Q2 2020

QUARTERLY REPORT

Meridia III

Meridia Real Estate III, SOCIMI, S.A.

June 2020

Meridia Capital

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Capital

Important Notice and Disclaimer

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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.

Nothing contained in this Report may be relied upon as a guarantee, promise, forecast or representation as to future events or result and thus no representation is made or assurance given that the above-mentioned statements, views, projections or forecasts are correct or that the objectives of the Vehicle will be achieved. Investors must determine for themselves what reliance (if any) they should place on such statements, views, projections or forecasts and none of the Vehicle, Meridia or any of their respective directors, officers, employees, members, partners, shareholders or affiliates assumes any responsibility for the accuracy or completeness of such information.

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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.

Certain information contained herein has been obtained from published sources and/or prepared by other parties, which in certain cases has not been updated through the date hereof. While such information is believed to be reliable for the purpose used herein, none of the Vehicle, Meridia or any of their respective directors, officers, employees, members, partners, shareholders or affiliates assumes any responsibility for the accuracy or completeness of such information.

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Letter from the management

Dear Investors,

We hope you are all well and in good health.

Please find enclosed Meridia III ("the Vehicle")'s quarterly report corresponding to Q2 2020. This quarter has been predominantly influenced by the COVID-19 pandemic, which is still in full force and has resulted in an unprecedent hit to the economy and whose effects are yet to be seen in full. The team is fully focused on addressing existing and potential issues, assessing liquidity risks in each of the assets and proactively searching the market to seize 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, and rent collection represented a 91% of the amount invoiced through July. We are also closely tracking liquidity: we are monitoring and ensuring compliance with all financing covenants – no major risks have been identified. Additionally, we are taking all appropriate measures to strategically protect our cash balances.

As of June 30th, 2020, the Vehicle had total outstanding investments of €327.4 million. Total equity invested amounted to €164.7 million, plus an additional €5.6 million of committed equity for future CapEx.

Based on the latest financial statements included in this Quarterly Report, total net NAV of the Vehicle stands at €254.7 million. This represents a c.1.38x net equity multiple (post-carried interest estimate). Except for the change in valuation for the retail and hospitality assets, and project Gold (all three represent 18.8% of the total commitment), NAV has not been meaningfully affected by the COVID-19 situation (vs. Q1 2020). According to our appraisers, it is still too early to accurately reflect the impact on market comps from the crisis. 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 virtually 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. Having said that, the team continues to work on looking for exit opportunities.

Portfolio Overview

Portfolio exposure is evenly balanced between Madrid (44% of equity) and Barcelona (55%). Other locations only stand at 1%. By segment, office is the predominant sector, accounting for 63%, followed by logistics (14%), retail (9%), hotel (9%) and residential (5%).

As of June 30th, 2020, the portfolio is composed of 27 properties: 19 office buildings, 4 logistics warehouses, 1 shopping center, 1 hotel and 2 residential units.

Asset and Project Management updates

This quarter was very intensive for the Asset Management team, who undertook the rigorous work of addressing all tenants' requests and assessing each tenant's position on a case by case basis. As a result, the team negotiated and executed 20 new agreements comprising 53,601sqm – including new contracts, renewals, and amendments to existing lease agreements.

Meridia signed 4 new leases and 2 renewals totaling 42,827sqm. Main highlights are (i) the lease signed with Verallia in the Alovera warehouse (Project Gel) – which increased occupancy from 0% to 100% and (ii) the 13,094sqm 8-year lease renewal with Carrefour at the Barnasud Shopping Centre (Project Beatle).

The Asset Management team signed a total of 14 amendments addressing tenant requests for rent relief, and securing extended terms for existing contracts or an increase in rents over current lease terms. Only one very small tenant (86 sqm) has requested to terminate its contract and will be vacating the space; meanwhile, those having asked for a reduction of space account for a mere 0.24% of total rents.

The Project Management team keeps revisiting CapEx previsions for all projects, in terms of both timing and economic reasoning. In this respect, the Barnasud CapEx plan will be the most affected – further details below.

The main activity in project management for this quarter is detailed below:

Virgilio Building (Project Insurance): We have completed the major refurbishment of the garden level offices. By entirely opening the façade, we have added nearly 2,500sqm of usable workspace with natural light. We have also incorporated an entrance to the building directly from the parking.

Julian Camarillo 4 (Project Insurance): A design tender process to carry out a comprehensive refurbishment of the building will be presented at the start of Q3.

Project Seseña: The urbanization project was finalised and we are pending a final inspection and approval from city hall. We have received the BREEAM certificate.

Project Sea: Construction works are progressing well despite the two-week forced stop in April due to the government-imposed lockdown. We do not expect significant delays in the project. The installations contractors and the contractor for the façade have commenced works.

Project Scottish: We obtained the construction licence and started construction works in July with contractors Sorigue/Elecnor.

Project Gel: We have incorporated the required project fit-out works for the new tenant, which are expected to be completed by Q4 20.

Project Beatle: We decided to postpone the food court project until we have a clearer view on how COVID-19 will affect consumer behavior in the long run. We are maintaining the refurbishment of the corridor project to (i) adapt to new tenants' requirements and (ii) give more visibility and natural light to the retail centre.

Project Gold: The works on the different warehouse units to adapt to the new fire and safety regulations commenced in Q2 20 and should be completed by the end of Q3 20.

Regarding the team, at the end of the quarter Rita Torres announced her departure from the Asset Management team. She has been replaced by Oscar Plaza, who joined us in July from Aliseda – a subsidiary of Blackstone in Spain.

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

Yours truly,

Javier Faus and Juan Barba


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II

COVID 19
Effect

COVID 19 Effect

Given the unprecedent circumstances 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.

Asset Management Strategy

Proactive strategy in order to agree on measures that help our tenants while increasing the overall long-term value of our portfolio. As a result, the team negotiated and executed 20 new agreements comprising 53,601sqm – including new contracts, renewals, and amendments to existing lease agreements. Meridia signed 4 new leases and 2 renewals totaling 42,827sqm.

Thanks to the rigorous work of the Asset Management team, only one very small tenant (86 sqm) has requested to terminate its contract and will be vacating the space; meanwhile, those having asked for a reduction of space account for a mere 0.24% of total rents.
The outcome of most negotiations is achieving longer contracts or increasing rents in exchange of a short-term liquidity relief.

Please note that 23% of the rents (20 tenants) have the end of the contract during 2020. The Asset Management team is intensively working to renew these contracts.

In parallel, and in support of this strategy, financial measures are being taken to defend our cash balances

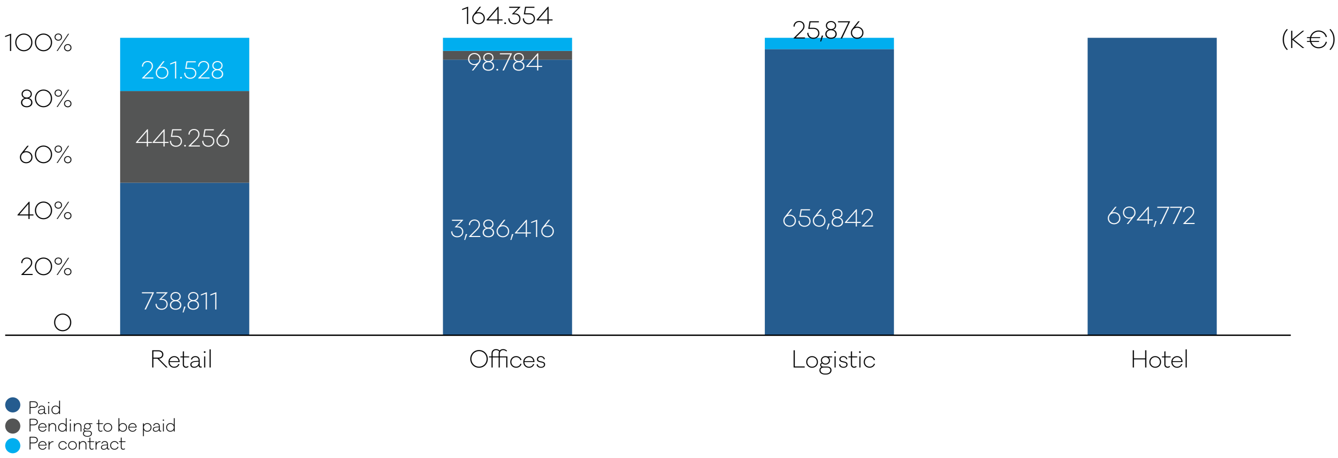
- Signed a loan partially guaranteed by Spanish Government for €1.5 million in Barnasud, in addition to the extension until August 2021 of tranche B of the existing financing.
- Signed a short-term corporate financing agreement (c. €5.0 million)
- Prioritize working capital management

Rent Collection from March to July

The Asset Management team have been very active addressing all tenant requests and analyzing their positions on a case-by-case basis. Some negotiations are still ongoing and are expected to be closed in the coming weeks.

At the moment, 93% of the expected revenues from March to July has been collected normally. The remaining percentage corresponds to allowance granted to tenants as a waiver of the rent or deferment of the income.

A total of 91% of the amount invoiced in the office portfolio has already been collected.



COVID 19 Effect

Retail

Allowances correspond to (i) the rent waiver granted to the tenants forced to close their stores following Government guidelines (€159,000), and (ii) May rent of one retailer in Barnasud (€102,000).

The amounts pending to be paid are basically related to the tenants who requested support and the above aids were not enough. The Asset Management team is attending every tenant need to reach an agreement for both parties.

Offices

Most of the tenants' requests have been attended fulfilled and the negotiations have been closed. The aids have mostly focused on a deferment of income or an increase in the compulsory term. The outstanding amounts correspond to tenants with whom we are currently in negotiations.

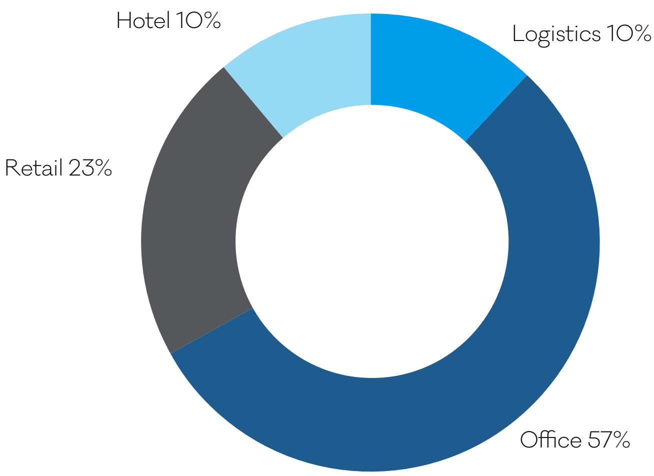
Logistic

There have been no major complications for the tenants during the Covid crisis as they have not stopped their activity. Only one tenant was granted rent relief in exchange for extending its contract.

Hotel

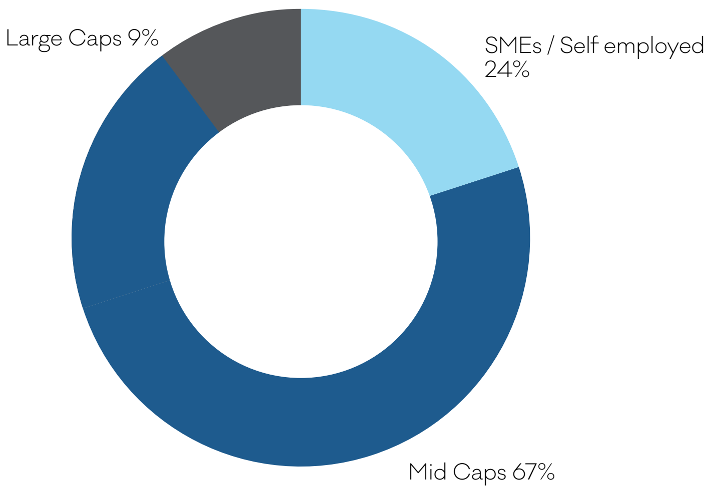
The Tryp Hotel rentals have been completely collected.

Rent allocation by sector



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

Enterprise breakdown by size-class based on rent



- Good balance of tenants by size.
- 76% 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 June 30, 2020 (€m)
Project Insurance	Santander/Caixabank	Apr-23	19.5
Project Alta	Caixabank	Sep-24	14.7
Project Vila	Caixabank/Sabadell	Oct-24	15.4
Project Seseña	Popular	Jun-25	4.2
Project Sea	Santander/Caixabank	Feb-29	20.6
Project Light	Santander	Jul-22	8.2
Project Gel	Bankinter	Dec-21	4.0
Project Barnasud	Bankia	Nov-32	21.7
Project Gold	Santander	Nov-25	8.9
Project Tryp	Abanca	Apr-32	15.1

(*) Agreement with the Bank to extend the maturity for an additional 18 months reducing the amount to € 4M.
(**) Project Tryp: Obtained the financing with Abanca in March 2020 for a total amount of €25.5M with lack of debt service until March 2022.

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 Light: If a tenant lease extension is agreed, the covenant will not be fulfilled in 2020. The Bank is aware of the situation and would give us waiver.
- Project Barnasud: Monitoring its compliance for the DSCR at June 30, 2020.
- Project Gold: After the lease expiration of an important tenant in May 2020 we are monitoring weakly the compliance of the covenants. Tha Bank is aware of the situation.

Valuations

- Based on an external party's RICS valuation.
- All valuations in Q2 2020 are affected by COVID-19. Especially in those related to the retail and hotel sector.
- In the near future, depending on the evolution of the crisis, the willingness of our external valuers is to eliminate the material valuation uncertainty (MVU) as soon as possible, as long as the market allows.
- Project Barnasud and Tryp's valuation decreased 2.4% and 7.3% respectively vs March 31, 2020 while Project Sea and Gel increase their valuations 19.2% and 26.4% 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 none of the ones stated in 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 previous 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).

Are there other general measures to help tenants? The Spanish government has also approved other measures such as (i) impossibility to start eviction proceedings during the alarm state (which ended on 21 June 2020); 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 employment and tax costs (for instance, temporary workforce restructuring measures – the so-called ERTEs –), and suspend payment of deliverables during the alarm state (ended on 21 June 2020). Other more specific measures have been approved for the most vulnerable tenants of habitual residences, not relevant for our portfolio.

III

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 Q2 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: €164.7 m (1) (86.7%)
- Current Equity committed: €170.3 m (89.6%)
- 42% Madrid, 57% Barcelona, 1% Other
- 66% Office, 13% Logistics, 3% Residential, 9% Retail, 9% Hotel
- Total funds invested (incl. debt): €327.4m
- Financing: average LTC 46%
- NAV + Distributions after carried interest €254.7M, EM: 1.38x

At market level:

- At a macroeconomic level, the effects of the pandemic are still very uncertain, latest forecasts show the Spanish economy will contract by 10-12% in 2020. Expectations are that it should regain some of the lost ground as early as 2021, when GDP growth estimates show a range of 4-5%. This compares with a c. 8% contraction in Europe in 2020 followed by growth of around 6-7% in 2021.

- The economic constraints will have an impact on Spanish unemployment, which is expected to rise from 14% in 2109 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 2012-13 (c.26%).

Valuation summary:

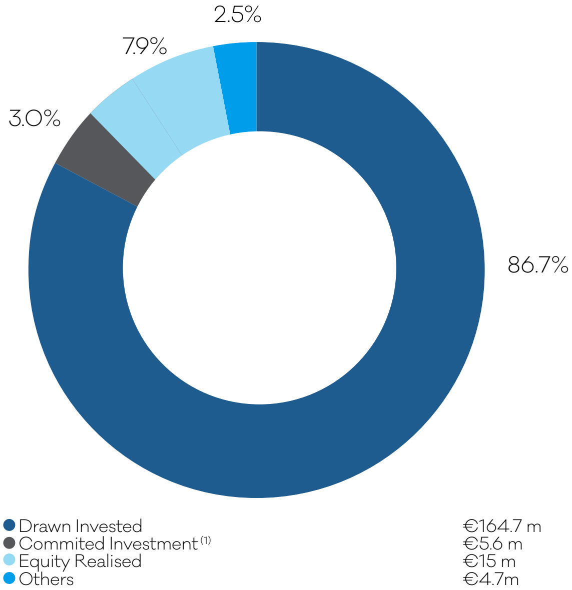
Investment Name	Location	Investment Type	Entry Date	% Drawn of Total Fund
Project Insurance	Madrid/Barcelona	Office/Logistics	abr-16	16.0%
Project Alta	Barcelona/Pamplona	Office	sept-16	4.7%
Project Vila	Barcelona	Office	oct-16	5.2%
Project Seseña	Toledo	Logistics	jun-17	3.2%
Sea Project	Barcelona	Office/Residential	jul-17	15.3%
Light Project	Madrid	Office	jul-17	4.1%
Barnasud	Barcelona	Retail	nov-17	7.8%
Project Gel	Madrid	Logistics	jan-18	3.9%
Project Gold	Madrid	Logistics	dec-18	3.6%
Project Scottish	Barcelona	Office	dec-18	15.5%
Project Tryp	Madrid	Hotel	Jan-19	7.4%
Total Unrealised				**86.7%**

(1) Excluding €26.6 m co-investment as well as €1.2 m ,€1.0m, €1.1m and €2.4m committed equity investment for CapEx improvement and working capital in Seseña, Barnasud, Alcalá 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).

IV

Vehicle’s overview

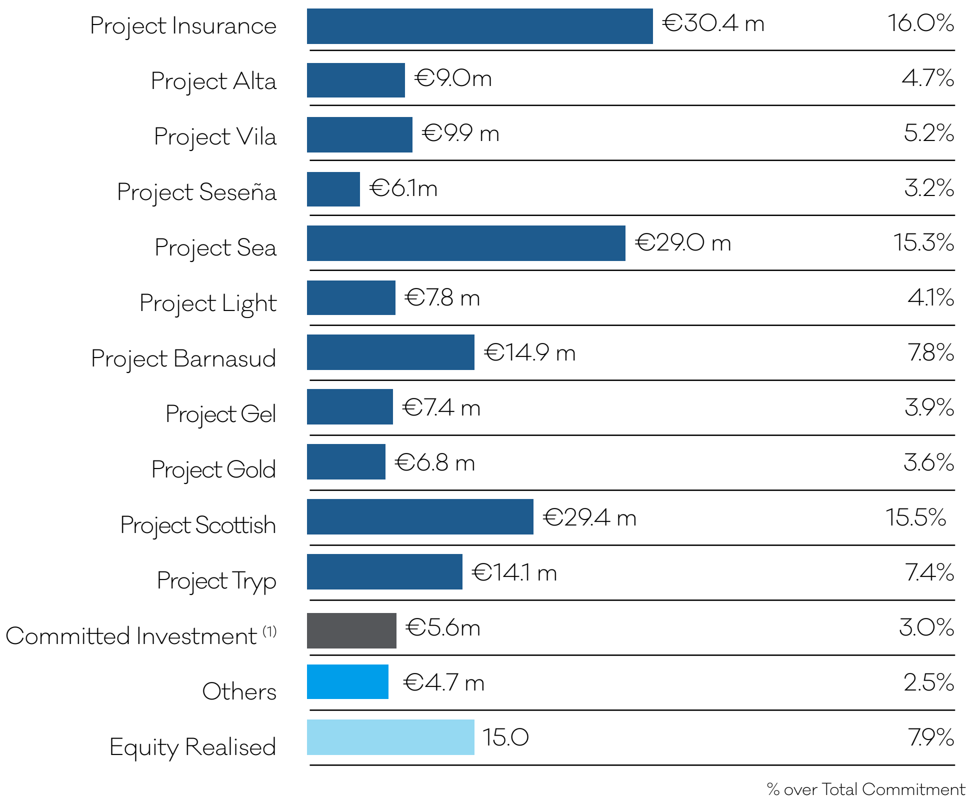
Equity commitment status – 30st June 2020



Total Commitment = €190 m

Drawn Invested (Equity Deployed)= €164.7m (86.7%)

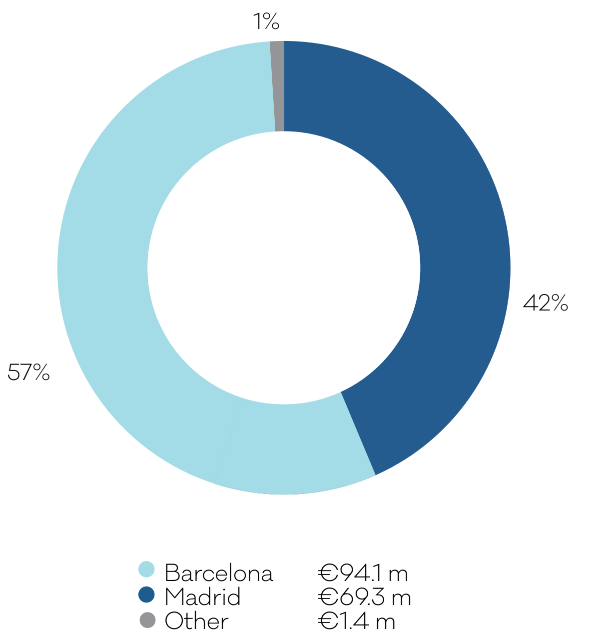
Total Capital Calls since inception = €183.9 m (96.8%)



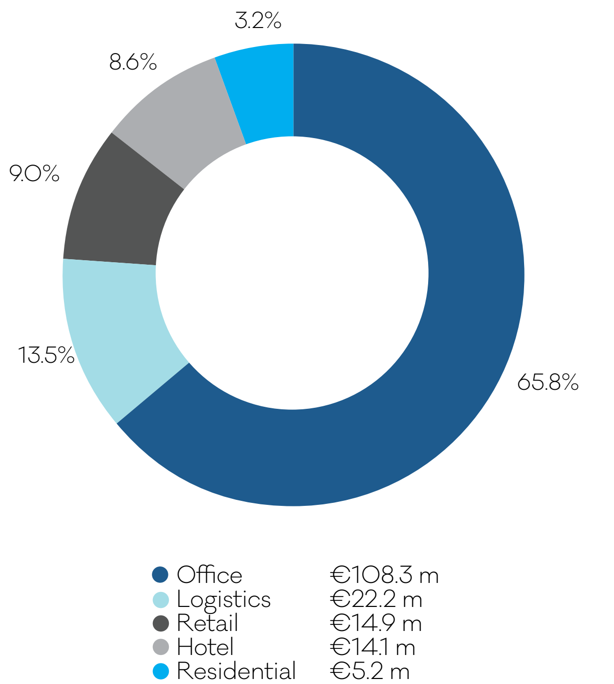
(1) Includes equity required to undertake CapEx improvement and working capital in Seseña, Barnasud, Gold and Tryp.

Portfolio allocation (equity) - 30st June 2020

By City (2)



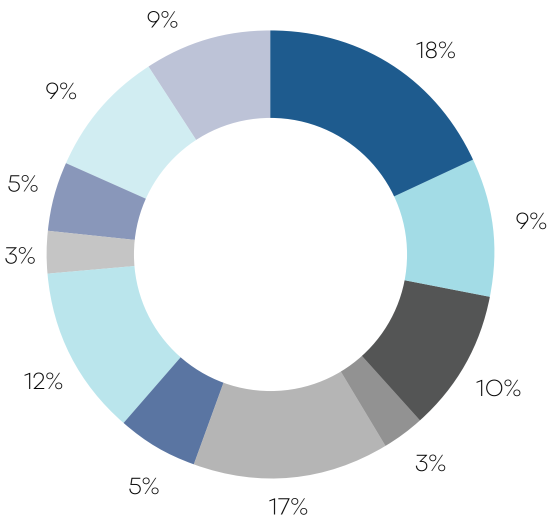
By Sector



Total Invested = €164.7 m (1)

Note: Pie by sector includes drawn invested.
(1) Excluding €26.6 m co-investment as well as €1.2 m ,€1.0m, €1.1m and €2.4m committed equity investment for CapEx improvement and working capital in Seseña, Barnasud, Alcalá and Tryp Projects respectively
(2) Seseña and Gel Projects considered as Madrid

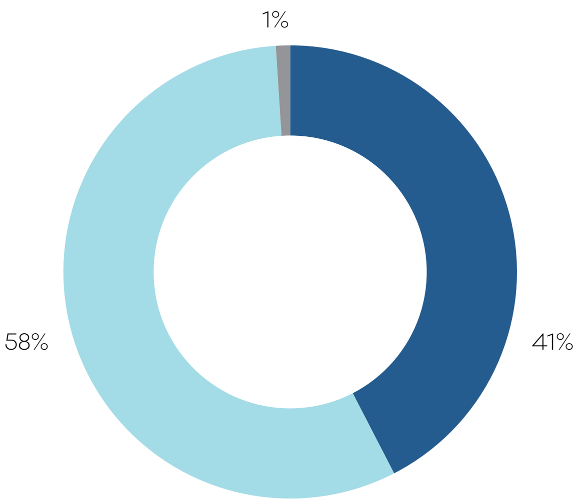
Outstanding Investment[1] status - 30st June 2020



Project Insurance	€58.0 m
Project Alta	€30.6m
Project Vila	€32.1 m
Project Seseña	€10.5 m
Project Sea	€56.7 m
Project Light	€16.9 m
Project Barnasud	€37.7 m
Project Gel	€11.2 m
Project Gold	€16.0 m
Project Scottish	€29.4 m
Project Tryp	€28.1 m

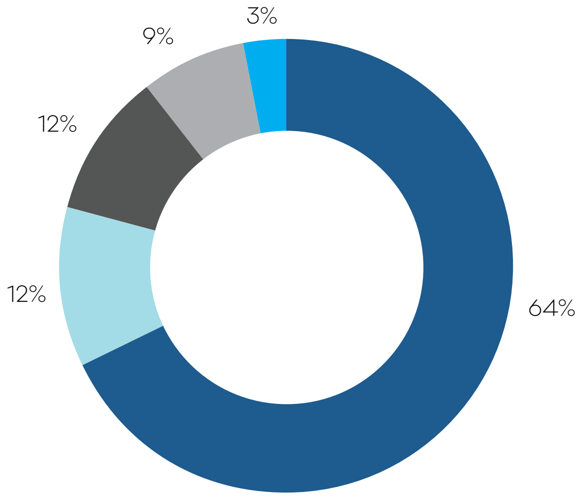
Total Outstanding Investment [1] = €327.4m

By City[2]



Barcelona	€188.9m
Madrid	€134.3 m
Other	€4.1 m

By Sector

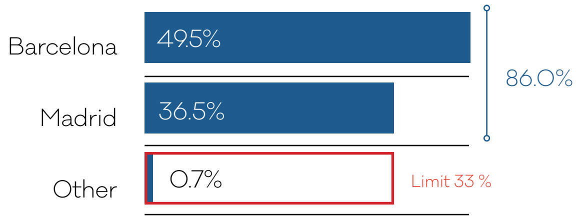


Office	€210.4 m
Logistics	€40.9 m
Retail	€37.7 m
Hotel	€28.1 m
Residential	€10.2 m

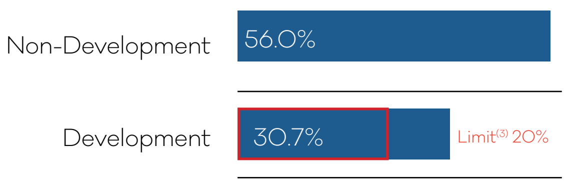
(1) Investment corresponds to purchase price including capitalized transactions and development costs. Insurance, Alta and Vila Projects correspond to 100% of the deal, not adjusted by co-investment.
(2) Seseña an Gel Projects considered as Madrid.

Commitment limits - 30st June 2020

By City (1) (2)



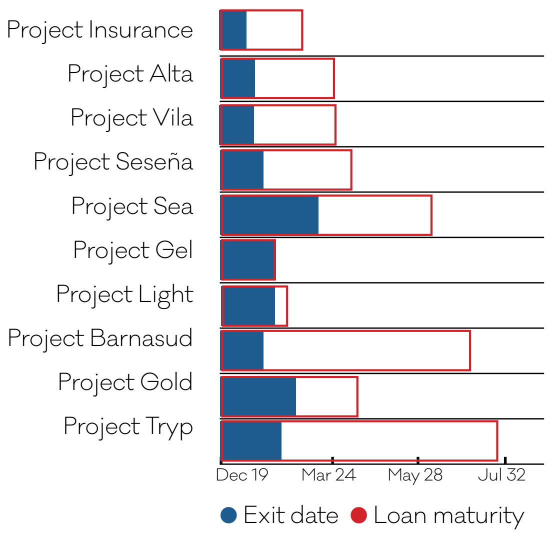
By Investment (1)



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

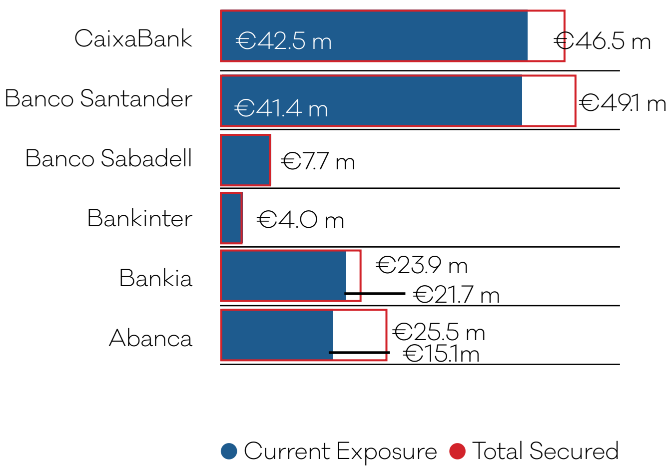
Financing - 30st June 2020

Refinancing Risk



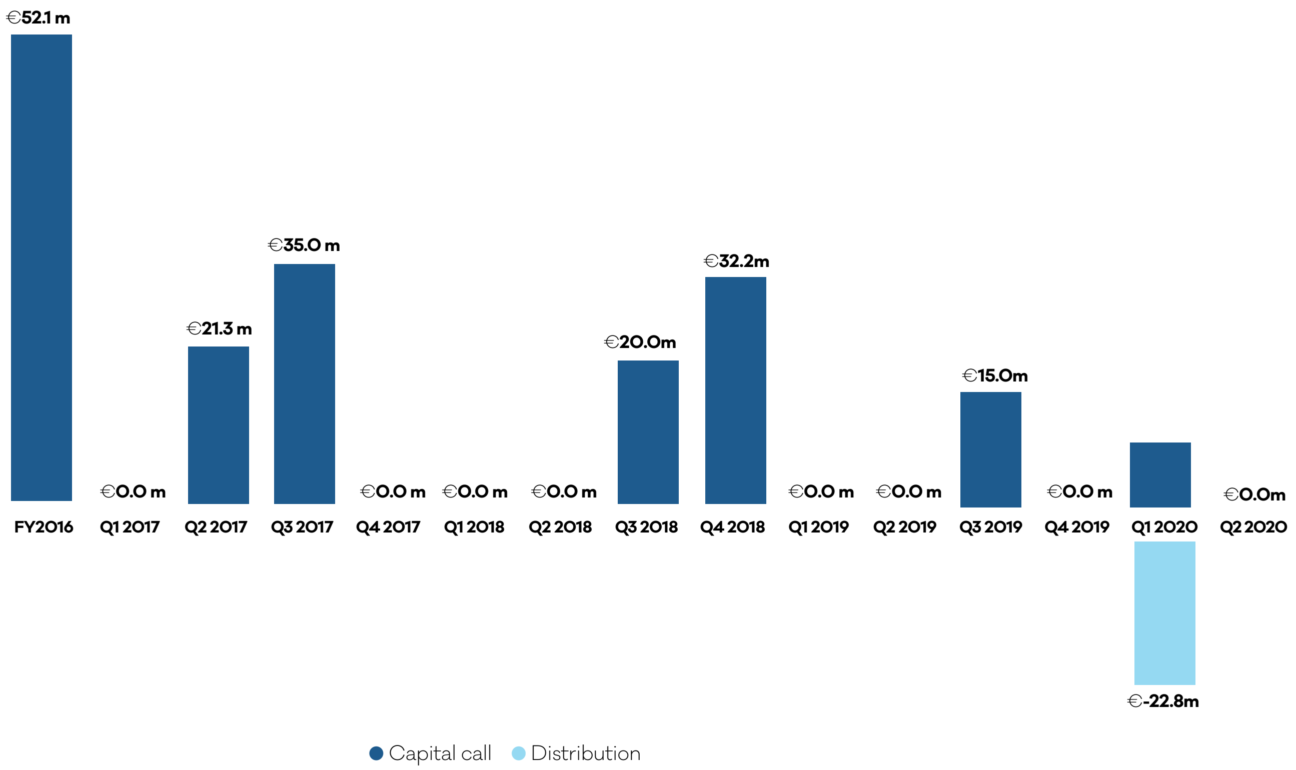
Weighted Average Loan Maturity is 6.8 years

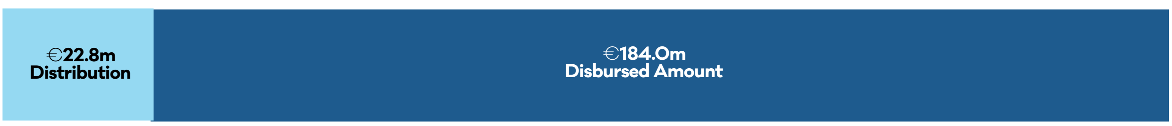
Exposure to Banks (€ m)



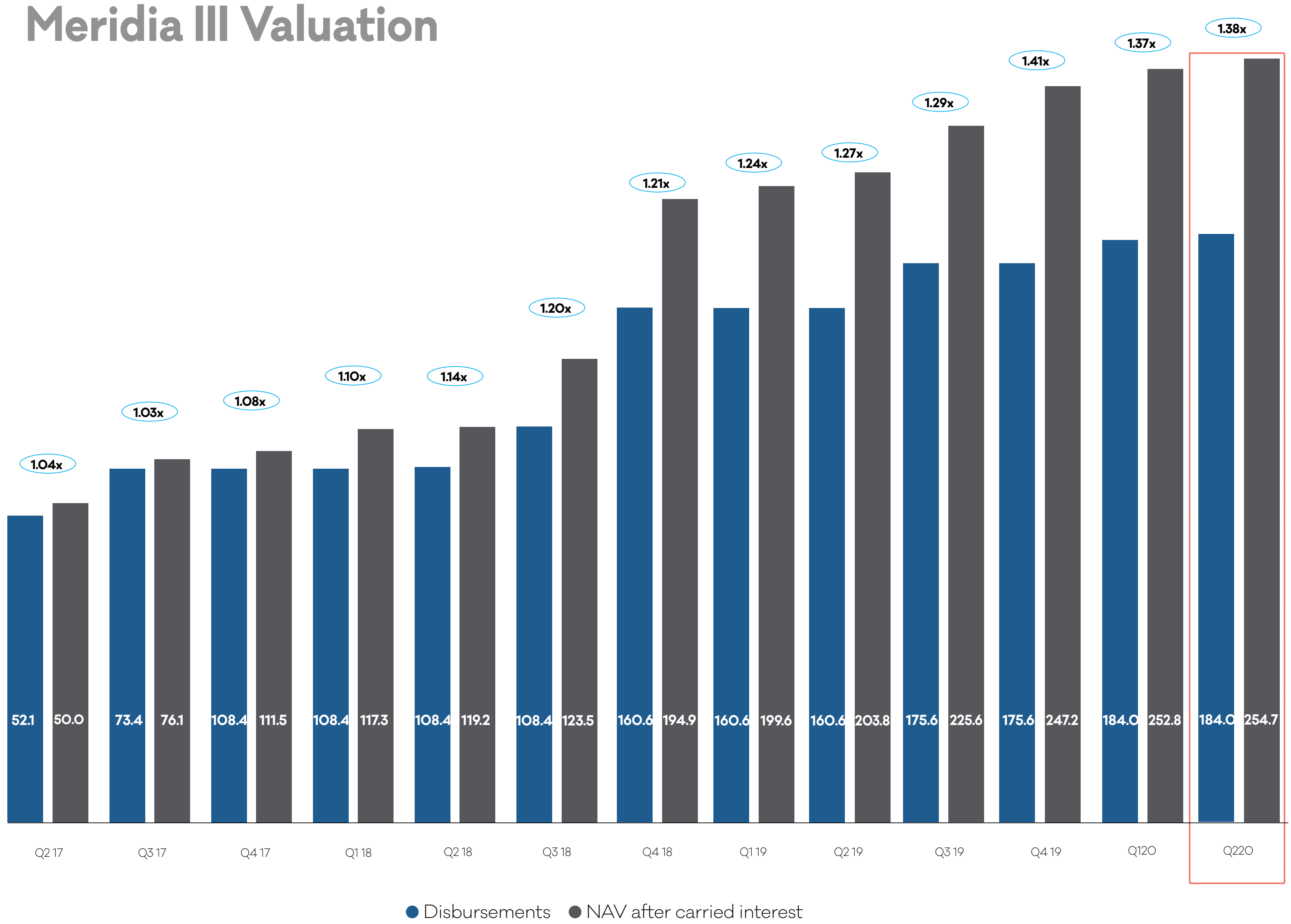
Evolution of disbursed amount (Capitall calls & Distributions)

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
% 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%





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	€30.4 (+€5 m of co-investment)	€74.0 m	€47.9m

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

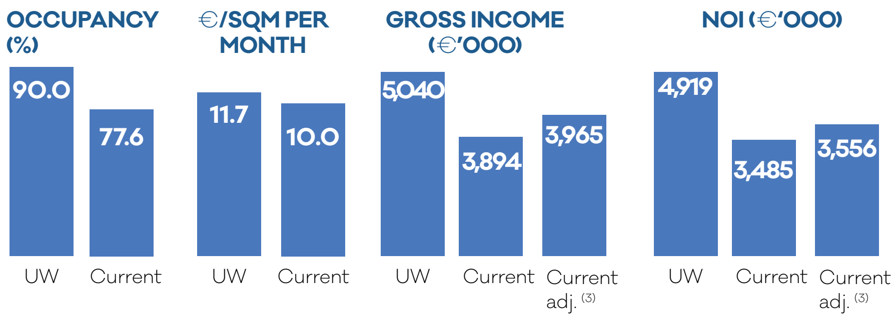
- **Cityparc** (5,545 sqm). 3 buildings. Occupancy: 97%
  - Some tenants requested lease forbearance due to COVID-19, and in exchange of rent relief, we have secured extension of lease terms (compulsory period) or rent increases over the existing lease term – thereby maximizing the long-term value of their contracts to the assets.

- **Virgilio** (4,444 sqm).
  - Refurbishment project of Planta Patio: We have now completed the major refurbishment of the garden level offices, recovering nearly 2,500 sqm of workspace leasable area, and providing it with significantly more natural light by opening up the façade.

- **Julián Camarillo 29** (5,186 sqm). 2 buildings. Occupancy: 57%. We have signed one more floor (first floor of E1) with Eurovision (an existing tenant that has extended its area).

- **Julián Camarillo 4** (9,882 sqm). Occupancy: 100%
  - The main tenant could vacate the building on January 2021, we have anticipated their exiting by launching leasing efforts.
  - The mandate for the building´s exclusive leasing rights was opened up to the main brokerage companies through a tender process. 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.
  - A design tender process to carry out a comprehensive refurbishment of the Entrance Lobby and lift lobbies in each floor (including the washrooms) was launched in 2Q 20 and the design proposals will be presented at the start of Q3 20.

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.


INBISA

Project Alta

Location	Sector	Size (sqm)	Acquisition Date	Equity Investment	Valuation [1]	
					Gross Asset	Equity Value
Barcelona/ Pamplona	Office	14,367	September 2016	€9.0 (+€5 m of co-investment)	€43.4 m	€24.0m

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 other non-core assets (1 office building and 1 office floor in Pamplona).
- Barcelona (86% of deal value) and Pamplona (14%).

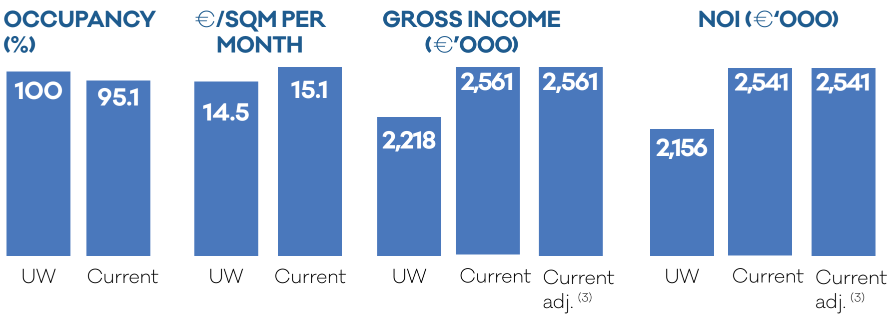
UPDATE

- **Alta 1** (8,366 sqm). Alta 1 (8,366 sqm). Occupancy 94%. We worked in a proactive manner in order to adapt the building's operating procedures to the new reality, thereby optimizing its operating cost structure. Some tenants requested rent relief: in exchange, we have negotiated increasing the compulsory term for the retail operator and an increase in rent throughout lease term (from 13.8 to 16.0 €/sqm) for one of the office tenants (957 sqm).

- **Paseo Sant Joan:** Occupancy 100%. We have started to negotiate with the existing tenant a renewal of their expiring lease for the entire building. Due to administrative procedures, it could take several months for them to get their final approvals.

- **La Estrella** (2 small office units in Pamplona) were sold in June 2020.

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	€16.5m

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.

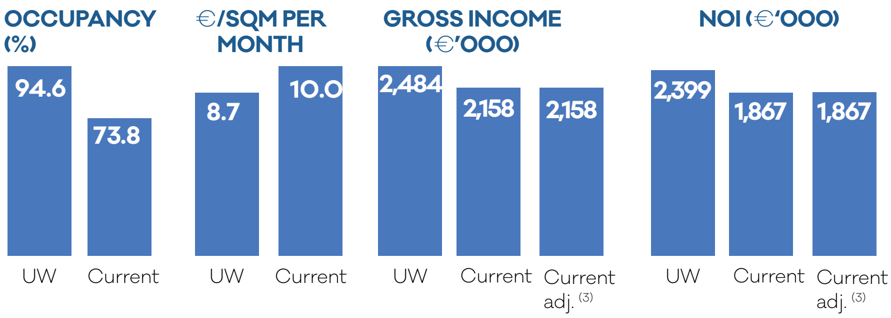
UPDATE

- 2 new leases signed: we signed a new lease in the retail area with the restaurant operator Salad Market (112 sqm), thus improving not only the main terms of the contract, but also the image and services of the business park. Additionally, we have also signed a new office lease with a new tenant (151 sqm) at the asking rents for the complex (11 €/sqm).

- Some tenants requested lease forbearance due to Covid-19, and in exchange of rent relief, we have secured extension of lease terms (compulsory period) or rent increases over the existing lease term – thereby maximizing the long-term value of their contracts to the assets.

- Others: a number of wellness and social offerings for the tenants (i.e. yoga sessions, food trucks, social and networking events…) have been cancelled because of COVID-19, and we are working on optimizing the operating costs of the business park while adapting required measures to keep our tenants safe.

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 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)	€17.8 m	€14.1m

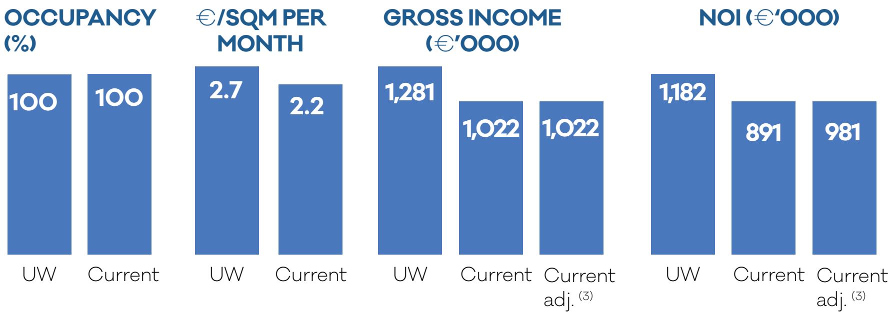
DESCRIPTION

- 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 – The urban project was finalised and we are awaiting a final inspection and approval from the city hall.
- BREEAM certificate for the warehouse was secured during Q2 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 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	€91.7m	€45.8m

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 are finalizing an amendment to the lease agreement with the major tenant of the project – this will primarily update the wording and contractual regulations of the lease agreement but leave major economic terms unchanged. In parallel, we continue working with them on their fit-out project and hold periodical meetings to coordinate timings and contractual milestones.
- The structural works for both towers started in Q1 20 and as of Q2 20, have completed the 7th-floor concrete slab of the 13-floor tower (B13) and the 2nd-floor slab to the 7-floor tower (B7). We expect the completion of the structural works will be finished on-time before the end of Q3 20. We have also received the initial approval for the LEED PLATINUM certificate.
- Exclusive leasing mandate has been closed with Cushman & Wakefield for a 6-month period. We continue to proactively market the vacant surfaces.

(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	€13.1m

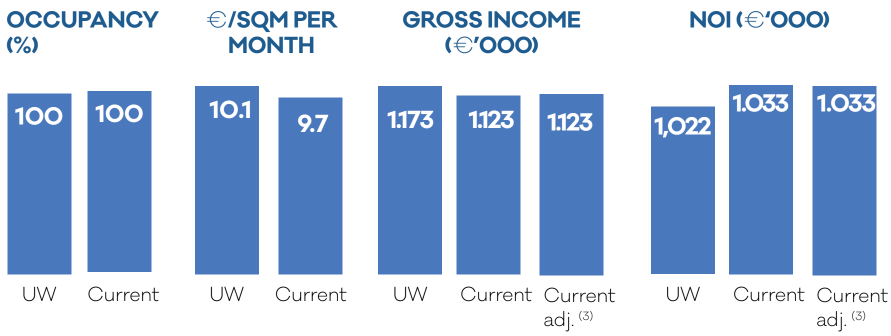
DESCRIPTION

- 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

- Meridia continues negotiating a renewal to the lease agreement.

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	€14.9 m (+€1.0m Equity Capex)	€37.8 m	€19.0m

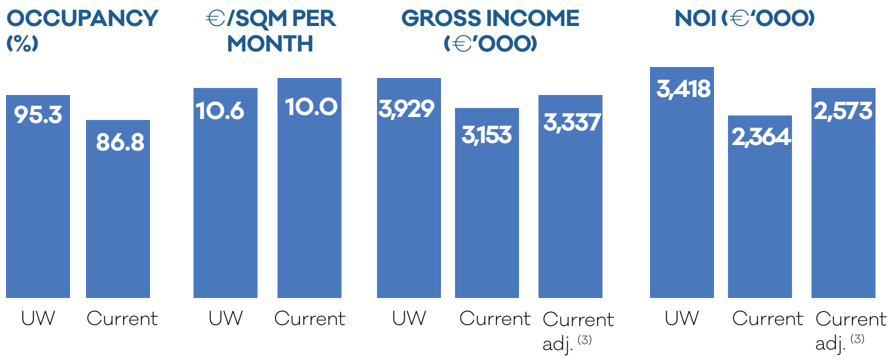
DESCRIPTION

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

UPDATE

- Following strict government guidelines, the Barnasud shopping center was closed in mid-March. With reopening taking place on June 8th, although some operators reopened before that date.
- We worked in a proactive manner to adapt the shopping center to the new reality by implementing the recommendations of the public health authorities and sought to optimize operating costs while working to keep our operators and customers safe.
- Cinesa (9,7%): They have started their works in January 2020 and will launch new cinemas on Q3-Q4 2020. As of Q2 20, they have finalized refurbished for half of the theatre rooms.
- Carrefour (43%): The new amendment has been signed, ensuring the main anchor for the shopping center will in-place for at least 8 years (the new compulsory term). Under the new agreement, they have agreed to refurbish the store by June 2021.
- Due to the COVID-19 pandemic, we granted rent relief for one month (April) to all operators who were forced to close their stores as per government guidelines. In some cases, when this aid has not proven enough and tenants have requested further assistance, we are negotiating further rent relief in exchange for extension of lease term (compulsory period) or rent increases over the existing lease term – thereby maximizing long-term value and prioritizing stable occupancy levels.
- We are also closing agreements with existing tenants in order to renew their lease contracts and improve their image in the center.
- We have decided to postpone the food court project until we have a greater visibility on a future post-COVID. We continue with the refurbishment of the corridor in order to meet contractual obligations with tenants and give a better appeal and more natural light to the center.

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	€7.4 m	€19.8 m	€16.1m

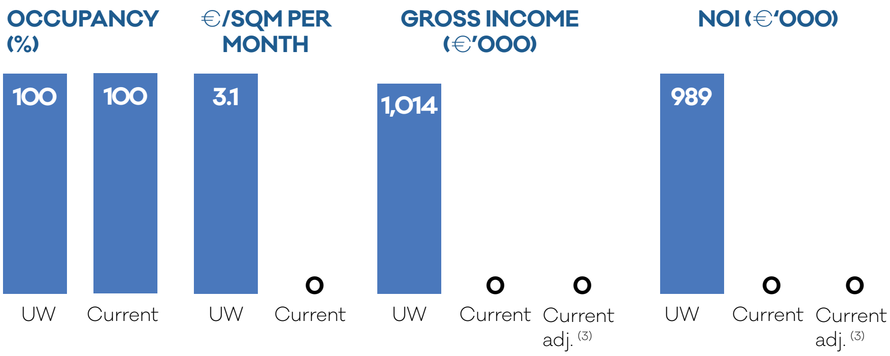
DESCRIPTION

- 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

- We have signed a lease contract with a very strong multinational specialized in glass products with 7 years compulsory period and 3.5€/sqm/month rent.
- We have incorporated their required fit-out project within the on-going improvement works and are awaiting permits to execute the tenant's fit-outs in Q3 20. The improvements project for the warehouse will be finished at the start of 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	€6.8m (+€1.1m Equity Capex)	€18.1 m	€9.4m

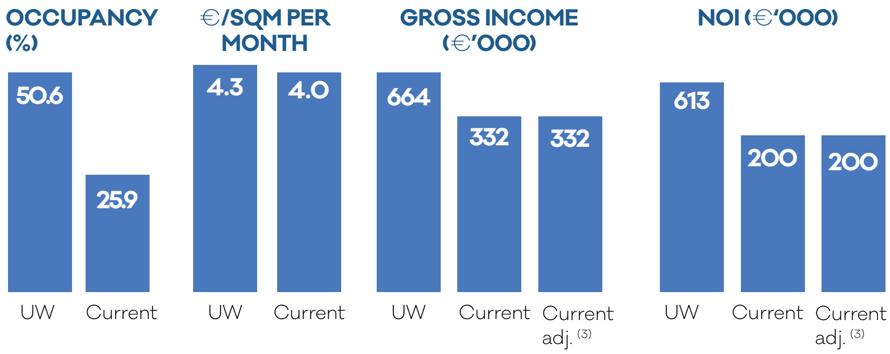
DESCRIPTION

- Excellent location in the Henares corridor (30 km from Madrid). The Henares corridor concentrates most of the logistics stock and is considered the main center of logistics activity in the Spanish
- Asset built in 2004.
- 26,637 sqm.
- c.88% initial occupancy
- The warehouse has a remaining building area of 6,424 m2 that could be located within the same warehouse as additional offices.

UPDATE

- The warehouse has gone through an extensive improvement project that including a completely renewed new façade. We are now focused in leasing up the remaining vacant modules as the sectorization project advances. A a negotiation for module C (12,98%) has been closed, pending execution in Q3.
- Sectorization works of the different modules in order to comply with the new fire, life and safety regulations was launched in Q2 20 – expected completion by end of Q3 20.

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 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)	€29.4 m	€17.3m

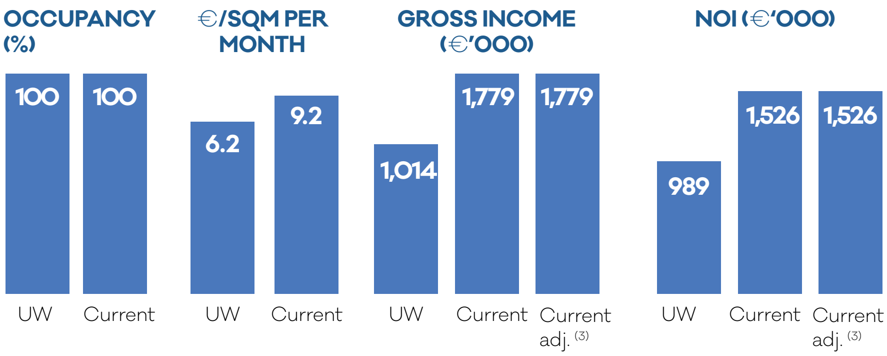
DESCRIPTION

- Strategically located in Madrid in the Chamartin district, adjacent to Chamartin train station and the new business districts of Madrid (Cuatro Torres and Plaza Castilla)
- 12,580 sqm.
- As of today, Tryp Chamartin hotel is a midscale 3* category hotel, with 199 rooms, 8 meeting rooms located.
- The hotel is currently operated by Meliá Hotels International under a lease agreement.

UPDATE

- The tenant decided to close the hotel in March 2020 due to COVID-19, before being legally obliged to do so, and has not re-opened since then. The total closure of the hotel was compulsory approximately from mid-March to mid-May.
- Meridia negotiated with Meliá during months three main points: (i) a renovation project to upgrade the hotel from 3* to 4* and fully refurbish the property (with rent free during the execution of the works); (ii) the rebranding of the hotel to a more lifestyle brand; and (iii) a change of the economic terms of the current lease agreement, including, but not limited to, a longer lease term. Meliá's position on such negotiations made the refurbishment project economically unfeasible. As such this project is now on hold.
- In March 2020, despite the negotiations mentioned above, Meliá ceased to pay rent but, after Meridia's claims for payment, Meliá started to meet its rental obligations such as to avoid the initiation of any necessary legal proceedings by Meridia. Currently, Meliá is up to date on its rental payments, though it continues to claim said payments are not due because of COVID-19 and that the economic terms of the lease agreement should be rebalanced. Despite negotiations held between the parties, so far it has not been possible to reach an agreement. The legal case is being managed by Meridia's legal team with support from external advisors.

OPERATING KPIs[2]



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Project Scottish

Location	Sector	Size (sqm)	Acquisition Date	Equity Investment	Valuation (1)	
					Gross Asset	Equity Value
Madrid	Office	24,605	December 2018	€29.4m	€36.7 m	€36.7m

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 pioneering building. A marketing brand book has also been defined, including (amongst others) signage guidelines for the building.
- Marketing & Communications: project marketing materials have been developed, including: 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 are in conversations with potential tenants, but negotiations are evolving slowly due to the current situation.
- Construction license was secured in Q2 20, and development works have already started by the selected contractors Sorigue/Elecnor.

(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 Scottish – Design Stage

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 June 2020

ASSETS	30/6/20
A) NON-CURRENT ASSETS	**419,473,850.51**
I. Intangible assets	850.00
II. Fixed Assets	407,723.04
III. Investment Properties	416,505,312.07
V. Financial investments Long-term	2,559,965.40
B) CURRENT ASSETS	**35,149,613.65**
II. Stocks	9,835,114.89
III. Trade and other receivables	5,197,910.33
V. Financial Investments Short Term	1,095,326.39
VI. Short-term accruals	5,252,199.96
VII. Cash and Cash equivalents	13,769,062.08
TOTAL ASSETS	**454,623,464.16**

EQUITY AND LIABILITIES	30/6/20
A) NET EQUITY	**218,625,772.67**
A-1) Equity	**205,558,347.79**
I. Share Capital	122,723,624.00
II. Issue Premium	3,980,126.16
III. Reserves	942,209.32
IV. OWN SHARES AND EQUITY INSTRUMENTS	-258,915.00
V. Retained earnings	81,041,707.74
VII. Result of the year	-2,870,404.43
IX. External Partners	13,067,424.88
B) NON CURRENT LIABILITIES	**212,844,453.58**
II. Liabilities Long Term	161,448,620.88
III. Liabilites with other Group Companies	44,188,616.74
IV. Deferred Tax Liabilites	7,207,215.96
C) CURRENT LIABILITIES	**23,153,237.91**
III. Current Liabilities	9,673,635.08
IV. Current Accounts with group and related companies	3,789,510.69
V. Payable suppliers and other payables	9,679,179.77
VI. Periodifications short term	10,912.37
TOTAL EQUITY AND LIABILITIES	**454,623,464.16**

PROFIT & LOSS	30/6/20
1. Net Turnover	7,682,474.11
4. Purchases	-336.00
5. Other Operating Income	2,266,071.98
6. Staff Costs	-10,927.67
7. Other Operational Expenses	-6,519,031.36
11. Impairment and Result for assets disposal	2,189,066.56
12. Other Results	198,434.63
13. Other Results - Non-Deductibles	106,356.78
A.1) OPERATING RESULT	**5,912,109.03**
12. Financial Income	8,569.51
13. Financial Expenses	-4,138,786.58
14. Fair Value Variation Financial Assets	-242,610.62
16. Deterioro y Resultado de Enajenaciones	-1,923,284.01
A.2) FINANCIAL RESULT	**-6,296,111.70**
A.3) RESULT BEFORE TAXES	**-384,002.67**
17. Corporate Tax	-1,341,934.98
A.4) OPERATIONAL RESULT	**-1,725,937.65**
B) DISCONTINUED OPERATIONS - EXTERNAL PARTNERS ADJUST.	**-1,144,466.78**
A.5) PROVISIONAL RESULT OF THE YEAR	**-2,870,404.43**

QUARTERLY CAPITAL ACCOUNT STATEMENT AT JUNE 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 Mar 2020	Inception to 31 Mar 2020	Quarterly Movement	YTD 30 Jun 2020	Inception to 30 Jun 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	-7,098,782.28	888,665.21	858,265.21	-6,240,517.07	1,746,930.42
Unrealised gains/(losses)	-15,532,520.43	93,234,934.19	6,152,012.40	-9,380,508.03	99,386,946.59
Realised gains/(losses)	11,609,719.95	12,453,443.28	-40,145.36	11,569,574.59	12,413,297.92
Income Received	-	-	-	-	-
PPS Paid / Management Fee	-649,913.51	-11,566,847.63	-625,571.01	-1,275,484.52	-12,192,418.64
Partnership incomes	5,899,963.12	69,879,927.35	2,436,032.63	8,335,995.75	72,315,959.98
Partnership expenses	-5,694,994.59	-86,579,561.53	-6,424,987.63	-12,119,982.22	-93,004,549.16
Distributions Facility (non recallable)	14,812,552.46	14,812,552.46	-	14,812,552.46	14,812,552.46
Distributions Shares (non recallable)	-	-	-	0.00	-
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	**-17,879,080.21**	**247,455,997.39**	**2,355,606.24**	**-15,523,473.96**	**249,811,603.63**
NAV + DISTRIBUTIONS BEFORE CARRIED INT.	**4,920,555.90**	**270,255,997.34**	**2,355,606.24**	**7,276,162.14**	**272,611,603.58**
FACILITY NAV	**-13,511,334.75**	**43,330,350.57**	**858,265.21**	**-12,653,069.53**	**44,188,615.78**
FACILITY NAV + DISTRIBUTIONS	**9,288,301.36**	**67,026,458.44**	**858,265.21**	**10,146,566.57**	**67,884,723.65**
SHARES NAV	**-4,367,745.46**	**204,125,646.77**	**1,497,341.03**	**-2,870,404.43**	**205,622,987.80**
SHARES NAV + DISTRIBUTIONS	**-4,367,745.46**	**203,229,538.87**	**1,497,341.03**	**-2,870,404.43**	**204,726,879.90**
Estimated Carried Interest	**695,816.05**	**-17,438,823.17**	**-471,121.25**	**224,694.80**	**-17,909,944.42**
NAV + DISTRIBUTIONS AFTER CARRIED INT.	**-17,183,264.16**	**230,017,174.21**	**1,884,484.99**	**-15,298,779.16**	**231,901,659.20**
FACILITY NNAV	**-13,511,334.75**	**43,330,350.57**	**858,265.21**	**-12,653,069.53**	**44,188,615.78**
FACILITY NNAV + DISTRIBUTIONS	**9,288,301.36**	**67,026,458.44**	**858,265.21**	**10,146,566.57**	**67,884,723.65**
SHARES NNAV	**-3,671,929.41**	**186,686,823.61**	**1,026,219.78**	**-2,645,709.63**	**187,713,043.39**
SHARES NNAV + DISTRIBUTIONS	**-3,671,929.41**	**185,790,715.71**	**1,026,219.78**	**-2,645,709.63**	**186,816,935.49**

Meridia
Capital