

COIMA RES S.p.A. SIIQ

STATUTORY AUDITORS' REPORT

TO SHAREHOLDERS' MEETING OF COIMA RES S.P.A. SIIQ

pursuant to art. 153 of Legislative Decree 58/1998 and art. 2429 of Italian Civil Code

Dear Shareholders,

the Board of Statutory Auditors of COIMA RES S.p.A. SIIQ ("COIMA RES" or "the **Company**") is required to report to the Shareholders Meeting, called to approve the financial statements for the year ended December 31st, 2019, regarding the audit conducted during the year pursuant to art. 153 of Legislative Decree 58/98 and art. 2429 et seq. of Italian Civil Code, in relation to the admission, on May 13rd, 2016, to the trading of the Company's shares on the MTA. We noted that, in compliance with Legislative Decree n.58 of 1998, the supervisory activities on the regular bookkeeping and of consolidated and separate financial statements have been tasked by the auditing firm EY S.p.A. [also "EY"], appointed by Shareholders' Meeting of February 1st, 2016, for the years 2019-2024, whose reports - which contain no qualifications or emphasis of matter - we refer you.

During the year ended December 31st, 2019 the Board of Statutory Auditors of COIMA RES S.p.A. SIIQ carried out the supervisory activities required by existing law, in accordance with Supervisory Authorities recommendations and in particular according to the key required to CONSOB with Communications n. 1025564 of April 6th, 2001 and subsequent supplements of 2003 and 2006, and also in accordance with the code of good practice for listed entities for the Board of Statutory Auditors suggested by the Italian National Association of Professional Accountants.

Pursuant to Legislative Decree n.39 of January 27th, 2010 for the public interest entities, which is your Company, the Internal Control and Auditing Committee [also "CCIRC"] identifies with the Board of Statutory Auditors and therefore, during the period, were carried out the supervisory activities mandated to the same, pursuant to art. 19 of the aforementioned Decree.

We remind you that the regulatory provisions referred to in Decree n. 135/2016 as well as with EU Regulation 537/2014, with a view to strengthening the

interaction between the auditors and the Board of Statutory Auditors, as CCIRC, provide *inter alia*, for the prior approval of assignments to the statutory auditor, not specifically relating to the audit activity, as well as transmission to the Committee for control and audit of the additional report issued pursuant to Article 11 of EU Regulation 537/2014.

Appointment, self-assessment and activities of the Board of Statutory Auditors

The Board of Statutory Auditors in charge on the date of this Report, was appointed by resolution of the Shareholders' Meeting of April 12th, 2018, and his office will expire with the Shareholders' Meeting approving the financial statements as of December 31st, 2020.

The Board of Statutory Auditors in charge, as appointed, is composed of the following n. 3 (three) members:

- Mr. Massimo Laconca, standing member to whom the chairmanship of the Board of Statutory Auditors has been attributed;
- Mrs. Milena Livio, standing auditor;
- Mr. Marco Lori, standing auditor.

The Board of Statutory Auditors, also for the 2019 financial year, assessed the suitability of its members and the adequate composition of the board - with reference to the requirements of professionalism, competence, integrity and independence required by law - as well as the availability of time and adequate resources to the complexity of the assignment and the proper functioning, taking into account the size, complexity and activities carried out by the intermediary. The members of the Board of Statutory Auditors have respected the limit of the accumulation of offices set out in art.144-terdecies of the Issuers Regulation.

The Board of Statutory Auditors also verified the correct application of the criteria and procedures for ascertaining the independence requirements of the members of the Board of Directors with this qualification, as well as, in its capacity as Committee for Internal Control and Auditing [also "CCIRC"], the independence requirements of the auditing firm.

With this report, in confirming to you how, during the year, the Board of Statutory

Auditors carried out its supervisory activity in compliance with the law, we acknowledge the following:

- with limited absences of some of its members, we attended at all meetings of the Board of Directors held during the year and obtained periodically from the Directors, information on the activity carried out and on the most important operations performed by the Company. We also participated in the periodic meetings of the internal Board Committees, established pursuant to the Corporate Governance Code, and the Control and Risk Committee, also in its capacity as Committee for transactions with related parties, and the Remuneration Committee.
- We supervised the activities of the Company entrusted to us by Art. 149 of Single Act of Finance, through specific audits, regular meetings with business leaders, with the Internal Control Committee, with the Supervisory Board, with the heads of corporate functions, including control, as well as through the information sharing with representatives of the auditing firm.
- We assessed and supervised, as for our competence, the adequacy of the internal control and the account administration system, as well as the performance of detection and control system.
- We verified, through information collected by the auditing firm and the executive responsible for the preparation of the accounting documents, the compliance with legal regulation related to the preparation and setting of consolidated and separate financial statements, as well as the Management Report, exercising the functions entrusted to us pursuant to art. 19 of the Legislative Decree 39/10.

Our participation in Board of Directors' meetings, the meetings with Control Functions and with the manager of various business Functions, as well as the examination of information flows provided by the same Functions, have enable to us to obtain, in different segments, necessary and useful information on the general business performance and on the outlook for operations, organization and internal control system, risk management, and accounting system in order to evaluate its suitability compared to business needs and operational reliability.

Thanks to the meeting with the internal control functions, we have received

adequate information on the internal control system and risk management.

The contacts with the Manager responsible for preparing Company's financial reports allowed a feedback on the activities carried out to verify the adequacy and effectiveness of the control procedures relating to the administrative and accounting system, on which it is confirmed that no such critical issues have emerged to be brought to the attention of the Board of Directors.

As for the ways in which institutional tasks assigned were carried out to the Board of Auditors, we inform you and give you act:

- to have acquired necessary knowledge to carry out audit activities for aspects of its competence, on the adequacy of the Company's organizational structure, including links with subsidiaries, through direct surveys, information gathering by managers of the Functions concerned, exchanges of data and information with auditing firm;
- to have supervised the operation of internal control and accounts administration system, to evaluate the adequacy to business needs, as well as its reliability in providing an accurate picture of Company operations, through direct surveys on business records, obtaining information by managers of the Functions concerned, analysis of the results of the work carried out by the auditing firm.

In compliance with the recommendations provided by CONSOB as for the content of Board of Auditors' Report, we report the following:

1. Considerations on the events and transactions carried out by the Company that had significant impact on assets, financing and operating result, and their compliance with By-laws and regulations

The Separate Financial Statement of COIMA RES S.p.A. SIIQ for the year 2019 recorded a profit of Euro 20,177 thousand, whose formation is described in detail by the Board of Directors in its report, to which we refer you.

During the year 2019, the Company further focused its investment strategy and strengthening the corporate governance. In particular, as for the significant

events of the year and as for their relevance, as fully described in the directors' report, the Board reports the following.

a) Investment and disposal transactions

- *Investments*

- (i) On September 30th, 2019 the Company, through COIMA CORE FUND VI, indirectly acquired the property in Milan, Viale Sarca 235, through the purchase of 88.8% of COIMA OPPORTUNITY FUND I' units, fund managed by COIMA SGR. At the acquisition date, the value of the property, the Philips headquarters, was Euro 60.7 million. With this transaction, Coima Res acquired a 78.3% stake in the property.
- (ii) On December 10th, 2019 Coima Res, through COIMA CORE FUND VI, has finalized the acquisition of the property in Milan, viale Pasubio 13 through the purchase of 52% of Feltrinelli Porta Volta' units, fund managed by COIMA SGR. At the acquisition date, the value of the property, the Microsoft headquarters, was Euro 97.6 million. With this transaction, Coima Res acquired an 83.5% stake in the property.

The above investment transactions were both carried out through COIMA CORE FUND VI which, on September 30th, 2019, acquired approximately 89% of the units of the COIMA OPPORTUNITY FUND I for a consideration of Euro 70.3 million. This fund directly holds the "Philips" property and indirectly the "Microsoft" property, through a 48% stake in a fund called Feltrinelli Porta Volta. Through this transaction, Coima Res also acquired 13% of a portfolio of five properties in Northern and Central Italy, entirely leased to Telecom Italia, owned by ITALIA COPPER FUND, which was owned 17% by COIMA OPPORTUNITY FUND I.

The transaction was completed on December 10th when COIMA CORE FUND VI completed the acquisition of the remaining 52% of the investment in Feltrinelli Porta Volta for a consideration of Euro 40 million.

- *Disposals*

- (i) On June 27th, 2019 Coima Res sold 50% of the so-called real estate complex “Vodafone Village” to the financial holding company Meritz Financial Group, of South Korean nationality, through the management company KTB Asset Management, through the contribution by Coima Res of the Vodafone property and related financing in COIMA CORE FUND VIII and the simultaneous sale to KTB of 50% units of the same fund held by Coima Res following the contribution. The valuation of the entire property complex, from which the sale price of 50% of the fund units was determined, was Euro 213 million (+ 2% compared to the previous valuation);
- (ii) On March 15th, 2019 Coima Res sold the Deutsche Bank bank branch of Pisa through COIMA CORE FUND IV at the price of Euro 500 thousand (with a premium of 4.2% compared to the book value at the December 31st, 2018);
- (iii) On December 5th, 2019 the Company, through COIMA CORE FUND IV, signed a purchase and sale agreement for the sale of the first floor of the Deutsche Bank branch in Genoa at the price of Euro 800 thousand;
- (iv) In October 2019, Coima Res, again through COIMA CORE FUND IV, signed three preliminaries for the sale of a portfolio consisting of 11 Deutsche Bank bank branches located in Northern Italy. The sale price is Euro 23.5 million, substantially in line with the value certified by the independent expert at June 30th, 2019 (2.0% discount). The transaction was completed on January 15th, 2020 for 8 bank branches, while the remaining 3 will be completed by June 2020.

- b) *Loan transactions*

- On June 27th, 2019 the Company entered into a new loan agreement with Natixis with a duration of 5 years for an amount equal to Euro 127,800 thousand for the “Vodafone” operation; this loan was subsequently transferred to COIMA CORE FUND VIII.

The liquidity deriving from this new loan agreement was also used in part for the repayment of Euro 18,905 thousand relating to the loan for the Tocqueville and Monte Rosa properties and Euro 110,875 thousand relating to the Vodafone loan.

- On September 19th, 2019, Coima Res repaid the loan for the VAT line contracted to partially finance the acquisition of the Pavillion property for Euro 3,967 thousand.

It should be noted that as of December 31st, 2019 the average duration of the loans is 3.4 years and the average cost of the debt is approximately 2.0%. It should also be noted that approximately 87% of the debt is hedged by interest rate hedging derivatives, to hedge interest rate risks on loans.

c) *Governance*

Regarding to Governance, the shareholders' meeting held on April 17th, 2019 stated that it had approved the appointment of the corporate bodies whose mandate had expired.

The following have been appointed for the Board of Directors until the approval of the financial statements for the year ended December 31st, 2019: Feras Abdulaziz Al Naama, Manfredi Catella, Massimo Capuano, Olivier Elamine, Luciano Gabriel, Alessandra Stabilini, Agostino Ardisson, Ariela Caglio and Antonella Centra, in compliance with the current legislation on gender balance. The Board of Directors is composed, at the date of preparation of this report, of seven independent directors, in addition to the Chairman Massimo Caio Capuano, and a single executive director, in the person of the CEO Manfredi Catella.

At the meeting of April 17th, 2019, the Board of Directors established the Remuneration Committee, the Control and Risks Committee, which also functions as a Related Parties Committee and the Investment Committee and appointed:

- as members of the Remuneration Committee: Alessandra Stabilini, Independent Director, as Chairman, Olivier Elamine, Independent Director, and Caio Massimo Capuano, Non-Executive Director;
- as members of the Control and Risk Committee, with functions also as committee for transactions with related parties, Agostino Ardisson, Independent Director, as Chairman, and the Independent Directors Alessandra Stabilini and Luciano Gabriel;

- as members of the Manfredi Catella Investment Committee, as Chairman, Feras Abdulaziz Al-Naama and Luciano Gabriel, Independent Directors, as well as Gabriele Bonfiglioli and Matteo Ravà, *Key Manager* of the Company.

d) SIIQ Regime

The Company takes advantage of the benefit for the application of the SIIQ tax regime, subject to the condition that the company carried out via prevalent real estate lease activity, starting from the year ended December 31st, 2016. The special taxation regime provides that the income derived from the business of real estate lease is exempt from corporate income tax (IRES) and the regional tax on productive activities (IRAP) and the part of statutory profit corresponding to it is subject to taxation for shareholders in the distribution in the form of dividends, which may not be less than 70% of net profit.

The Board of Statutory Auditors, on the based on the information acquired and in the light of verifications carried out, has no comments or comments to report on the specific point, in relation to compliance with the Law and Article of Association of the operations carried out by the Company.

2. Atypical and unusual intercompany, third and related party transactions

During our supervisory activities, we do not encounter atypical or unusual transactions carried out between your Company and third parties.

2.1 Atypical and unusual related party transactions

During our supervisory activities we did not notice atypical or unusual transactions carried out with related parties.

2.2 Atypical and unusual third and related party transactions

During our supervisory activities we did not notice atypical or unusual transactions carried out with third and related parties.

2.3 Ordinary intercompany and related party transactions

The Company, in compliance with the Related Parties Regulation No. 17221 approved by Consob with a resolution dated March 12nd, 2010, as amended, as well as taking the indications and guidelines set forth in Consob Communication no. DEM / 10078683 of September 24th, 2010, adopted on May 13rd, 2016, with subsequent revisions during 2018, the "Related parties procedure" for the examination, management, approval and disclosure to the market of transactions with related parties.

The Directors, in their report and in the notes to the financial statements, have provided adequate information about the transactions carried out with related parties, to which reference is made.

We report that these transactions are mainly related to ordinary business operations relating to the purchase of services included in the asset management agreement with COIMA SGR S.p.A. and in the agreement with COIMA S.r.l. for the supply by the latter of development & project management services, as well as property and facility management.

We also report that have been entered into transactions with related parties that have generated interest income relating to dividends paid by funds invested by the Company during the year 2019.

The Board of Statutory Auditors considers the procedures in compliance with the principles set out in the Consob Regulation and has attended, during the year 2019, all control and risk Committees' meeting in which the operations were reviewed, ensuring compliance with the procedure adopted by the Company.

3. Comments about any emphasis of matter of Independent Auditors

On March 23rd, 2020, the auditing firm EY S.p.A. has issued its Reports unqualified and without emphasis of matter, pursuant to Art. 14 and 16 of

Legislative Decree n.39/2010 concerning the Separate Financial Statements and Consolidated Financial Statements.

4. Complaints ex art. 2408 of the Civil Code

During the year 2019, and up to the date of the Report, no complaints according to art. 2408 of the Civil Code are occurred.

5. Presentation of claims

During the year 2019, and up to the date of the Report, no exposed to be reported to Shareholders' meeting are occurred.

6. Supervisory and control activities performed by the Board of Statutory Auditors in relation to the tasks assigned to it as "Internal Control and Auditing Committee"

Pursuant to art. 19, 1st paragraph, of Legislative Decree 39/2010 as amended by Legislative Decree 135/2016, as well as Regulation (EU) No. 537, the Board of Statutory Auditors, in its role of "Internal Control Committee and for the audit" [also "CCIRC"] conducted independent assessments of the organizational arrangements aimed at fully implementing the regulatory provisions aimed, in particular, at strengthening the quality of the audit and the independence of the statutory auditors and auditing firms, to improve market and investor confidence in financial information.

During the year, the CCIRC maintained a continuous interaction with the auditors, giving particular emphasis to maintaining the independence requirement, also through constant monitoring of the activities carried out by the auditor, with reference to both audit services (Audit Service) that other services (Non Audit Service), previously subjected to the assessments and the expression of an opinion by the CCIRC, in order to exclude, among these, the presence of the services considered prohibited by art. 5 of the aforementioned Regulation.

During the 2019 financial year, in relation to the adequacy of the provision of services other than auditing to the audited entity, in accordance with Article 5 of the EU Regulation, the Board of Statutory Auditors has constantly verified and monitored independence of the Auditor, reserving the right to issue specific and specific opinions for any task entrusted and falling under the Non-Audit Service.

In this regard, it should be noted that, also during 2019, the only assignment comparable to different office from audit was the preparation of a limited review on the accounting statements and on the Directors' report as of September 30th, 2019 in order to be able to submit the distribution of an interim dividend to the Board of Directors for approval.

Please note that for this service, however not included among those services other than auditing expressly prohibited by art. 5, paragraph 1, of EU Regulation 537/2014, the Board of Statutory Auditors, in its capacity as CCIRC, had already expressed its favourable opinion on June 13th, 2018 for the periods starting from September 30th, 2018 to September 30th, 2024, in accordance with the procedures provided by Consob with resolution no. 10867 of July 31, 1997 for the half-yearly report.

However, as for the audit activity, the Board of Statutory Auditors, during the many meetings held with the independent auditor EY:

- a) has acquired information on the audits carried out by the auditing firm, on the regular keeping of the company accounts and on the correct reporting of operating events in the accounting records;
- b) received from the Independent Auditor, pursuant to art. 11 of EU Regulation no. 537/2014, the additional report for the Internal Control and Auditing Committee, from which: i) there are no significant deficiencies in the internal control system in relation to the financial reporting process and / or accounting system, such as to be considered sufficiently relevant to deserve to be brought to the attention of the CCIRC; ii) no significant issues have been identified regarding situations of actual or presumed non-compliance with laws and regulations or with statutory provisions; iii) there has been no limitation to the process of obtaining audit evidence; iv) no significant

aspects related to transactions with the related parties of the company have emerged, such as to be communicated to the heads of governance activities.

- c) received from the same company, pursuant to art. 6, paragraph 2, letter a) of EU Regulation 537/2014 and pursuant to paragraph 17 of ISA Italia 260, its independence confirmation, reporting the total number of fees charged to the Company and its subsidiary.

Furthermore, the Board of Statutory Auditors examined the reports prepared by the Independent auditor EY S.p.A. and issued on March 23rd, 2020 whose activity integrates the general framework of the control functions established by the law regarding the financial reporting process.

As for the opinions and attestations, the Independent Auditors, in the Report on the financial statements, have:

- issued an opinion stating that the financial statements of COIMA RES give a true and fair view of the financial position of the Company as at December 31st, 2019, of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union, as well as with the provisions issued pursuant to art. 9 of Legislative Decree no. 38/05 and of the art. 43 of Legislative Decree 136/15;
- issued an opinion on the consistency, which shows that the Business Reports attached to the financial statements for the year ended December 31st, 2019 and some specific information given in the "Corporate Governance and the Company's Ownership Structures Report" provided for by art. 123-bis, paragraph 4 of the TUF, which is the responsibility of the directors of the Company, are prepared in compliance with the law;
- declared, as for any significant mistakes in the Business Reports, based on the knowledge and understanding of the company and the relative context acquired during the audit, to have nothing to report.

The Board of Statutory Auditors has stated that the Independent Auditor, in accordance with art. 10 paragraph 2 letter c) of EU Regulation 537/2014,

described the paragraph "Significant matters emerging from the audit" of its Additional Report, the most significant assessed risks of relevant errors, including the assessed risks of relevant errors due to fraud. As for the identification of the Key Matters, it is noted that the same only concern the valuation at *fair value* of the real estate portfolio. In this regard, the Board of Statutory Auditors has been able to examine the audit procedures in response to the Key Matters, agreeing with the audit aimed at mitigating any risks deriving from the aspects considered significant.

7. Supervisory activities on the independence of external auditors

As said before, the Board of Statutory Auditors examined the report on the independence of the external auditor, issued on March 23rd, 2020, pursuant to art. 6, paragraph 2, letter a) of the EU Regulation 537/2014, and pursuant to paragraph 17 of ISA Italia 260, that does not highlight situations which might have compromised the independence or causes of incompatibility, pursuant to art. 10 and 17 of Legislative Decree no. 39/2010 and art. 4 and 5 of EU Regulation 537/2014.

The table below, drawn up pursuant to art. 149-duodecies of the CONSOB Issuers Regulation (resolution No. 11971 of May 14th, 1999 and subsequent amendments and additions), shows the fees relating to 2019 for auditing and other services provided by the auditing firm and by companies belonging to its network.

Service provided	Firm	Fee
Auditing of Parent Company	EY S.p.A.	191
Auditing of subsidiary	EY S.p.A.	14
Total amount		205

The fees for the Parent Company's statutory audit relate to the limited review of the Consolidated Half-Year Financial Statements as of June 30th, 2019, the statutory audit of the Separate and Consolidated Annual Financial Statements as of December 31st, 2019 and the limited review of the Financial Statements as of September 30th, 2019 to issue the opinion on the distribution of interim dividends pursuant to art. 2433 bis paragraph 5 of the Civil Code.

As for the amounts paid to the auditing firm, the Board of Statutory Auditors, considering what has already been reported, notes that they are only related to auditing services, therefore it is not necessary to carry out further assessments on the potential risks of independence of the external auditor and of the safeguards applied pursuant to art. 22b of Directive 2006/43 / EC.

In view of the foregoing, as for the appointments assigned to EY and its network by COIMA RES and the companies of the Group, the Board of Statutory Auditors does not consider any critical issues regarding the independence of the Auditor.

8. Supervisory activities on the administrative accounting and financial reporting process

The art. 19 of Legislative Decree No. 39/2010, in its new formulation, establishes that the CCIRC is responsible for monitoring the financial reporting process and presenting recommendations or proposals aimed to guarantee its integrity.

Therefore, during the year the Board of Statutory Auditors monitored the activities carried out by the Function of the Manager responsible for preparing the Company's financial reports, with which he held periodic meetings.

The Board also examined the reference model and its basic assumption is the definition of a specific control framework which, in order to ensure correct mitigation of the risks of incorrect financial reporting, is based on principles and guidelines defined by the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (known as CoSO) and the Control Objectives for Information and related Technology (known as CobiT), considered internationally accepted reference models.

The Board of Statutory Auditors, in this regard, was able to verify the outcome of the checks carried out, from which, in the various areas, a situation in which it is supervised emerges, not recognizing any critical issues or deficiencies such as to invalidate the judgment of adequacy and effective application of the administrative accounting procedures.

Then, the Board examined the structure and content of the periodic reports, prepared by the Manager Responsible for the Half-Year Report and the Financial Statements, noting that the activities conducted to assess the adequacy and effective application of the processes and functional procedures to the financial information of COIMA RES, have enabled to support adequately the certification required to the Chief Executive Officer and the Company's Manager Responsible pursuant to art. 154 bis of Legislative Decree 58/98 (Consolidated Law on Finance, hereinafter "TUF").

In this regard, the Board of Statutory Auditors did not find evidence of criticality or weaknesses that could undermine the adequacy and effective application of the administrative accounting procedures, and, for their part, the heads of the Independent Auditors, in the periodic meetings with the Board of Statutory Auditors, they did not report elements that could undermine the internal control system related to the same procedures.

9. Opinion issued pursuant to Law

The Board of Statutory Auditors, during the 2019 financial year, did not issue opinions.

10. Frequency of Board of Directors' and Board of Statutory Auditors' meeting

During the year 2019, the Board of Statutory Auditors held no° 12 meetings of which no° 6 with the independent auditor and/or with the control functions; it also attended no° 12 Board of Directors' meeting, n° 9 Control and Risk Committee's meeting, no° 3 Compensation Committee's meetings and the only Shareholders' meeting held during the year.

During the year 2020, the Board also met the Independent Auditor in a preparatory meeting to finalize the reports attached to the financial statements.

11. Comments on compliance with principles of proper administration

The Board of Statutory Auditors monitored, for all aspects falling within its competence, compliance with the principles of proper administration. The

activity of the Board of Statutory Auditors has been addressed to review the legitimacy of Directors' decisions and their compliance, in the process of their formation, with criteria of equity and financial economic rationality, according to the technique and practice suggested by the best doctrine and best company practices.

The Company is, in the opinion of the Board of Statutory Auditors, managed in compliance with the Law and the Articles of Association rules.

The structure of powers and delegated powers - as designated - appear adequate for the size and operation of the Company.

Also about the Board of Directors resolution process, the Board of Statutory Auditors assessed, even attending at the meetings, the compliance with the Law and the Articles of Association of decisions taken by Directors and verified that the resolutions were assisted by specific analyzes and opinions prepared - if necessary - also by consultants, regarding economic and financial fairness of transactions and their compliance with corporate interests.

This activity of the Board of Statutory Auditors took place without merit control on the opportunity and convenience of management decisions.

There were no comments on compliance with the principles of proper administration.

12. Comments on the adequacy of the organizational structure

The Board of Statutory Auditors supervised, to the extent of its competence, the adequacy of the Company's organizational structure, through direct observations, hearings, gathering information from the competent corporate functions and meetings with the heads of control functions.

Considering the specific model adopted, which provides Coima SGR as outsourcer which numerous management activities are delegated, regulated by an "Asset Management Agreement", the Board of Statutory Auditors has monitored the suitability of the information flow structure to ensure adequate representation of business matters.

As a whole, our reliability evaluation of the organizational structure is that this is substantially adequate, needing a constant monitoring of the effectiveness of the interaction between the two companies during the year.

13. Comments on the adequacy of the internal control system

Coima Res has set up its own internal control system to maintain, in line with the current legal and regulatory provisions: i) strategic control over the different areas of business in which the Company operates and the different risks related to activities; ii) a management control to ensure the balance between economic, financial and capital conditions; iii) technical-operational control aimed at evaluating the various risks.

The Board of Statutory Auditors examined the adequacy of the internal control system directly through meetings with the heads of the various business areas, through an ongoing dialogue with the Control Functions and attending the meetings of Control and Risk Committee, regular meetings with the Director responsible for the internal control system and management of risks, the Manager responsible for preparing the Company's financial reports and the Independent Auditors, verifying that the system did not highlight significant problems or facts or elements that should be reported here.

The Board of Statutory Auditors, as part of the tasks assigned, followed, also, the various activities performed and was informed on the implementation of business plans and results achieved, including coordination effectiveness of the activities and information flows between the various parties involved.

With regard to the safeguards put in place by the Company to face the risks to which it is exposed, the Board of Statutory Auditors has acknowledged as Coima Res, also through the establishment of specific control functions, such as: the Risk Management Function, the Function Compliance and the Internal Audit Function - the latter merged with each other - have adopted adequate risk management and control organizational requirements aimed at ensuring management based on the efficiency and effectiveness of company processes, and guaranteeing reliability, accuracy, reliability and timeliness of financial information as well as the safeguarding of corporate assets, compliance with laws and regulations, the articles of association and internal procedures.

In this regard, it should be noted that on February 1st, 2019, the resolution of December 13th, 2018 with which the Board of Directors outsourced the Internal Audit and Compliance functions to Consilia Regulatory S.r.l..

The Company has also adopted a regulation on internal control and risk

management, based on a traditional model with three levels of control:

- "line" controls (or "first level"), carried out by the operational units, aimed at ensuring the proper performance of operations;
- "second level" controls, carried out by Risk Management Function and the legal department, as well as the *Compliance* function, with the objective of ensuring, inter alia: i) the proper implementation of the risk management process; ii) compliance with the operational limits in place for the various functions; iii) compliance with rules, including self-regulation, of company's operations;
- "third level" controls, responsibility of Internal Audit function, to identify violations of procedures and regulations as well as to periodically assess completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability of the internal control system and information system (ICT audit).

As for the organizational controls, the Board of Statutory Auditors also took note of how the Company intends to regulate in a rigorous way the procedures for carrying out its activities, by establishing, within the definition of the strategic, industrial and financial plans, a specific statutory provision in terms of risk-taking. In details:

- a) investment in a single property with urban and functional characteristics should be limited to a maximum amount equal to 40% of the total value of the Company's most recently approved budget;
- b) rents from a single tenant - or tenants belonging to the same group - may not exceed 40% of the total amount of the Company's rents;
- c) debt, net of cash and cash equivalents and financial receivables from the parent company may not exceed 70% of the total assets in the last approved financial statements.

The Board of Statutory Auditors has finally taken note of the activities carried out by the Supervisory Body, appointed to guarantee the adequacy, compliance with and updating of the organization and management model pursuant to Legislative Decree no. 231/01.

Based on the analyses and tests carried out in relation to the areas and functions

involved in internal audit activities, the Board of Statutory Auditors assesses as substantially adequate the internal control system adopted.

14. Comments on the adequacy of the accounting system

The Board of Statutory Auditors has regularly monitored the functioning of the system also through meetings with the Manager responsible for preparing the Company's financial reports, gathering information from the heads of the relevant corporate departments, examining company documentation and regular analysis of the outcome of the work performed by the Independent Auditors, including the Half-Year Report of the Company.

With regard to the accounting information contained in the Financial Statements and in the Consolidated Financial Statements as of December 31st, 2019, it is reported that the Chief Executive Officer and the Manager responsible for preparing the Company's financial reports have certificated, without qualification for the preparation of corporate financial statements, as well as in relation to the Directors' report on the reliability of performance and management results, as well a description of the risks and uncertainties faced by the Company and have also issued the prescribed certification under art. 81-ter of CONSOB Regulation no. 11971/1999 and ss.mm.

From the evaluation of the accounting and administrative system there are no facts and circumstances likely to be mentioned in this report and it is believed that the administrative and accounting function is sufficiently structured and appropriate to address the business needs shown during the year, both in terms of resources used and in terms of professionalism and so it is able, therefore, to properly reflect the Company's events.

15. Comments on the adequacy of the instructions given to subsidiaries

The Board of Statutory Auditors acknowledges that it has examined the instructions given by the Company to its subsidiary, and that it considers them adequate with respect to the financial disclosure requirements of the parent company.

16. Adherence to the Corporate Governance Code

The Company has joined the standards included in the Corporate Governance Code promoted by the Italian Stock Exchange and, on February 20th, 2020, the Board of Directors approved the Corporate Governance's annual report.

We note that:

- (i) within the Board of Directors, with an advisory and prepositive role, operates the Control and Risk Committee; about the role, tasks and operation, see the specific chapter dedicated in the Corporate Governance Report;
- (ii) the Board of Directors appointed Manfredi Catella, as Director in charge of supervising the internal control and risk management system;
- (iii) the Company set up the Remuneration Committee; the Company decided not to set up a Nomination Committee;
- (iv) The Company also set up, in consideration of the business performed, an Investment Committee.

With reference to the provisions contained in the Corporate Governance Code, we believe it useful to reiterate how the Board of Statutory Auditors, during the 2019 financial year:

- had verified the correct application of the criteria adopted by the Board of Directors to evaluate the independence of its non-executive members as well as the correct application of the relevant verification procedures. At the end of this process the Board of Statutory Auditors did not have comments to be reported.
- has also assessed positively the independence of its members.
- carried out the self-assessment on to verify its adequacy in terms of powers, functioning and composition, considering the size, complexity and activities carried out by the Company, also as envisaged by the "Rules of conduct of the board of statutory auditors of listed companies" issued by the National Council of Accountants and Accounting Experts. The self-assessment provided a positive picture on the composition and functioning of the Board of Statutory Auditors and, regarding to its size and composition, the Board of

Statutory Auditors believes that these are adequate in relation to the role covered.

17. Closing comments regarding supervisory activity

We finally certify that there are no omissions, reprehensible facts or irregularities to be reported to Shareholders and to Supervisory Authorities emerged from our supervisory activities.

18. Proposals to Shareholders' meeting

The Board of Statutory Auditors acknowledge that it has monitored the compliance with procedural rules and law regarding the preparation of the 2019 separate and consolidated financial statements, as well as the respect of Directors' duties in this matter.

The Separate and Consolidated Financial Statements of the Company concluded by the certification issued by the Chief Executive Officer and the Manager responsible for preparing Company's financial reports pursuant to art. 154 bis of the Consolidated Law of Finance and art. 81-ter of Consob Regulation n. 11971 of May 14th, 1999 as amended.

The Separate and Consolidated Financial Statements of COIMA RES S.p.A. SIIQ have been prepared in accordance with International Financial Reporting Standards. Since the Board of Statutory Auditors is not responsible to analyze the content of the financial statements, the activities were limited to supervise the general definition of the financial statements, their general compliance with the law in relation to their preparation and structure and compliance with the mandatory template.

Based on the foregoing, no recognizing objections, we agree, for all aspects falling within its competence, with the approval of the Separate Financial Statements for the year 2019, together with the Directors' Report as presented by the Board of Directors.

Furthermore, we do not have objections on the proposal of the Board of Directors regarding the allocation of the net profit of Euro 20,176,821.

Milan, March 23rd, 2020

The Board of Statutory Auditors

Signed by:

The Chairman

Massimo Laconca

Members

Milena Livio

Marco Lori

This report has been translated into English language only for the convenience of international readers.