

**TO THE ALTERNATIVE STOCK MARKET (MAB)**

In Barcelona, on October 23, 2018

Meridia Real Estate III SOCIMI, SA (hereinafter, the "**Company**"), under the provisions of article 17 of Regulation (EU) No. 596/2014 on market abuse and in article 228 of the consolidated text of the Securities Market Law, approved by Royal Legislative Decree 4/2015, of 23 of October, and concordant provisions, as well as in Circular 6/2018 of the Alternative Stock Market (**MAB**), through this publishes:

**RELEVANT EVENT**

The Company published on April 30, 2018, together with the disclosure of the Consolidated Annual Accounts for the year 2017, an update of the forecasts for the closing of the fiscal year ended on December 31, 2018.

On October 17, 2018, and once the consolidated interim financial statements have been prepared, the Board of Directors of the Company has unanimously approved a new business plan that is duly detailed in this Relevant Event.

It is recorded that the new business plan:

- has been prepared based on criteria comparable to those used for the Company's historical financial information; and
- for its elaboration, the main factors that are known and that have affected its fulfillment have been assumed.

A table is included in which the figures of the profits and losses accounts expects are shown for the fiscal year 2018 is presented by the Board of Directors, compared with the forecast of the profits and losses accounts from the income for the year 2018 on April 30, 2018, as well as the main variations.

# Meridia

## Real Estate III Socimi

FORECAST OF INCOME AND EXPENSES MERIDIA R.E. III SOCIMI			
(Amount in €)	31/12/2018 Updated forecasts	31/12/2018 Previous forecast	Variation
Revenue	15,594,308.92	15,188,177.03	2.7%
Other operating income	5,177,867.12	4,661,378.50	11.1%
Personnel expenses	-376,345.00	-273,418.61	37.6%
Other operating expenses	-11,401,901.85	-11,014,950.00	3.5%
Depreciation	-2,891,189.09	-3,203,250.35	-9.7%
Other results	594,313.46	-	n/a
<b>RESULTS FROM OPERATING ACTIVITIES</b>	<b>6,697,053.56</b>	<b>5,357,936.57</b>	<b>25.0%</b>
Finance income	18,044.34	-	n/a
Finance expenses	-7,819,271.85	-7,168,355.71	9.1%
Change in fair value of financial instruments	-340,846.61	-	n/a
<b>NET FINANCE EXPENSE</b>	<b>-8,142,074.12</b>	<b>-7,168,355.71</b>	<b>13.6%</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>-1,445,020.56</b>	<b>-1,810,419.14</b>	<b>-20.2%</b>
Corporate income tax	-	-	
<b>LOSS FOR THE PERIOD</b>	<b>-1,445,020.56</b>	<b>-1,810,419.14</b>	<b>-20.2%</b>

According to the previous table, the result for the fiscal year 2018 is estimated to be better than the forecast published in April 2018 for the amount of 365 thousand euros (20%), being the main reasons the following:

- Net amount of turnover: The increase in the forecast for this heading amounting to 406 thousand euros is due, on the one hand, to a better performance than expected of the investments already existing at the beginning of the year and, on the other hand, to non-recurring income accrued in the third quarter of the year 2018 in one of the shopping centers owned by the Company.
- Other operating income: The increase in the forecast of this caption corresponds to an increase in common expenses and supplies to be invoiced to the tenants with respect to those originally planned. In this sense, these higher common expenses and supplies is the main reason of increasing the forecast of "Other operating expenses" caption.
- Other results: Increase by 594 thousand euros, mainly due to the income received corresponding to a contractual indemnity amounting to 540 thousand euros related to one of the shopping centers owned by the Company.

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- Financial expenses: The forecast of financial expenses has increased by 650 thousand euros (9%), basically due to the fact that in July 2018 an additional 20 million euros of loans subscribed with shareholders of the Parent Company were available, which accrue a fixed interest rate, and consequently will increase the financial expense in the second semester of the year.

- Change in fair value of financial instruments: This caption includes the change in fair value of the derivative instruments contracted. For the purposes of presenting the present update of the estimate, the observed variation has been taken until the presentation of the interim consolidated financial statements for the 6 months ended June 30, 2018, while, in the estimate published on April 30, 2018, such variation could not be estimated with a reasonable degree of accuracy.

### **MERIDIA REAL ESTATE III, SOCIMI, S.A.**

Mr. José Luis Raso Fernández