are finalizing the works. We will receive the BREEAM in Q4 20.

OPERATING KPIs(2)



(1) Based on RICS valuation undertaken by CBRE Valuation Advisory. (2) Based on actual invoiced rent (including rent free periods, rent discounts, etc.). (3) Excluding impact of rent free periods.

Project Gold

Location	Sector	Size (sqm)	Acquisition Date	Equity Investment	Valuation [1]	
					Gross Asset	Equity Value
Madrid	Logistic	26,417	December 2018	€8.2.m (+€1.1m Equity Capex)	€18.3 m	€10.3m

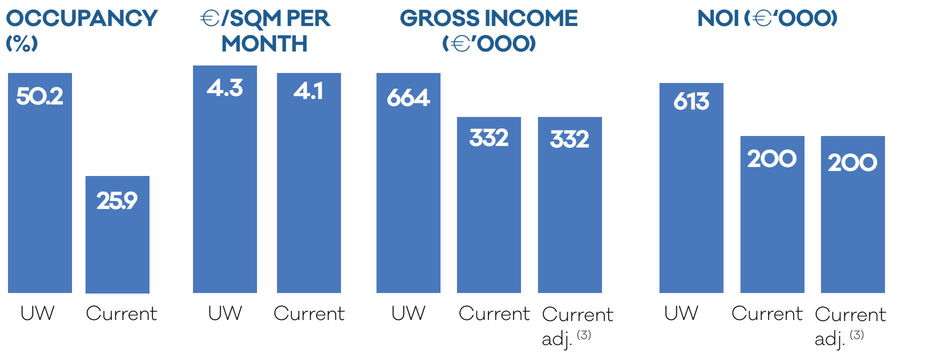
DESCRIPTION

- Excellent location in the "Corredor de Henares" submarket (30 km from Madrid). This location concentrates most of the logistics stock and is considered the main center of logistics activity in Spain
- Built in 2004.
- 26,637 sqm.
- c.88% initial occupancy.
- The warehouse has a residual buildable area of 6,424 sqm that could be added as additional office space.

UPDATE

- The warehouse has gone through an extensive improvement project including a completely renewed façade. We are now focused in leasing up the remaining vacant modules as the sectorization project advances. A negotiation for module H (13,03%) is advanced, and we are now negotiating the lease contract. Other negotiations for modules C, and B are ongoing, though slowly because of the situation.
- The sectorization of the different warehouse units to adapt to new fire and safety regulations is in the final stage and we have included extra scope to change the lighting to LEDS. The BREEAM certificate has passed the audit stage and we are including the recommended improvements to receive the approved certificate during Q4 20.

OPERATING KPIs[2]



(1) Based on RICS valuation undertaken by CBRE Valuation Advisory.
(2) Based on actual invoiced rent (including rent free periods, rent discounts, etc.). Rent and NOI not impacted by Covid-19.
(3) Excluding impact of rent free periods

Project Tryp

Location	Sector	Size (sqm)	Acquisition Date	Equity Investment	Valuation [1]	
					Gross Asset	Equity Value
Madrid	Hotel	16,156	January 2019	€14.1m (+€2.4m Equity Capex)	€28.8 m	€163m

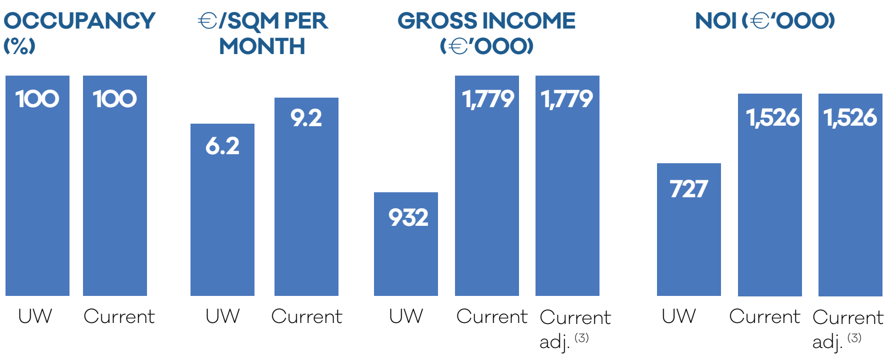
DESCRIPTION

- Strategically located in Madrid's Chamartin neighborhood, next to the Chamartin train station and the new business areas of Madrid (Cuatro Torres and Plaza Castilla)
- 12,580 sqm.
- Current configuration as a 3* category hotel, with 199 rooms, and 8 meeting rooms.
- The hotel is currently operated by Meliá Hotels International under a lease agreement.

UPDATE

- The tenant re-opened in September.
- Refurbishment project is still on hold.
- Currently, Melia is up to date on its rental payments, and they confirm their intention to maintain the agreement for another five years. Despite this, Melià notified that it wanted to modify the economic conditions of the contract because of COVID-19 and Meridia tried to negotiate the conditions again, but without success. Meridia's legal team is working on it.
- The new contract negotiations with the hotel operator is still ongoing.

OPERATING KPIs[2]



(1) Based on RICS valuation undertaken by CBRE Valuation Advisory. (2) Based on actual invoiced rent (including rent free periods, rent discounts, etc.). (3) Excluding impact of rent free periods

Project Smart

Location	Sector	Size (sqm)	Acquisition Date	Equity Investment	Valuation (1)	
					Gross Asset	Equity Value
Madrid	Office	24,605	December 2018	€31.6m	€48.4m	€48.4m

DESCRIPTION

- Acquisition of several adjacent plots of land located in the well-known 22@ district in Barcelona for a Class-A office development project.
- The plots are located next to "La Escocesa", a former industrial complex now owned by the Barcelona City Council, and count with a combined buildable area of 24,605 sqm for office use.
- Final project is in the works, but once completed, the result will be a world-class office development with all the facilities and amenities needed to become a leading contender in the 22@ district.
- 22@ has experienced annual gross absorption in the rage of 70,000 – 75,000 sqm in recent years, with large projects commanding higher rents due to overall lack of availability of large consolidate spaces – with increased interest for BREEAM or LEED certified projects

UPDATE

- Branding: having performed a study with an independent agency, it was decided to rebrand the project under the name "Smart" building, from the previous working name ("Escocesa") as it will be a technologically pioneer building. A marketing brand book has also been defined, including (amongst others) signage guidelines for the building.
- Marketing & Communications: we continue working on finishing the project marketing materials, which include: leasing book, website, project video, and renders. Additionally, a number of initiatives are being undertaken to promote the project and improve the perception of the building in the market.
- Commercialization: we continue pushing conversations with potential tenants but negotiations are evolving slowly because the construction is still in early stages.
- Construction license was secured in Q2 20, and development works have already started by the selected contractors Sorigue/Elecnor.
- The main contractor has mobilised, and they have completed 75% of the retaining concrete walls for the two buildings during the first 2 months in Q3 20. They have also started digging the basement withing the retaining walls and preparing for the basement foundation works which will start in Q4 20. The Smart Building project is ready to be signed in Q4 20 after completing the selection and tender process. We have also retained a graffiti artist to paint the construction perimeter fences from the Art Gallery / Cultural Centre neighbouring to the site

(1) Based on RICS valuation undertaken by CBRE Valuation Advisory. (2) Based on actual invoiced rent (including rent free periods, rent discounts, etc.).

B. CapEx Projects

Project Smart – Design Stage

Project Smart - Construction Works

Project Sea - Construction Works

VI

Environmental, Social and Governance issues (ESG)

ESG at Meridia:

Meridia Capital is committed to responsible investment decisions.

Meridia Capital firmly believes that it is necessary to support innovative measures focused on contribution to society. It shares the view that investors can have a significant influence over many of society's challenges and that success can be achieved when activities yield a double bottom-line: economic and social success. This is one of Meridia Capital's key differentiators.

Meridia recognizes that ESG factors have the ability to affect, both positively and negatively, the performance of investments. Meridia therefore works to identify and manage, on an asset-by-asset basis, relevant ESG factors which may have the potential to materially impact its clients' returns. Throughout its investment process Meridia has integrated the consideration of ESG factors, including the concept of sustainability, to ensure its decision making occurs in a balanced manner that enhances creation of long term value for investors.

Breeam certifactes: Examples of ESG

A good exemple of Meridia's commitment with ESG is the fact that 3 buildings owned by Meridia Real Estate III SOCIMI S.A have the Breeam certificate with a "very good" rating:

BREEAM is the world's leading sustainability assessment method for masterplanning projects, infrastructure and buildings. It recognises and reflects the value in higher performing assets across the built environment lifecycle, from new construction to in-use and refurbishment.

BREEAM does this through third party certification of the assessment of an asset's environmental, social and economic sustainability performance. This means BREEAM rated developments are more sustainable environments that enhance the well-being of the people who live and work in them, help protect natural resources and make for more attractive property investments.

VII

Financial statements

Perlod: from March to September 2020

ASSETS	30/9/20
A) NON-CURRENT ASSETS	**437,055,098.50**
I, Intangible assets	850.00
II, Fixed Assets	407,723.04
III, Investment Properties	433,942,276.96
V, Financial investments Long-term	2,704,248.50
B) CURRENT ASSETS	**39,325,158.60**
II, Stocks	16,199,150.00
III, Trade and other receivables	5,496,295.53
V, Financial Investments Short Term	1,579,423.73
VI, Short-term accruals	5,398,226.70
VII, Cash and Cash equivalents	10,652,062.64
TOTAL ASSETS	**476,380,257.10**

EQUITY AND LIABILITIES	30/9/20
A) NET EQUITY	**228,697,246.96**
A-1) Equity	**215,629,822.08**
I, Share Capital	122,723,624.00
II, Issue Premium	3,980,126.16
III, Reserves	1,443,440.64
IV, OWN SHARES AND EQUITY INSTRUMENTS	-247,175.00
V, Retained earnings	80,540,476.42
VII, Result of the year	7,189,329.86
IX, External Partners	13,067,424.88
B) NON CURRENT LIABILITIES	**222,097,001.51**
II, Liabilities Long Term	169,833,472.11
III, Liabilites with other Group Companies	45,056,313.44
IV, Deferred Tax Liabilites	7,207,215.96
C) CURRENT LIABILITIES	**25,586,008.63**
III, Current Liabilities	9,204,914.47
IV, Current Accounts with group and related companies	2,315,811.85
V, Payable suppliers and other payables	14,062,575.91
VI, Periodifications short term	2,706.40
TOTAL EQUITY AND LIABILITIES	**476,380,257.10**

PROFIT & LOSS	30/9/20
1, Net Turnover	11,642,669.30
3, Works carried out for fixed assets	128,896.55
5, Other Operating Income	3,374,544.77
6, Staff Costs	-14,084.87
7, Other Operational Expenses	-9,874,720.42
11, Change of Fair value of the Property Investments	13,431,071.61
12, Other Results	218,096.27
13, Other Results - Non-Deductibles	76,513.76
A,1) OPERATING RESULT	**18,982,986.97**
12, Financial Income	-98,200.24
13, Financial Expenses	-8,934,877.07
14, Change of Fair Value of Financial Assets	-274,178.04
A,2) FINANCIAL RESULT	**-9,307,255.35**
A,3) RESULT BEFORE TAXES	**9,675,731.62**
17, Corporate Tax	-1,341,934.98
A,4) OPERATIONAL RESULT	**8,333,796.64**
B) MINORITY INTERESTS	**-1,144,466.78**
A,5) RESULT OF THE YEAR	**7,189,329.86**

QUARTERLY CAPITAL ACCOUNT STATEMENT AT SEPTEMBER 30, 2020

(Amounts in EUR)

Fund commitment	190,000,000.00	(Size of the Fund)
Partnership commitment	190,000,000.00	(Total commitments received)

FUNDED AND UNFUNDED SUMMARY

Total Investors Commitment	Commitment Drawn			Undrawn Commitment	Distributions Recallable	Total Unfunded Commitment
	Share Capital & Issue Premium	Participative Loan	Total			
190,000,000.00	126,703,750.16	57,254,238.82	183,957,988.98	6,042,011.02	-	6,042,011.02

FINANCIAL SUMMARY

CONCEPTS	TOTAL INVESTORS				
	YTD 31 Jun 2020	Inception to 31 Jun 2020	Quarterly Movement	YTD 30 Sept 2020	Inception to 30 Sept 2020
Total Commitment drawn (Shares + Facility Loan)	8,400,000.00	183,957,988.98	-	8,400,000.00	183,957,988.98
Investment Related	-14,812,552.46	-14,812,552.46	-	-14,812,552.46	-14,812,552.46
Income Related	-	-	-	-	-
Expense Related	-	-	-	-	-
Unrealised Subordinated Loan Interest	-6,240,517.07	1,746,930.42	867,696.70	-5,372,820.37	2,614,627.12
Unrealised gains/(losses)	-9,380,508.03	99,386,946.59	11,018,447.56	1,637,939.53	110,405,394.15
Realised gains/(losses)	11,569,574.59	12,413,297.92	223,557.49	11,793,132.08	12,636,855.41
Income Received	-	-	-	-	-
PPS Paid / Management Fee	-1,275,484.52	-12,192,418.64	-642,919.69	-1,918,404.21	-12,835,338.33
Partnership incomes	8,335,995.75	72,315,959.98	4,244,535.45	12,580,531.20	76,560,495.43
Partnership expenses	-12,119,982.22	-93,004,549.16	-4,783,886.52	-16,903,868.74	-97,788,435.68
Distributions Facility (non recallable)	14,812,552.46	14,812,552.46	-	14,812,552.46	14,812,552.46
Distributions Shares (non recallable)	-	-	-	-	-
Realised Subordinated Loan Interest	7,987,083.64	8,883,555.41	-	7,987,083.64	8,883,555.41
Realised gains/(losses) - 8% Compensation	-	-896,107.92	-	-	-896,107.92
Share Dividends (non recallable)	-	-	-	-	-
NAV	**-15,523,473.96**	**249,811,603.63**	**10,927,430.99**	**-4,596,042.97**	**260,739,034.62**
NAV + DISTRIBUTIONS BEFORE CARRIED INT,	**7,276,162.14**	**272,611,603.58**	**10,927,430.99**	**18,203,593.13**	**283,539,034.57**
FACILITY NAV	**-12,653,069.53**	**44,188,615.78**	**867,696.70**	**-11,785,372.83**	**45,056,312.48**
FACILITY NAV + DISTRIBUTIONS	**10,146,566.57**	**67,884,723.65**	**867,696.70**	**11,014,263.27**	**68,752,420.35**
SHARES NAV	**-2,870,404.43**	**205,622,987.80**	**10,059,734.29**	**7,189,329.86**	**215,682,722.09**
SHARES NAV + DISTRIBUTIONS	**-2,870,404.43**	**204,726,879.90**	**10,059,734.29**	**7,189,329.86**	**214,786,614.19**
Estimated Carried Interest	**224,694.80**	**-17,909,944.42**	**-2,185,486.20**	**-1,960,791.40**	**-20,095,430.62**
NAV + DISTRIBUTIONS AFTER CARRIED INT,	**-15,298,779.16**	**231,901,659.20**	**8,741,944.79**	**-6,556,834.37**	**240,643,604.00**
FACILITY NNAV	**-12,653,069.53**	**44,188,615.78**	**867,696.70**	**-11,785,372.83**	**45,056,312.48**
FACILITY NNAV + DISTRIBUTIONS	**10,146,566.57**	**67,884,723.65**	**867,696.70**	**11,014,263.27**	**68,752,420.35**
SHARES NNAV	**-2,645,709.63**	**187,713,043.39**	**7,874,248.09**	**5,228,538.46**	**195,587,291.48**
SHARES NNAV + DISTRIBUTIONS	**-2,645,709.63**	**186,816,935.49**	**7,874,248.09**	**5,228,538.46**	**194,691,183.58**

Meridia
Capital