Real Estate SIIQ

COIMA RES

Interim condensed
consolidated financial statements
as of June 30th, 2019

INDEX

CORPORATE INFORMATION

COIMA RES S.p.A. SIIQ (following also the "**Company**" or "**COIMA RES**"), with legal incorporation in Milan, Piazza Gae Aulenti 12, with Tax Code, Register of Company and VAT No. 09126500967 is a real estate investment company listed on the Italian Stock Exchange.

COIMA RES manages real estate transactions, primarily focused on commercial properties, aimed at generating rental income from national and international tenants. The company operates with the beneficial tax status granted to SIIQ (Società di Investimento Immobiliare Quotate) which is like a Real Estate Investment Trust (REIT) in other jurisdictions. The investment strategy of COIMA RES is focused on creating a high-quality portfolio of real estate assets, with a view to generating stable, growing and sustainable cash flows for investors by acquiring, managing, and selectively disposing of properties intended mainly for use in the services and commercial sector and with the potential for their capital value to increase over time.

CORPORATE STRUCTURE

Established by Manfredi Catella in agreement with COIMA S.r.l., COIMA SGR S.p.A. and with Qatar Holding LLC, as primary sponsor of the venture, COIMA RES is listed on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A..

GOVERNANCE

Board of Directors [1]

Caio Massimo Capuano	Chairman, Non-Executive Director
Feras Abdulaziz Al-Naama	Vice Chairman, Independent Director
Manfredi Catella	Chief Executive Officer
Luciano Gabriel	Independent Director
Olivier Elamine	Independent Director
Agostino Ardissone	Independent Director
Alessandra Stabilini	Independent Director
Ariela Caglio	Independent Director
Antonella Centra	Independent Director

Board of Statutory Auditors [2]

Massimo Laconca	Chairman
Milena Livio	Statutory Auditor
Marco Lori	Statutory Auditor
Emilio Aguzzi De Villeneuve	Alternate Auditor
Maria Stella Brena	Alternate Auditor
Maria Catalano	Alternate Auditor

Compensation Committee

Alessandra Stabilini	Chairman
Caio Massimo Capuano	Member
Olivier Elamine	Member

[1] In charge from April 17th, 2019 until the approval of the financial statements as of December 31st, 2019.
[2] In charge from April 12th, 2018 until the approval of the financial statements as of December 31st, 2020.

Investment Committee

Manfredi Catella	Chairman
Luciano Gabriel	Member
Gabriele Bonfiglioli	Member
Matteo Ravà	Member
Feras Abdulaziz Al-Naama	Member
Michel Vauclair	Member

Control and Risk Committee

Agostino Ardissone	Chairman
Alessandra Stabilini	Member
Luciano Gabriel	Member

Internal Audit and Compliance

The Internal Audit and Compliance functions are outsourced to a specialized company named Consilia Regulatory S.r.l., which has designated Mr. Gianmarco Maffioli as responsible for the Internal Audit function and Mr. Giacomo del Soldà for the Compliance function.

Risk Manager

Risk management is outsourced to a specialized company called Macfin Management Consultants S.r.l., which has designated Mr. Emerico Amari di Sant'Adriano as responsible for such function.

External Auditors

The shareholders' meeting held on February 1st, 2016 appointed EY S.p.A. as auditor of the Company for the period 2016-2024 in accordance with articles 14 and 16 of Legislative Decree n. 39/2010.

Executive responsible for the preparation of the company's accounting documents

Fulvio Di Gilio	Chief Financial Officer

BOARD OF DIRECTORS' REPORT

The financials as of June 30th, 2019 are summarized in the table below.

(in million Euro)	June 30th, 2019	per share	December 31st, 2018	per share	Δ	Δ%
Total property value	629.5		623.5		6.0	1.0%
EPRA NAV	428.8	11.91	421.6	11.71	7.2	1.7%
Diluted EPRA NAV	428.8	11.88				
EPRA NNNAV	423.2	11.75	415.4	11.54	7.8	1.9%
Diluted EPRA NNNAV	423.2	11.72				
Debt position	287.2		291.3		(4.1)	(1.4%)
Cash position	117.0		82.2		34.8	42.3%
Net Loan to Value	27.0%		33.5%		(6.5 p.p.)	n.m.
EPRA Net Initial Yield	4.6%		5.2%		(0.6 p.p.)	n.m.
EPRA "topped-up" NIY	5.2%		5.3%		(0.1 p.p.)	n.m.
EPRA vacancy rate	2.3%		4.6%		(2.3 p.p.)	n.m.

(in million Euro)	June 30th, 2019	per share	June 30th, 2018	per share	Δ	Δ%
Rents	17.8		17.7		0.1	0.7%
NOI	16.0		15.8		0.2	0.9%
EBITDA	11.2		10.8		0.4	2.9%
EBIT	17.2		20.0		(2.8)	(13.9%)
Recurring FFO	8.0	0.22	8.9	0.25	(0.9)	(10.2%)
Net profit	13.6	0.38	16.8	0.47	(3.2)	(19.2%)
EPRA Earnings	7.3	0.20	8.0	0.22	(0.7)	(8.6%)
Diluted EPRA Earnings	7.3	0.20				
EPRA costs (including direct vacancy costs)	37.8%		36.9%		0.9 p.p.	n.m.
EPRA costs (excluding direct vacancy costs)	36.8%		33.5%		3.3 p.p.	n.m.
Like for like rental growth [3]	0.9%		0.9%		0.0 p.p.	n.m.
WALT (years)	5.7		6.6		(0.9 p.p.)	n.m.

EPRA Net Asset Value per share as of June 30th, 2019 was Euro 11.91, an increase over the first six months of the 2019 of 1.7%.

The key factors affecting the NAV increase in the first six months of 2019 are:

- EPRA Earnings for the period of Euro 7.3 million;
- *fair value* adjustment related to the real estate portfolio, net of minorities of Euro 7.6 million;
- reduction due to dividend payment for Euro 7.2 million;
- the reclassification of the net amount of the future capital increase relating to the payment of the coupon of the financial instrument accrued at December 31st, 2018 in the future capital increase reserve, amounting to Euro 0.8 million.

EPRA Cost Ratio increased from 36,9% as of June 30th, 2018 to 37.8%, to June 30th, 2019.

[3] Calculated on consolidated figures.

The Group net result at June 30th, 2019 amounted to Euro 13.6 million.

(in million Euro)	June 30th, 2019	June 30th, 2018	Δ	Δ%
Rents	17.8	17.7	0.1	0.7%
Net real estate operating expenses	(1.8)	(1.9)	0.0	(1.4%)
NOI	**16.0**	**15.8**	**0.1**	**0.9%**
Other revenues	0.0	0.0	0.0	0.0%
G&A	(4.4)	(4.1)	(0.3)	6.6%
Other expenses	(0.1)	(0.1)	(0.0)	2.0%
Non-recurring general expenses	(0.4)	(0.8)	0.4	(54.3%)
EBITDA	**11.2**	**10.8**	**0.3**	**2.9%**
Net depreciation	(0.1)	(0.9)	0.8	(91.7%)
Net movement in *fair value*	6.1	10.0	(3.9)	(38.8%)
EBIT	**17.2**	**20.0**	**(2.8)**	**(13.9%)**
Financial income	0.0	0.0	(0.0)	0.0%
Income from investments	1.5	0.9	0.6	61.2%
Financial expenses	(3.5)	(2.7)	(0.8)	28.6%
Non-recurring Financial expenses	(2.5)	(0.2)	(2.3)	>100%
Profit before taxation	**12.7**	**18.0**	**(5.4)**	**(29.8%)**
Income tax	0.0	0.0	(0.0)	0.0%
Profit	**12.7**	**18.0**	**(5.4)**	**(29.8%)**
Minorities	0.9	(1.3)	2.2	>100.0%
Profit attributable to COIMA RES	**13.6**	**16.8**	**(3.2)**	**(19.2%)**
EPRA Adjustments[4]	(6.3)	(8.8)	2.5	(28.7%)
EPRA Earnings	**7.3**	**8.0**	**(0.7)**	**(8.6%)**
EPRA Earnings per share	0.20	0.22	(0.02)	(8.6%)
FFO	**5.1**	**8.0**	**(2.9)**	**(35.8%)**
FFO Adjustments[5]	2.9	0.9	1.9	>100.0%
Recurring FFO	**8.0**	**8.9**	**(0.9)**	**(10.2%)**
Recurring FFO per share	0.22	0.25	(0.03)	(10.2%)

The NOI margin includes rents generated by the assets in portfolio, net of direct real estate operating costs (such as property taxes, property management, utilities and maintenance expenses).
The NOI margin is 89.5% and the current in-place NOI yield is 4.6%.

The corporate expenses (G&A) include personnel expenses, asset management fees, *governance* and control function costs as well as costs related to consultants, auditors, IT, marketing and communication and others.

Net depreciation, amounting to Euro 0.1 million, mainly includes the write-downs of the other tangible and intangible assets for the period.

The net movement in *fair value*, amounting to Euro 6.1 million, is related to Vodafone complex for an amount of Euro 3.4 million, Gioiaotto for an amount of Euro 2.0 million, Tocqueville for an amount of Euro 0.7 million, Monte Rosa for an amount of Euro 0.1 million and Pavilion for an amount of Euro 0.8 million. This item also includes the write-down of Deutsche Bank branches and Deruta, amounting to Euro 0.9 million.

[4] Include the adjustment in fair value related to investment properties and the income from disposals.
[5] Include mainly non-recurring costs.

Income from investments, amounting to Euro 1.5 million, is related to the profit of the investments accounted for using the equity method.

The financial expenses are mainly related to existing loans. In this item, the Company recorded Euro 2.5 million related to non-recurring financial expenses due to the partial repayment of loans for a total amount of Euro 129.8 million made on June 27th, 2019.

The Group profit for share amounts to Euro 0.38 and is calculated according to the international accounting standard IAS/IFRS, considering the average number of shares outstanding during the period.

The following table summarizes the Company's reclassified balance sheet including the reclassification of the investment in Porta Nuova Bonnet Fund on proportional consolidation basis, to obtain the total value of the property investments of the Group at June 30th, 2019.

(in million Euro)	June 30th, 2019	December 31st, 2018	Δ	Δ%	June 30th, 2019 Look-Through adjusted
Investment properties	629.5	623.5	6.0	1.0%	675.8
Other assets	3.0	2.9	0.1	3.7%	3.0
Investments accounted for using the equity method	24.2	21.5	2.7	12.8%	1.6
Total LT assets	**656.7**	**647.9**	**8.8**	**1.4%**	**680.4**
Trade receivables	7.9	8.2	(0.4)	(4.6%)	8.0
Cash	117.0	82.2	34.8	42.3%	117.6
Total current assets	**124.9**	**90.5**	**34.4**	**38.0%**	**125.7**
Total assets	**781.6**	**738.4**	**43.2**	**5.9%**	**806.1**
Debt	287.2	291.3	(4.1)	(1.4%)	308.5
Provisions	0.1	0.2	(0.1)	(65.3%)	0.1
Other liabilities	4.3	2.1	2.2	105.7%	4.3
Trade payables	9.1	12.5	(3.4)	(27.4%)	12.3
Total liabilities	**300.6**	**306.1**	**(5.5)**	**(1.8%)**	**325.1**
Minorities	56.1	13.5	42.6	316.1%	56.1
NAV	**424.8**	**418.7**	**6.1**	**1.4%**	**424.8**
NAV per share	11.80	11.63	0.17	1.4%	11.80
Net Loan to Value	*27.0%*	*33.5%*			*28.3%*

The column "*look-through adjusted*" shows our 35.7% equity investment in the Porta Nuova Bonnet Fund on a proportionally consolidated basis, instead of accounting for using equity method, only for management purposes.

Investment properties includes Euro 94.4 million related to Deutsche Bank branches, Euro 213 million related to the real estate complex Vodafone, Euro 81.8 million related to Gioiaotto, Euro 49.4 million related to Deruta, Euro 60.5 million related to Monte Rosa, Euro 59.6 million related to Tocqueville and Euro 70.8 million related to the property called "Pavilion".

Investments in associated companies increased by Euro 2.7 million compared to 2018, mainly due to the result of the period, amounting to Euro 1.5 million, and capital calls made by the Bonnet Fund, amounting to Euro 1.2 million.

The other assets mainly include derivatives, amounting to Euro 0.1 million, financial receivables, amounting to Euro 1.6 million, which relate to loans granted by MHREC Sarl and CO - Investment 2 SCS, and tangible assets for Euro 1.2 million.

In application of the IFRS 16 accounting standard in force since January 1st, 2019, the Group has accounted in the tangible assets rights of use amounting to Euro 0.9 million, which mainly represent the right to use the asset that is the headquarter in Piazza Gae Aulenti 12.

Trade receivables refer to the core-business of the Company.

The net consolidated financial debt amounts to Euro 171.1 million as at June 30th, 2019, showing a decrease of Euro 38 million compared to December 31st, 2018 mainly due to the cash collect deriving from the sale of 50% units related to COIMA CORE FUND VIII, that took place in June 27th, 2019.

(Euro million)	**June 30th, 2019**	**December 31st, 2018**
(A) Cash	117.0	82.2
(B) Cash equivalent	-	-
(C) Trading securities	-	-
(D) Liquidity (A)+(B)+ (C)	**117.0**	**82.2**
(E) Current financial receivables		
(F) Current bank debt	-	-
(G) Current portion of non-current debt	-	-
(H) Other current financial debt	-	-
(I) Current financial debt (F)+(G)+(H)	**-**	**-**
(J) Net current liquidity (I)+(E)+(D)	**117.0**	**82.2**
(K) Non-current bank loans	(287.2)	(291.3)
(L) Bonds issued	-	-
(M) Other non-current loans	(0.9)	-
(N) Non-current financial indebtedness (K)+(L)+(M)	**(288.1)**	**(291.3)**
(O) Net liquidity (J)+(N)	**(171.1)**	**(209.1)**

The Net LTV amounting to 27.0% is significantly lower than the Company's upper leverage threshold of 40%.

The trade payables and other liabilities mainly include amounts payable to suppliers and invoices to be paid in an amount of Euro 7.8 million (Euro 8.1 million as of December 31st, 2018) and deferred income in an amount of Euro 1.7 million (Euro 1.5 million as of December 31st, 2018).

The *other liabilities* include (i) the *fair value* of the financial instruments, amounting to Euro 1.0 million, there was no change in value compared to December 31st, 2018, (ii) the value of interest rate swap for Euro 2.3 million and (iii) the loan related to the right to use in application of the IFRS 16 accounting standard for Euro 0.9 million.

As of June 30th, 2019, the weighted average debt maturity is 4.3 years. Considering the hedging derivative instruments of COIMA CORE FUND VIII that will be signed by July 2019, the weighted average "all in" cost of debt is estimated for 2.09% and 97% of the loans are hedged by derivative instruments.

The Shareholders' equity, amounting to Euro 424.8 million (NAV per share of Euro 11.80), shows an increase of Euro 6.1 million to December 31st, 2018, mainly due to the profit of the period of Euro 13.6 million, net of dividends paid in April 2019 amounting to Euro 7.2 million.

PORTFOLIO AS OF JUNE 30th, 2019

At June 30th, 2019, the portfolio of COIMA RES amounting to approximately Euro 629.5 million (Euro 675.8 million including Corso Como Place (known as Bonnet) accounted on pro-rata basis) and includes the Deutsche Bank portfolio, the real estate complex known as "Vodafone Village", the Gioiaotto building, the Corso Como Place complex, the Deruta building complex, the Monte Rosa complex, Tocqueville and Pavilion building.

The initial overall WALT of the portfolio is approximately 5.7 years and the EPRA net initial yield is 4.6%.

Main figures of real estate portfolio as at June 30th, 2019.

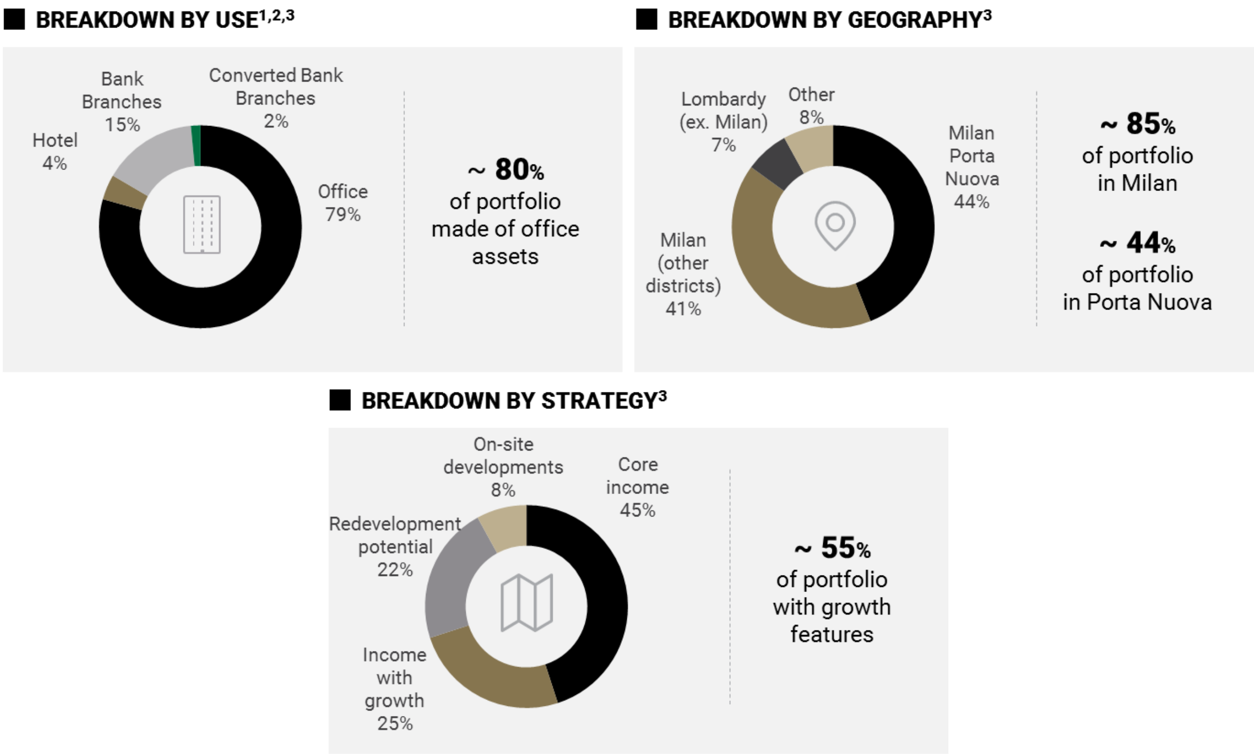
	Deutsche Bank	Vodafone[6]	Gioiaotto[6]	Corso Como Place [7]	Deruta	Monte Rosa	Tocqueville	Pavilion	Portfolio June 30th, 2019
City	Various	Milan	Milan	Milan	Milan	Milan	Milan	Milan	-
Address	Various	Via Lorenteggio 240	Via Melchiorre Gioia 6-8	Via Bonnet	Via Deruta 19	Via Monte Rosa 93	Via Tocqueville 13	Piazza Gae Aulenti 10	-
Sub-market	Various	Lorenteggio BD	Porta Nuova BD	Porta Nuova BD	Piazza Udine BD	Lotto-Citylife BD	Porta Nuova BD	Porta Nuova BD	-
Asset class	Bank Branches	Office	Office Hotel Retail	Office Retail	Office Retail	Office	Office	Office	-
% of ownership	100.0%	50.0%	86.7%	35.7%	100.0%	100.0%	100.0%	100.0%	-
Fair Value (€/m)	94.4	213.0	81.8	46.3	49.4	60.5	59.6	70.0	**675.8**[6,7]
WALT (year)	7.6	7.6	5.1	1.9	2.5	3.8	1.5	8.6	**5.7**
EPRA occupancy rate	95%	100%	100%	n.a.	100%	91%	100%	100%	**97.7%**
Gross initial rent (€/m)	5.0	14.0	4.1	0.3	3.6	3.9	2.4	1.3	**34.6**[6,7]
EPRA net initial yield	4.3%	6.1%	4.5%	n.a.	6.7%	5.3%	3.5%	1.6%	**4.6%**
EPRA topped-up NIY	5.2%	6.1%	4.6%	n.a.	6.7%	5.3%	3.5%	4.7%	**5.2%**

[6] 100% accounted
[7] Accounted on pro-rata basis (35.7%)

The acquisition plan executed to date is in line with our investment strategy focused on the development of a portfolio focused on:

- office use;
- Italy’s most attractive markets (Milan 85%);
- primarily income-producing assets;
- Grade A buildings or buildings to be converted to Grade A.

Portfolio breakdown as of June 30th, 2019



Note:
1) Office portion includes c. 2,200 sqm of ground floor retail
2) Pavilion classified as office space
3) Assets accounted on a pro-rata basis

Evolution on annual gross initial rents

Gross rents increased by 0.7% in the first half of 2019 to Euro 17.8 million, mainly due to the acquisition of the Tocqueville and Pavilion properties in Milan Porta Nuova partially offset by the disposal of the Eurcenter property in Rome and the completion of the disposal of the 21 Deutsche Bank branches located in the South of Italy. On a like for like basis, gross rents increased by 0.9% in the first half of 2019 vs in the first half of 2018 (or 1.1% considering properties on a pro rata basis).

SIGNIFICANT EVENTS OF THE PERIOD

Transaction on the Vodafone complex

On June 27th, 2019, Meritz Financial Group has acquired (through a Korean trust) a 50% stake in the fund related to Vodafone complex from COIMA RES. The transaction values the complex at Euro 213 million (i.e. a 4% premium to acquisition price and at a 2% premium to the last appraisal value) representing an EPRA Net Initial Yield of 6.1% and a 13% levered IRR (8% unlevered IRR).
The transaction simultaneously consisted in:

(i) the signing by COIMA RES of a new 5-years financing with Natixis for an amount of Euro 127.8 million, maturity June 2024 and a margin of 180 bps;

(ii) the reimbursement by COIMA RES of Euro 129.8 million of existing financing as of June 27th, 2019 and in particular:
  a. Euro 110.9 million related to Vodafone financing
  b. Euro 18.9 million related to Monte Rosa – Tocqueville financing.

  The Company reported financial expenses related to early repayments of Euro 2.5 million, including costs related to the closing of derivative financial instruments. These charges were recorded in compliance with international accounting standards and had no impact on the Company's cash flows;

(iii) the contribution from COIMA RES:
  a. of the Vodafone complex for Euro 213.0 million
  b. of the new financing for Euro 127.8 million
  c. of cash for Euro 1.9 million

  to a newly set up fund named COIMA CORE FUND VIII in exchange for 100% of the funds units; and

(iv) the sale of 50% of the fund's units to the Korean investor for Euro 43.5 million

(v) the rebate of almost all the financial expenses mentioned above as they are strictly connected to the overall refinancing operation.

COIMA RES will continue to consolidate the Vodafone complex given the retained governance granting COIMA RES control on major decisions, with the Korean investor acting as financial partner. The new fund is managed by COIMA SGR without additional costs for COIMA RES.

Disposal of a Deutsche Bank branch

In March 2019, COIMA RES sold one Deutsche Bank branch in Pisa (Tuscany, Centre of Italy) for Euro 500,000, at a premium of 4.2% vs the book value as of December 31st, 2018. With this disposal, COIMA RES has sold 27 bank branches for Euro 42.0 million (equal to 30% of the initial portfolio), at an aggregate price in line with the initial contribution value at the time of the IPO.

Dividend at Euro 0.30 per share for 2018

On Aprile 17th, 2019 COIMA RES Shareholders' Meeting approved the distribution of a dividend for the fiscal year 2018 of Euro 10,802,100 (Euro 0.30 per share). An interim dividend of Euro 3,600,700 (Euro 0.10 per share) was paid on November 21st, 2018 and the final dividend of Euro 7,201,400 (Euro 0.20 per share) was paid on April 25th, 2019.

Renewal of the Board of Directors

On April 17th, 2019, the Shareholders' Meeting in its ordinary session confirmed in 9 the number of members of the Board of Directors and appointed, for the 2019 financial year and, therefore, until the approval of the financial statements for the year ended December 31st , 2019, the new Board of Directors in the persons of Feras Abdulaziz Al Naama, Manfredi Catella, Caio Massimo Capuano, Olivier Elamine, Luciano Gabriel, Alessandra Stabilini, Agostino Ardissone, Ariela Caglio and Antonella Centra. The Shareholders' Meeting in its ordinary session confirmed Caio Massimo Capuano as Chairman of the Board of Directors and the Board of Directors of April 17th, 2019 confirmed Manfredi Catella as Chief Executive Officer.

Leasing agreements

Pavilion: COIMA RES signed in August 2018 a leasing agreement with IBM for 100% of the Pavilion. The lease agreement with IBM became effective in February 2019 and features a 9 years + 6 years structure, 100% linked to inflation, with gross initial rent of Euro 1.25 million (for the first 12 months) and a contractual gross stabilised rent of Euro 3.5 million (commencing after the first 12 months). IBM is the sole tenant of the Pavilion, fully occupying the property.

Gioiaotto: in June 2019, Alexion Pharma signed an agreement for the leasing (on a 7 + 6 years basis) of 770 sqm previously occupied by axélero. The rental level agreed with Alexion Pharma is Euro 500 / sqm representing a premium of 50% vs the current in place rent (on a stabilised basis). Overall, more than 2,000 sqm were released at Gioiaotto in the last 12 months and the new leases were agreed at a blended premium of 30% vs previous rents in place.

Bank branches: in the first half of 2019, COIMA RES signed two leasing agreements for two bank branches previously vacant representing a total surface area of c. 6,000 sqm (c. 60% of the total vacant surface within the bank branches portfolio as of December 31st, 2018) and additional gross rents of Euro 660,000 on a stabilised basis. The two bank branches are in Milan and Turin with a surface area of 1,700 sqm and 4,300 sqm respectively. Up to Euro 50,000 of capex will be spent by COIMA RES to adapt the premises.

Corso Como Place refurbishment project on track

The project is well on track for delivery in 2020 within the overall budgeted cost of Euro 164 million, including the initial Euro 89 million acquisition price plus total capex and other capitalised costs of Euro 75 million. Overall capex and other capitalised costs spent in 2016 / H1 2019 amount to Euro 24.8 million with a further Euro 50.2 million expected to be spent in H2 2019 / 2020 (of which Euro 17.9 million will be spent by COIMA RES given its 35.7% stake in the project). Capex and other capitalised costs spent in the project in H1 2019 amounts to c. Euro 12.1 million (of which Euro 4.3 million representing COIMA RES' share given its 35.7% stake in the project).

Outlook

At a time of macro uncertainty in both Italy and Europe, COIMA RES is continuing to focus on Milan offices, Italy's largest, most resilient, transparent and liquid real estate market. Milan accounted for more than 60% of the overall Italian office market, both by number of transactions and investment volumes over the last four years. Milan is characterised by strong supply and demand fundamentals, due to the scarcity of Grade A space, which represents only 10% of total office stock, but accounts for 70% of total take up. This imbalance suggests demand may outstrip supply by a factor of 2-3x over the next few years and underpins strong near-and-medium term rental upside.

As far as the current portfolio is concerned, COIMA RES will consider further disposals of mature, non-strategic and non-core assets on an opportunistic basis.

COIMA RES continues to carefully and selectively assess investment opportunities in Milan given its growth potential and relative through-the-cycle resiliency. Asset selection will emphasize Core and Core + office assets.

RELATED PARTY TRANSACTIONS

The related party transactions that occurred during the first half year are disclosed in the financial statements and in the paragraph 31.

SUBSEQUENT EVENTS

Share capital

On July 3rd, 2019, the number of shares of COIMA RES increased by 99,558 ordinary shares in relation to the remuneration of the financial instruments in favour of the key managers Manfredi Catella, Gabriele Bonfiglioli and Matteo Ravà approved on June 13th, 2019, by the Company's Board of Directors. The number of shares outstanding is therefore 36,106,558 (from 36,007,000 previously).

Add-on on COIMA CORE FUND VI financing

On July 9th, 2019 the COIMA CORE FUND VI signed an add-on on the outstanding loan for Euro 23 million with maturity in March 2022. This agreement provides for the possibility of using the loan until December 16th, 2019. The financial terms of the loan they did not change with respect to the existing loan agreement. There is also a refinancing fee of 50 bps per year until the date of use.

Leasing with Accenture for Corso Como Place

On July 18th, 2019, Accenture, a global leader in the professional services sector, signed a preliminary lease agreement for the entire high rise (building A) of the Corso Como Place project (previously known as the Bonnet project). The high rise, with approximately 14,900 square meters of commercial surface, corresponds to 78% of the entire Corso Como Place project under development. The remaining 22% relates to building C, currently under construction, and for which are already underway discussions with prospective tenants. The 10 + 6 years lease agreement will generate gross rents of Euro 7.0 million per annum once stabilised which corresponds to a Euro 470 / sqm level. The lease has been signed at a 16% premium compared to the ERV (Estimated Rental Value) as per the independent appraisal report as of December 31st, 2018. Such premium is due in large part to the additional surfaces extracted in the design and construction phase and, in second order, to the level of rent per square meter agreed. The delivery of the building to Accenture is scheduled for 2020.

ITALY: ECONOMIC AND REAL ESTATE MARKET CONDITIONS

Italian GDP growth for 2019 is expected at 0.1% according to the latest EU estimates. The Italian economy continues to be characterized by a phase of weakness in production associated with improvements in the labour market and the purchasing power of families. Also noteworthy is the progressive decrease of the Italian sovereign debt yield in a context of a domestic political situation perceived as being less unstable and also in relation to of the dovish monetary policies implemented by the ECB in Europe and by the FED in the United States. The average ten-year Italian yield stood at 2.5% in the second quarter of 2019 (compared to 2.7% in the first quarter of 2019) and is currently equal to c. 1.7% (as of July 12th, 2019).

Despite the mild growth rate of the Italian economy, the real estate sector in Italy recorded an excellent level of investment volumes in the first half of 2019, equal to Euro 5.2 billion (CBRE data), up 48% compared to volumes recorded during the first half of 2018. Almost 80% of investment volumes are attributable to international investors (Colliers data). The office segment in Italy saw investment volumes up 63% in the first half of 2019 compared to the first half of 2018, reaching a level of Euro 1.8 billion (CBRE data). In the first half of 2019, Milan recorded investment volumes of Euro 1.8 billion (CBRE data), an increase of 45% compared to the first half of 2018, confirming itself as the main destination for real estate investments in Italy representing about 34% of total investment volumes in the first half of 2019.

The office market in Milan saw investment volumes of Euro 1.2 billion in the first half of 2019 (c. 65% of total volumes on the city considering also the other asset classes), up 59% compared to first half of 2018 (CBRE data). Current yields remain stable compared to the levels at the end of 2018 with a net yield for “prime” properties of 3.4% and net yield for good quality properties in secondary locations equal to 5.0% (CBRE data). The level of absorption of office space in Milan by tenants in the first half of 2019 has also increasing sharply (+24% compared to the first half of 2018) with an absorption level of 240,000 square meters (CBRE data). The vacancy for Grade A spaces remains at historically very low levels and equal to 2.1% (JLL data). The prime rent for office buildings reached the Euro 600 / sqm level (JLL data), a growth of 3% in the last 12 months.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30th, 2019

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(in thousands Euro)	Notes	June 30th, 2019	*of which related parties*	June 30th, 2018	*of which related parties*
Income statements					
Rents	4	17,816	-	17,701	-
Net real estate operating expenses	5	(1,993)	(317)	(1,915)	(211)
Net rents		**15,823**	**(317)**	**15,786**	**(211)**
Income / (loss) from disposal	6	10	-	-	-
Net revenues from disposal		**10**	-	-	-
G&A expenses	7	(4,569)	(2,961)	(4,815)	(2,781)
Other operating expenses	8	(113)	-	(130)	(7)
Gross operating income		**11,151**	**(3,279)**	**10,841**	**(2,998)**
Net depreciation	9	(152)	-	(1,149)	-
Net movement in fair value	10	6,210	-	10,301	-
Net operating income		**17,209**	**(3,279)**	**19,993**	**(2,998)**
Net income attributable to non-controlling interests	11	1,499	-	930	-
Financial income		-	-	7	-
Financial expenses	12	(6,046)	(3)	(2,892)	-
Profit before tax		**12,662**	**(3,282)**	**18,038**	**(2,998)**
Income tax		-	-	3	-
Profit after tax		**12,662**	**(3,282)**	**18,041**	**(2,998)**
Minorities		902	-	(1,263)	-
Profit for the Group		**13,564**	**(3,282)**	**16,778**	**(2,998)**

EARNINGS PER SHARE

(Euro)	Notes	June 30th, 2019	June 30th, 2018
Earnings per share			
Basic, net income attributable to ordinary shareholders	13	0.38	0.47
Diluted, net income attributable to ordinary shareholders	13	0.38	0.47

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands Euro)	Notes	June 30th, 2019	June 30th, 2018
Profit for the period		**12,662**	**18,041**
Other comprehensive income to be reclassified to profit or loss in subsequent periods	22	(1,085)	(165)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income		**11,577**	**17,876**
Attributable to:			
Equity holders		12,479	16,613
Non-controlling interests		(902)	1,263
Total		11,577	17,876

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands Euro)	Notes	June 30th, 2019	*of which related parties*	December 31st, 2018	*of which related parties*
Assets					
Real estate investments	14	626,690	-	611,590	-
Other tangible assets	15	1,217	812	319	-
Intangible assets	15	111	-	73	-
Investments accounted for using the equity method	16	24,222	-	21,473	-
Non-current deferred tax assets		14	-	10	-
Derivatives	17	66	-	893	-
Non-current financial receivables	18	1,620	1,620	1,620	1,620
Total non - current assets		**653,940**	**2,432**	**635,978**	**1,620**
Inventories	19	2,810	-	11,930	-
Trade and other current receivables	20	7,855	-	8,233	46
Cash and cash equivalents	21	116,987	-	82,221	-
Total current assets		**127,652**	**-**	**102,384**	**46**
Total assets		**781,592**	**2,432**	**738,362**	**1,666**
Liabilities					
Capital stock		14,451	-	14,451	-
Share premium reserve		335,549	-	335,549	-
Valuations reserve		(2,288)	-	(957)	-
Interim dividend		-	-	(3,601)	-
Other reserves		63,537	787	27,039	-
Profit / (loss) for the period		13,564	-	46,267	-
Group shareholders' equity	**22**	**424,813**	**787**	**418,748**	**-**
Minorities	**22**	**56,140**	**-**	**13,492**	**-**
Shareholders' equity	**22**	**480,953**	**787**	**432,240**	**-**
Non-current bank borrowings	23	287,212	-	291,340	-
Non-current financial liabilities	24	918	816	-	-
Payables for post-employment benefits		60	-	43	-
Provisions for risks and charges		-	-	130	-
Derivatives	25	2,291	-	1,026	-
Trade payables and other non-current liabilities	26	1,720	998	1,705	998
Total non-current liabilities		**292,201**	**1,814**	**294,244**	**998**
Trade payables and other current liabilities	27	8,387	2,367	11,832	4,939
Current tax payables		51	-	46	-
Total current liabilities		**8,438**	**2,367**	**11,878**	**4,939**
Total liabilities		**300,639**	**4,181**	**306,122**	**5,937**
Total liabilities and shareholders' equity		**781,592**	**4,968**	**738,362**	**5,937**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands Euro)	Capital stock	Share premium reserve	Valuation reserve	Other reserve	Profit / (loss) carried forward	Profit for the period	Group shareholders' equity	Minorities	Shareholders' equity
Balance as of January 1st, 2018	**14,451**	**335,549**	**29**	**4,493**	**-**	**28,889**	**383,411**	**11,915**	**395,326**
Adjustments[8]	-	-	(13)	(348)	1,013	-	652	100	752
Partial allocation of the profit of 2017	-	-	-	20,373	2,034	(22,407)	-	-	-
Dividend distribution on 2017 results [9]	-	-	-	-	-	(6,482)	(6,482)	-	(6,482)
Cash flow hedge reserve	-	-	(16)	(203)	-	-	(219)	(8)	(227)
Profit for the period	-	-	-	-	-	16,778	16,778	1,263	18,041
Balance as of June 30th, 2018	**14,451**	**335,549**	**-**	**24,315**	**3,047**	**16,778**	**394,140**	**13,270**	**407,410**

(in thousands Euro)	Capital stock	Share premium reserve	Valuation reserve	Other reserve	Profit / (loss) carried forward	Profit for the period	Group shareholders' equity	Minorities	Shareholders' equity
Balance as of January 1st, 2019	**14,451**	**335,549**	**(957)**	**20,395**	**3,043**	**46,267**	**418,748**	**13,492**	**432,240**
Partial allocation of the profit 2018	-	-	-	39,067	-	(39,067)	-	-	-
Dividend distribution on 2018 results [10]	-	-	-	-	-	(7,200)	(7,200)	-	(7,200)
Valuation of derivatives	-	-	(1,331)	246	-	-	(1,085)	-	(1,085)
Future capital increase reserve	-	-	-	787	-	-	787	-	787
Change in equity interests in controlled entities	-	-	-	-	-	-	-	43,550	43,550
Profit for the period	-	-	-	-	-	13,564	13,564	(902)	12,662
Balance as of June 30th, 2019	**14,451**	**335,549**	**(2,288)**	**60,495**	**3,043**	**13,564**	**424,813**	**56,140**	**480,953**

[8] The amounts relate to the effects due to the application of the new international accounting standards from January 1st, 2018.
[9] Excluding the interim dividend on 2017 results amounting to Euro 3,240 thousand, paid in November 2017.
[10] Excluding the interim dividend on 2018 results amounting to Euro 3,601 thousand, paid in November 2018.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands Euro)	June 30th, 2019	June 30th, 2018
Profit for the period	12,662	18,041
Adjustments to reconcile the profit to net cash flow:		
Net depreciation	152	1,149
Severance pay	40	37
Net movement in fair value property	(6,210)	(10,301)
Net income attributable to non-controlling interests	(1,499)	(930)
Financial expenses	1,089	701
Net movement in fair value derivatives	-	3
Taxes	-	-
Changes in working capital:		
(Increase) / decrease in trade and other current receivables	374	1,050
(Increase) / decrease in deferred tax assets	-	(8)
Increase / (decrease) in trade payables and other current liabilities	(2,649)	(3,587)
Increase / (decrease) in current tax payables	-	55
Increase / (decrease) in trade payables and other current liabilities	(139)	48
Net cash flows generated (absorbed) from operating activities	**3,820**	**6,258**
Investment activities		
(Acquisition) / disposal of real estate property	150	30,144
(Acquisition) / disposal of other tangible and intangible assets	(94)	(23)
(Acquisition) / disposal of other non-current receivables	-	(11)
Purchase of associated companies	(1,250)	(1,125)
Net cash flow generated (absorbed) from investment activities	**(1,194)**	**28,985**
Financing activities		
Shareholders' contribution / (dividends paid)	(7,200)	(6,482)
Dividends paid to minorities	-	-
Change in equity interests in controlled companies / entities	43,550	-
(Acquisition) / closing of derivatives	70	-
Increase / (decrease) in bank borrowings and other non-current lenders	127,800	-
Reimbursement	(132,080)	(23,000)
Net cash flows generated (absorbed) from financing activities	**32,140**	**(29,482)**
Net increase / (decrease) in cash and cash equivalents	34,766	5,761
Cash and cash equivalents at the beginning of the period	82,221	27,042
Cash and cash equivalents at the end of the period	**116,987**	**32,803**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Company information

The publication of the interim condensed consolidated financial statements of the Company and its subsidiaries for the six months ended June 30th, 2019 was authorised by the Board of Directors on July 25th, 2019.
COIMA RES S.p.A. SIIQ is a public company listed on the Mercato Telematico Azionario organised and managed by Borsa Italiana, incorporated and registered in Italy, and has its registered office in Milan, piazza Gae Aulenti 12.

The interim condensed consolidated financial statements at June 30th, 2019 have been subject to a limited review by the audit firm EY S.p.A..

2. Basis of preparation and changes in accounting standards

2.1 Basis of preparation

The interim condensed consolidated financial statements at June 30th, 2019 have been prepared in accordance with the IAS/IFRS accounting standards set forth by the International Accounting Standards Board (IASB) and related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and endorsed by the European Commission as established by Community Regulation no. 1606 of July 19th, 2002.

The interim condensed consolidated financial statements have been prepared under the historical cost principle, except for investment properties, financial instruments, derivative financial instruments and liabilities for non-cash distributions that are recognised at *fair value*. The carrying value of assets and liabilities that are subject to hedging transactions at *fair value* and would otherwise be carried at amortised cost, has been adjusted to take account of changes in *fair value* attributable to the hedged risks.

The interim condensed consolidated financial statements at June 30th, 2019 have been prepared in accordance with IAS 34 - Interim Financial Reporting, so it has not shown upon all the information required during preparation of the annual consolidated financial statements. For this reason, it is necessary to read the interim condensed consolidated financial statements with the consolidated financial statements as of December 31st, 2018.

The interim condensed consolidated financial statements include the balance sheet, the income statement, the comprehensive income statement, the statement of changes in equity, the cash flow statement and the notes.

In accordance with art. 5, paragraph 2, of Legislative Decree no. 38 of February 28th, 2005, the financial statements were prepared in Euro. All amounts of the interim condensed consolidated financial statements are stated in thousands of Euro. Rounding of the data in the notes to the interim condensed consolidated financial statements is intended to ensure consistency with the figures reported in the balance sheet and income statement.

The interim condensed consolidated financial statements have been prepared on a going concern basis, in accordance with the principle of accrual, principle of relevance and significance of information and the prevalence of substance over form.

Assets and liabilities and revenues and expenses are offset only if required or permitted by an accounting standard or its interpretation.

The accounts adopted are consistent with those established by IAS 1 - "Presentation of Financial Statements".

In particular:

- the statement of assets has been prepared by classifying assets and liabilities according to the "current/non-current" criterion;
- the income statement and comprehensive income statement have been prepared by classifying operating expenses by nature;
- the financial statements have been prepared using the "indirect method".

The formats used, as specified above, are those that best represent the economic standing and financial position of the Company.

2.2 Consolidation

Scope of consolidation

The interim condensed consolidated financial statements have been drawn up based on the financial statements as of June 30th, 2019, prepared by the consolidated companies and adjusted, where necessary, to align them with the IFRS-compliant accounting and classification policies. The consolidation perimeter includes COIMA RES S.p.A. SIIQ as parent company, COIMA CORE FUND IV ("CCFIV"), COIMA CORE FUND VI ("CCFVI", ex "MHREC"), MH REAL ESTATE S.à.r.l ("SARL"), COIMA RES S.p.A. SIINQ I ("SIINQ I"), Lorenteggio Village Consortium ("CLV") and COIMA CORE FUND VIII ("CCFVIII") as funds and companies consolidated using the full consolidation method, Porta Nuova Bonnet Fund and Co – Investment 2 SCS as related fund and company consolidated by the equity method.
The Company consolidates the mentioned funds and companies in the consolidation financial statements because all the criteria provided by paragraphs 6 and 7 of IFRS 10 in relation to the consolidation of the investment entities are met.

As for COIMA CORE FUND VIII, of which the Company holds 50% of units, the management has analyzed in detail the fund management regulations, with reference to the operating methods, as well as the decision-making structure of the advisory committee and of the Shareholders' Meeting, considering the requisites envisaged by IFRS 10 in relation to the exercise of control to be satisfied.
Considering the above considerations, COIMA CORE FUND VIII was fully consolidated.

Consolidation methods

The interim condensed consolidated financial statements include the financial statements of COIMA RES S.p.A. SIIQ, COIMA CORE FUND IV, COIMA CORE FUND VI (ex "MHREC"), MHREC Sàrl, COIMA RES S.p.A. SIINQ I, Lorenteggio Village Consortium and COIMA CORE FUND VIII as of June 30th, 2019.
The subsidiaries' accounts are prepared each year using the same accounting standards as the Company.
The main consolidation methods used to prepare the interim condensed consolidated financial statements are the following:

- subsidiaries are consolidated from the date control is effectively transferred to the Company, and cease to be consolidated from the date control is transferred outside the Company; control exists when the Company has the power, directly or indirectly, to influence a company's financial and managerial policies in such a way as to obtain benefits from its operations;
- subsidiaries are consolidated on a line-by-line basis, aggregating all financial statement items in full, regardless of the interest held. Only for the determination of net equity and net profit (loss) is the minority interest, if any, shown separately in the statement of financial position and the income statement;
- the consolidation of related companies is determined with pro rata adjustments of the participation of changes in equity of associated companies;
- the carrying value of equity investments is eliminated against the assumption of their assets and liabilities;
- all intercompany assets, liabilities, income and losses, including unrealized profits deriving from transactions between Group companies, are eliminated.

2.3 Main balance sheet items

Real estate investments

Investment property is represented by property held to earn rental income and/or for capital appreciation and not for use in the production or supply of goods or services or for administrative purposes.

Investment property is initially recognized at cost including incidental expenses and acquisition, consistent with IAS 40, and subsequently measured at fair value, recognizing in the income statement the effects of changes in fair value of investment property in the year such occur.

The costs incurred relating to subsequent interventions are capitalized on the carrying value of the investment property when it is probable that they will generate future economic benefits and their cost can be measured reliably. Other maintenance and repair costs are expensed as incurred.

The *fair value* of the investment property does not reflect future capital investments that will improve or enhance the properties and does not reflect future benefits from this expenditure.

Investment property is derecognized when sold (at the date on which the buyer obtains the control) or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The amount of consideration to be considered for determining the profit or loss deriving from the cancellation of an investment property is determined in accordance with the requirements for determining the price of the transaction in IFRS 15.

IFRS 13 defines the fair value as the price (*exit price)* that would be received for the sale of an asset, or that would be paid for transfer of a liability in a regular transaction between market participants at the valuation date.

In particular, in measuring the *fair value* of investment property, as required by IFRS 13, the company must ensure that the fair value reflects, among others, rental income from current leases, and other reasonable and supportable assumptions that market participants would use to price real estate properties under current conditions.

In accordance with IFRS 13, the fair value valuation of a non-financial asset considers the ability of a market operator to generate economic benefits from using the asset at its *highest and best use,* or selling it to another market participant that would employ such at its highest and best use.

According to IFRS 13, an entity must employ valuation techniques appropriate to the circumstances and for which sufficient data are available to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The fair value is measured based on observable transactions in an active market, adjusted if necessary, depending on the specific characteristics of each investment property. If such information is not available, to determine the fair value for measurement of the investment property, the company uses the discounted cash flow method (for a period that varies according to the duration of existing contracts) related to future net income from leasing of property, and it is assumed that the property is sold at the end of this period.

Investment property is valued with the support of an external independent valuation company, duly recognized in terms of professional qualification and recent experience in the leasing and characteristics of the property evaluated.

The Company has adopted an internal procedure for the selection and appointment of independent experts as well as for the valuation of investment properties. On the selection and appointment of the independent experts, the procedure requires specific operational binding instructions to verify, through appropriate written statements or acquiring specific certifications. that independent experts respond to business needs and with local regulations.

Valuations are prepared every six months, in compliance with the standard "*RICS Valuation - Professional Standards*" and in compliance with applicable regulations and the recommendations provided by ESMA European

Securities and Markets Authority.

The remuneration provided for assessments at June 30th, 2019 has been preliminarily defined as a fixed amount based on the size of the individual investment property. The process by which the Company determines the fair value of its real estate investments, however, falls within the estimation processes, which implies the forecast of costs and revenues related to each investment and the formulation of assumptions on variables of calculation models that depend on expectations the performance of real estate and financial markets as well as the general economic conditions that affect rent levels and the reliability of tenants, and that, in consideration of the uncertainty connected to the realization of any future event, are able to determine variations, even significant and in the short term, the conclusions of the experts and therefore of the results of the financial statements, albeit in constant evaluation models. As for the use of estimates regarding real estate investments, refer to paragraph 14 – Real estate investments.

Real estate initiatives in progress

The real estate initiatives in progress are measured at fair value according to the international accounting standard IAS 40 - Fair value option, if:

- the destination to the lease or the appreciation of the invested capital is envisaged, and
- the fair value of investments can be reliably determined.

In accordance with the provisions of Consob recommendation DIE/0061944, the estimate of fair value is considered reliable if the following main conditions are met:

- the project is in an advanced state, or
- the main building permits and authorizations have been obtained, the main tasks for the realization of the project have been assigned and there are no financing difficulties in the subsequent development phases.

If these conditions are not met, the property is accounted for in accordance with IAS 16.

Inventories

Inventories consist of lands - also to be built -, properties under construction and renovation, completed properties, for which the purpose is the sale to third parties and is not maintaining the property portfolio to perceive the rental income.

Land for development are valued at the lower of acquisition cost and estimated realizable value. Cost includes incremental expenses and borrowing costs eligible for capitalization, where the following conditions:

- management has taken decision on the allocation of significant areas in its use, development, or direct sales;
- being incurred costs to obtain the asset;
- being incurred borrowing costs.

Properties under construction and / or being restructured, are valued at the lower of cost, including incremental expenses of their value and capitalizable financial charges, and estimated realizable value.

The properties for sale are valued at the lower of cost or market value based on transactions of similar properties by location and type. The acquisition cost is increased by any incremental expenses incurred up to the time of sale.

The Company's investment strategy is focused on the creation of stable cash flows deriving from the lease of the real estate portfolio, for this reason the management has deemed it appropriate to classify in this item the properties that do not meet the scope of the Company's core business, or vacant properties that do not generate rents.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term deposits, in the latter case with a term of less than three months. Cash and cash equivalents are stated at their nominal value and the spot rate at year-end, if in foreign currency.

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sale will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.
Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.
A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to dispose it.

Net Equity

Capital stock

The capital stock represents the nominal value of payments and contributions made in this regard by shareholders.

Valuation reserve

When derivatives hedge the risk of cash flow variations of covered instruments (cash flow hedge; e.g. hedging the cash flow variation of assets/liabilities due to exchange rates movements), the portion of fair value considered effective are initially recognized in OCI in the cash flow hedge reserve, and subsequently recognized in the statement of profit or loss, consistently with the economic effects of the hedged.

Cash dividend and interim dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As for the corporate laws in Europe, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Severance pay

Severance pay fund (TFR) is considered as a defined benefit plan. The benefits promised to employees are recognized monthly with the maturation and are paid upon termination of employment. The severance pay is accrued based on the seniority reached at the end of each individual employee in accordance with the laws and labor contracts in force at the reporting date. The provision reflects the liability towards employees, based on experience and seniority wages paid, recalculated based on its actuarial value. The adopted actuarial assessments are the best estimates of the variables that determine the final cost of the subsequent performance at the end of the employment relationship.

Provision for risks and charges

The provisions for risks and charges are recognized when the Company has a present obligation (legal or constructive) as a result of a past event. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate. the risks specific to the liability. When discounting is used. the increase in the provision due to the passage of time is recognized as a finance cost.

Financial liabilities - Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Group’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.
Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Valuation of the financial instruments

Financial instruments are an incentive recognized to management in relation to their significant contribution during the start-up and development of the Company. These financial instruments will entitle the payment of a return linked to changes in the Net Asset Value (NAV) of the Issuer, to be carried out also through the assignment of shares in the Company. Financial instruments are initially recognized at fair value, recording the effects deriving from the change in fair value in the period in which they occur in the income statement. The fair value at the end of the period is determined through estimates made by management, also through the support of independent experts. The process by which the Company determines the fair value of the instrument is part of the estimation process, which implies the forecast of cash flows based on variables that depend on expectations of the performance of the real estate and financial markets and the general market conditions, able to determine changes, even significant and in the short term, on the conclusions of the experts and therefore of the budget results.

IFRS 9 - Derivatives financial instruments

The Group uses derivative financial instruments, such as interest rate caps and interest rate swaps to hedge the risk of cash flow of financial debts. Such derivative financial instruments are recognised at fair value according to international accounting standard IFRS 9 and they are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.
Beginning January 1st, 2018, the documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- there is “an economic relationship” between the hedged item and the hedging instrument.
- the effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

As for the cash flow hedge, the effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Impairment

IFRS 9 requires the Group to record expected credit losses on all items such as loans and trade receivables, regarding either a 12-month period or the entire duration of the instrument (e.g. lifetime expected loss). The Group applies the simplified approach and therefore record the expected losses on all trade receivables based on their residual contractual duration. The Group, in assessing the impacts deriving from its own receivables in the portfolio, both commercial and financial, considering the characteristics of the same and the counterparties, and the collection times, believes that even if not all loans present a guarantee, the impact deriving from the possible allocation is not significant, considering the risk profile of the tenants.

Hedge accounting

The Company resorts to the application of hedge accounting regarding the subscribed interest cap rate instruments. Considering the foregoing, the Company has established that all existing hedging relationships that are currently designated as effective hedges continue to qualify for hedge accounting in accordance with IFRS 9. However, the new standard provides concerning these instruments, the recognition of the effects deriving from the valuation, also for the portion of the extrinsic value, in the item "*other reserves*" of the shareholders' equity. Therefore, taking into account that in previous years the effects deriving from the valuation of the extrinsic value were charged to the income statement, with the application of the new principle prospectively, a reclassification was made to the re-opening balances at January 1st, 2018 from item “*retained earnings*” under “*other reserves*”.

Other adjustments

IFRS 9 requires that if the cash flow forecasts generated by a financial liability are subject to revision / amendment, it is necessary to reflect the change by recalculating the amortized cost of the same and recognizing any differences in the Income Statement.
During the first half of 2017 the IFRIC and the IASB confirmed that this provision is applicable also in cases where the review of the expected cash flows from a liability is generated by a renegotiation of the contractual terms of the same that (prior exceeding the so-called "10% test") does not entail the accounting derecognition.

From methodological point of view, the calculation of the effects to be recognized in the income statement in the event of a review of the future cash flows of the liability is determined as the difference between:

- the amortized cost of the original liability on the renegotiation date (pre-renegotiation contractual features);
- the Net Present Value (NPV) of the new expected contractual flows (post-renegotiation), excluding any new costs incurred in the renegotiation phase, discounted based on the original internal rate of return (IRR) (i.e. prior to renegotiation).

The carrying amount of the new liability is subsequently adjusted for any fees or costs incurred during the renegotiation (with consequent modification of the IRR).
If this accounting approach has not already been applied in accordance with IAS 39 (which effectively allowed the possibility of modifying the IRR because of the changes made to the contractual flows without immediate impacts on the Income Statement at the renegotiation date) IFRS 9 requires the retrospective application of the new provisions (with consequent adjustment of the book value of the renegotiated liabilities existing at the date of first application).

Recording of revenues, income and expenses in the income statement

Revenues

Revenue is recognized to the extent in which it is likely that economic benefits will be obtained by the company and the revenue can be measured reliably. Revenue is measured at fair value of the amount received, excluding discounts, rebates and other sales taxes.

The following specific recognition criteria of revenues must always be considered before recognition in the income statement:

- *rental income*: rental income from the investment property owned by the Company is recognised on a straight-line basis, in accordance with the international accounting standard IFRS 16 (paragraph 81), conforming the maturity lease agreements;
- *income from real estate disposals*: income from the real estate disposals are recognized in the income statement when the contractual obligation performance is effectively executed and then transferred to the buyer of all the significant risks and rewards associated with ownership, which is normally transferred on the date of signing the deed notarial, when the transaction price is generally also settled.

IFRS 15 Revenue from contracts with customers

IFRS 15 replaces IAS 11 - Customs work, IAS 18 - Revenues and related interpretations and applies to all revenues from contracts with customers, unless these contracts fall within the scope of other principles such as for example leases, for which the reference principle is IAS 17. The standard introduces a new five-phase model that will apply to revenues from contracts with customers. IFRS 15 provides for the recognition of revenues for an amount that reflects the consideration to which the entity believes it is entitled in exchange for the transfer of goods or services to the customer.
The principle involves the exercise of a judgment by the Company, which takes into consideration all the relevant facts and circumstances in the application of each phase of the model to the contracts with its customers. The standard also specifies the accounting of incremental costs associated with obtaining a contract and costs directly linked to the completion of a contract.
The Company has applied the new standard using the full retrospective application method. However, since the revenues of the group are mainly leased, adoption did not have any impact on the consolidated financial statements.

Leasing

The Company is characterized by investments in high quality real estate portfolios, concentrated mainly in primary Italian cities, with high-profile tenants and long-term leases, including adequate safeguard clauses and clauses that provide for the tenant to pay the costs and ordinary and extraordinary maintenance works. Currently, the rental revenues deriving from property investments are recorded based on the international accounting standard IFRS 16 (paragraph 81), the criterion representative of the temporal competence, based on the existing lease agreements.
Considering the current contractual structure and the sector practices adopted by the main competitors, it can be concluded that with the adoption of IFRS 15 it did not have any impact on the Group's results with regard to property leases.

Real estate disposals

Regarding real estate disposals, it should be noted that these take place through the signing of a notary deed, during which the actual contractual obligations and the actual availability of the asset by the notary are also verified. In particular, these transactions include: (i) the transfer of the asset by the seller, (ii) the adjustment of the consideration by the buyer to the deed without further extensions and / or commitments for the seller, and (iii), if possible, the payment of deposits or advances together with the signing of preliminary sales agreements, the latter case taking into account the short time interval between preliminary and deed (generally less than one year) does not provide for the inclusion in the price of significant implicit financial components. Although these operations fall within the scope of IFRS 15, they do not have significant effects deriving from the application of the new standard because the performance obligations were extinguished at the date of the deal.

Costs

Costs and other operating expenses are recognized as components of the result for the period when they are incurred on an accruals basis and when they do not meet the requirements for accounting as assets in the balance sheet.

Financial income and charges

Financial income and expenses are recognized on an accrual basis according to the interest accrued on the net value of the related financial assets and liabilities using the effective interest method.
Borrowing costs directly attributable to the acquisition and construction of investment property are capitalized in the carrying amount of the pertinent property. Capitalization of interest is carried out on condition that the increase in the carrying value of the asset does not ascribe to the same value higher than its fair value.

Taxes

Current taxes

The Company as a SIIQ is subject to a special tax regime, under which, inter alia, the business income from real estate leasing is exempt from corporate income tax (**IRES**) and the regional tax on productive activities (**IRAP**) and the part of the corresponding statutory profit is subject to taxation by shareholders at the time of distribution of the same in the form of dividends. The taxes for the period are therefore calculated on the income produced by activities different from the real estate leases (not exempt activities).

Deferred tax

With regard to non-exempt operations, deferred tax assets and liabilities are recognized according to the global allocation method.
They are calculated on the temporary differences between the values of the assets and liabilities recorded in the financial statements and the corresponding values recognized for tax purposes. Deferred tax assets on taxable losses and deductible temporary differences are recognized to the extent that it is probable that future taxable income will be available, also taking into account the special regime envisaged for SIIQ, against which they can be recovered.

Earnings Per Share

Earnings Per Share - basic

Basic earnings per ordinary share is calculated by dividing the profit for the period attributable to ordinary shares and the weighted average number of ordinary shares outstanding during the year.

Earnings Per Share - diluted

Diluted earnings per ordinary share is calculated by dividing the profit for the period attributable to ordinary shares and the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued upon conversion into ordinary shares of all potential ordinary shares with dilution effects.

Use of estimates

The preparation of the financial statements and related notes requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the statements.

Actual results could differ from these estimates due to the uncertainty surrounding the assumptions and conditions on which the estimates are based. Therefore, changes in the conditions underlying the opinions, assumptions and estimates adopted may have a significant impact on future results.

Estimates are used to determine the fair value of investment properties, of financial instruments and derivatives.

Estimates and assumptions are reviewed periodically by management and, when deemed necessary, are seconded by opinions and studies of independent external consultants of leading standing (for example, real estate appraisals), and the effects of any changes are reflected in the income statement.

The following are the most significant estimates related to the preparation of financial statements and annual accounting reports in that they entail many subjective opinions, assumptions and estimates:

- *investment property*: is initially recognised at cost including incidental expenses and acquisition, in according to IAS 40, and subsequently measured at fair value, recognising in the income statement the effects of changes in fair value of investment property in the year such occur. The fair value at the closing date of the period is determined by valuation of the real estate assets performed by independent experts; this valuation is subject to hypotheses. assumptions and estimates; therefore, a valuation by different experts might not result in an identical opinion;
- *financial instrument*: financial instruments are initially valued at fair value, recording the effects deriving from the change in fair value in the period in which they occur in the income statement. Fair value is determined through estimates made by management, also through the support of independent experts; this valuation is subject to estimation processes, which implies the forecast of cash flows based on variables that depend on expectations of the performance of the real estate and financial markets as well as the general market conditions;
- *derivative financial instruments*: derivative financial instruments are measured at fair value, recognizing the effects deriving from the change in fair value in the period in which they occur. The fair value is determined through estimates made by management based on market prices at the reference date;
- *taxes*: income taxes, related to the non-exempt income, are estimated based on the prediction of the actual amount that will be paid to the Inland Revenue Office based on the income tax declaration; recognition of deferred tax assets is based on expectations of taxable income in future years, and pre-paid and deferred taxes are determined at the tax rates expected to be applied during the years in which temporary differences will be reversed.

2.4 New accounting standards, interpretations and amendments adopted by the Company

The accounting standards adopted in the preparation of the consolidated financial statements are consistent with those in effect at the balance sheet date inclusive of new standards, amendments and interpretations effective from December 31st, 2018, except for the adoption of new standards effective as of January 1st, 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.
From January 1st, 2019 the Company applies, for the first time, IFRS 16 – leases. As required by IAS 34, the nature and effects of these changes are set out below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidate financial statements of the Group.

Adoption of new accounting standard IFRS 16

IFRS 16 Leases

From January 1st, 2019 has come into application IFRS 16 setting out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of ’low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee is recognised a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.
Lessees also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee generally recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.
Lessor accounting according to IFRS 16 is substantially unchanged from today’s accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

It should be note that the Company has leasing contracts for IT equipment, which do not fall within the scope of the principle, and a lease contract relative to the registered office. In fact, on July 21st, 2017 COIMA RES signed a lease contract for the new registered office in Piazza Gae Aulenti n.12. The agreement provides for a six-year term renewable twice with an annual rent of approximately Euro 94 thousand. In consideration of the fact that COIMA RES has invested a significant amount for the fitting out of the new premises, it is appropriate to consider the duration of the lease contract over twelve years.

When applied for the first time, the accounting standard IFRS 16 provides for the possibility of recording the asset for right of use and the financial liability at the same amount, without adopting the retrospective approach. As of January 1st, 2019, the Company, considering the possibility granted by the principle of not showing the restatement of the previous years, has recorded an asset of Euro 852 thousand and a financial liability of the same amount.

As of January 1st, 2019, the Group, in consideration of the possibility granted by the accounting standard of not restating the previous years, has entered:

- assets of Euro 960 thousand classified under the item "*other tangible assets*"
- financial liabilities amounting to Euro 960 thousand classified under "*non-current financial liabilities*".

For the six months ended June 30th, 2019, lease agreements, amounting to Euro 47 thousand, previously classified in the item "*G&A expenses*", are now accounted for:

- in the item "*financial expenses*" for Euro 10 thousand, in relation to the interest expense on additional lease liabilities recognized;
- in the item " *non-current financial liabilities* " for Euro 37 thousand, as a reduction of the leasing liability, in relation to the principal repaid.

As for assets for rights of use, they are amortized over the duration of the rental agreements. The amortization of these assets for the period, equal to Euro 47 thousand, is classified under the item "*net depreciations*".

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).
These amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.
The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.
These amendments had no impact on the consolidated financial statements as the Group does not have long-term interests in its associate and joint venture.

Annual Improvements 2015-2017 Cycle

IFRS 3 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.
An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted.
These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

IFRS 11 Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.
An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after January 1st, 2019, with early application permitted.
These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

IAS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.
An entity applies the amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. When the entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period.

IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.
The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1st, 2019, with early application permitted.
Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

3. Operating Segments

In order to represent the Company's activity by sector, it was decided to represent it primarily based on the intended purpose of the buildings and secondarily, based on the geographic location.
Taking into consideration the investment strategy also outlined in the prospectus. the intended purpose of the buildings is divided into administrative buildings, bank branches and other real estate. Administrative buildings include all buildings intended for rental for office use, while other real estate includes all buildings intended for other tertiary type purposes such as, for example, commerce and logistics. The bank branches category is presented separately because it represents 12% of the total property.
An income statement showing information about the Company's income and results for the six months ended June 30th, 2019 is given below:

(in thousands Euro)	Offices	Bank branches	Others	Unallocated amounts	Sector results
Rents	13,007	2,643	2,166	-	17,816
Net movement in fair value	5,137	(407)	1,480	-	6,210
Net income from disposal	-	10	-	-	10
Net income attributable to non-controlling interests	1,453	-	-	46	1,499
Financial income	-	-	-	-	-
Total income	**19,597**	**2,246**	**3,646**	**46**	**25,535**
Net real estate operating expenses	(1,289)	(519)	(185)	-	(1,993)
G&A expenses	(2,916)	(804)	(836)	(13)	(4,569)
Other operating expenses	(36)	(58)	(14)	(5)	(113)
Net depreciation	-	(80)	-	(72)	(152)
Financial expenses	(4,349)	(1,020)	(520)	(157)	(6,046)
Income tax	-	-	-	-	-
Sector results	**11,007**	**(235)**	**2,091**	**(202)**	**12,662**

Segment income is divided into the most significant items under real estate or leasing instalments, operating expenses and other expenses recharged to the tenants.
The sector result is also represented, which also includes all other income such as, for example, financial income, operating expenses and other costs.
The column called *unallocated amounts* includes net income attributable to non-controlling interests, financial expenses on bank accounts, write-downs, exchange losses and income taxes.
A balance sheet showing the distribution of the assets and liabilities based on the intended use of the real estate is listed below.

(in thousands Euro)	Offices	Bank branches	Others	Unallocated amounts	Sector results
Non-current assets	451,924	91,648	107,173	3,195	653,940
Current assets	18,392	8,832	13,820	86,608	127,652
Total assets	**470,316**	**100,480**	**120,993**	**89,803**	**781,592**
Non-current liabilities	204,589	37,874	49,738	-	292,201
Current liabilities	5,883	320	2,184	51	8,438
Total liabilities	**210,472**	**38,194**	**51,922**	**51**	**300,639**

Assets and liabilities are divided based on the relationship with the real estate divided by the various categories.
The column called *unallocated amounts* mainly includes:

- as for assets, long term financial assets, financial assets at fair value, the equity investment in CO –

Investments 2 and the cash collected from the sale of Eurcenter and 50% of Vodafone;
- as for liabilities, deferred and current tax liabilities.

The Company's year results are also represented based on the geographic location of the real estate:

(in thousands Euro)	Milan	Rome	Others	Unallocated amounts	Sector results
Rents	15,595	200	2,021	-	17,816
Net movement in fair value	7,750	-	(1,540)	-	6,210
Net income from disposal	-	-	10	-	10
Net income attributable to non-controlling interests	1,453	-	-	46	1,499
Financial income	-	-	-	-	-
Total income	**24,798**	**200**	**491**	**46**	**25,535**
Net real estate operating expenses	(1,538)	(17)	(438)		(1,993)
G&A expenses	(3,873)	(67)	(616)	(13)	(4,569)
Other operating expenses	(56)	-	(52)	(5)	(113)
Net depreciation	(46)	-	(80)	(26)	(152)
Financial expenses	(5,744)	(15)	(130)	(157)	(6,046)
Income tax	-	-	-	-	-
Sector results	**13,541**	**101**	**(825)**	**(155)**	**12,662**

The geographic breakdown has also been chosen regarding the Company's investment strategy which is aimed primarily at the market of Milan.
A balance sheet showing the distribution of the assets and liabilities based on the geographic location of the real estate is listed below.

(in thousands Euro)	Milan	Rome	Others	Unallocated amounts	Sector results
Non-current assets	566,970	9,018	74,757	3,195	653,940
Current assets	68,755	1,247	14,592	43,058	127,652
Total assets	**635,725**	**10,265**	**89,349**	**46,253**	**781,592**
Non-current liabilities	275,579	1,732	14,890	-	292,201
Current liabilities	7,378	106	887	67	8,438
Total liabilities	**282,957**	**1,838**	**15,777**	**67**	**300,639**

The same methodology described for the division of assets and liabilities by intended use is also used for the breakdown by geographic location.

4. Rents

The revenues amounting to Euro 17,816 thousand as of June 30th, 2019 and include rents accrued on the real estate portfolio.

(in thousands Euro)	Investments	June 30th, 2019	June 30th, 2018
COIMA RES SIIQ	Vodafone	6,863	6,978
	Monte Rosa	1,881	1,873
	Tocqueville	1,202	-
	Pavilion	1,344	-
COIMA CORE FUND IV	Deutsche Bank branches	2,643	2,549
COIMA CORE FUND VI	Gioiaotto	1,923	1,946
	Eurcenter	-	2,561
COIMA RES SIINQ I	Deruta	1,807	1,794
COIMA CORE FUND VIII	Vodafone	153	-
Rents		**17,816**	**17,701**

The increase of Euro 115 thousand compared to the previous six months is mainly due to the new lease agreements signed in the first half of 2019 for the branches located in Milan and Turin.

The reduction related to the sale of the Eurcenter property signed on December 17th, 2018 was offset by rents matured on the Tocqueville and Pavilion properties, acquired on July 27th, 2018 and November 23rd, 2018 respectively.

5. Net real estate operating expenses

The net real estate operating expenses amount to Euro 1,993 thousand as of June 30th, 2019. The detail of the amount is:

(in thousands Euro)	Vodafone Complex*	Tocqueville Monte Rosa Pavilion	Deutsche Bank branches	Gioiaotto	Deruta	June 30th, 2019	June 30th, 2018
Recovery of costs from tenants	1,292	830	13	209	9	2,353	2,018
Property management fee	(154)	(61)	(28)	(29)	(18)	(290)	(408)
Maintenance charges	(571)	(567)	(104)	(125)	(20)	(1,387)	(740)
Utilities	(564)	(249)	5	(87)	-	(895)	(945)
Insurance	(31)	(29)	(25)	(13)	(13)	(111)	(110)
Property tax (IMU)	(347)	(395)	(340)	(147)	(115)	(1,344)	(1,399)
Property tax (TASI)	(24)	(27)	(15)	(10)	(8)	(84)	(81)
Stamp duties	(56)	(40)	(28)	(20)	(18)	(162)	(188)
Other real estate costs	-	(47)	-	(26)	-	(73)	(62)
Net real estate expenses	**(455)**	**(585)**	**(522)**	**(248)**	**(183)**	**(1,993)**	**(1,915)**

* Includes the Consorzio Lorenteggio Village

The item *recovery of costs from tenants* refers to the reversal of ordinary property management charges to tenants.

Property management fee mainly relate to ordinary activities of the administration and maintenance of the buildings.

Maintenance and service charges concern the expenses incurred for the maintenance of the buildings (lifts, systems, office cleaning) and for the upkeep of the green spaces of the properties.

The item *utilities* refers to the cost of providing electricity, water and gas for the buildings.

The item *insurance costs* refers to the all-risk policies signed by the Company and Funds to protect the asset value and ownership of the buildings.

The items *IMU, TASI, stamp duties*, are related to the property taxes applied on the portfolio.

Other real estate costs mainly include the fees for the occupation of public areas and other expenses related to the operation of the buildings.

6. Income / (loss) from real estate disposal

Income from real estate disposal amount to Euro 10 thousand (zero balance as at June 30th, 2018), net of costs incurred for sales. This amount mainly includes the proceeds from the sale of the Pisa branch, sold at a price of Euro 500 thousand.

7. General and administration expenses

G&A costs amounting to Euro 4,569 thousand as at June 30th, 2019, are listed below:

(in thousands Euro)	COIMA RES	CCFIV	CCFVI	SIINQ I	Others	June 30th, 2019	June 30th, 2018
Asset management fee	(1,667)	(102)	(550)	-	(12)	(2,331)	(2,167)
Personnel costs	(910)	-	-	-	-	(910)	(889)
Consulting costs	(245)	(135)	(100)	(10)	(19)	(509)	(610)
Control functions	(154)	(9)	(8)	(7)	-	(178)	(178)
Audit	(95)	(16)	(17)	(7)	(21)	(156)	(152)
Marketing	(152)	-	-	-	-	(152)	(149)
IT service	(89)	-	-	-	-	(89)	(88)
Independent appraisers	(27)	(16)	(13)	(3)	(9)	(68)	(56)
Other operating expenses	(171)	-	-	-	(5)	(176)	(526)
G&A expenses	**(3,510)**	**(278)**	**(688)**	**(27)**	**(66)**	**(4,569)**	**(4,815)**

Asset management fees relate to the agreement signed by the Company and COIMA SGR for the *sourcing* of investment transactions and the management of the real estate portfolio, as well as for other activities provided under the terms of the *asset management* agreement. These fees are calculated quarterly, based on the Net Asset Value (NAV) recorded by the Company in the previous three months.

Personnel costs include:

- wages, salaries and similar expenses, amounting to Euro 386 thousand, related to wages for the Company's employees.

- social security contributions, amounting to Euro 114 thousand, paid by the Company to social security funds.
- other personnel costs, amounting to Euro 410 thousand, include mainly the Board of Directors' remuneration.

The item *consulting costs* mainly includes expenses for support activities carried out by professionals for the ordinary management of the Company; in particular:
- legal, tax and notarial consulting for *corporate* services;
- technical consulting on real estate properties.

Governance and other control functions costs are mainly related to the Board of Statutory Auditors, amounting to Euro 62 thousand, Risk Management, amounting to Euro 36 thousand and other control functions, amount to Euro 80 thousand.

Marketing costs are mainly related to digital and media relations expenses, amounting to Euro 80 thousand related to website maintenance, amounting to Euro 60 thousand and other marketing costs related to corporate events and conferences for Euro 12 thousand.

IT service costs include technical assistance, administrative software and IT management expenses.

The expenses related to the *independent appraisers* are due in respect of the agreement in place with the independent expert CBRE Valuation, Duff & Phelps REAG and PWC for the preparation of the evaluation reports.

Other expenses include mainly brokerage fee related to the HQ and other corporate costs (travel costs, membership fees, Borsa Italiana's services).

8. Other operating expenses

The other operating expenses, amounting to Euro 113 thousand (Euro 130 thousand as at June 30th, 2018), mainly include corporate taxes and fees, costs related to non-deductible VAT, non-recurring liabilities and other operating costs.

9. Net depreciation

Net depreciation, amounting to Euro 152 thousand (Euro 1,149 thousand as at June 30th, 2018), mainly refer exclusively to the write-downs for the period relating to tangible and intangible fixed assets and to the decrease in value of the Deutsche Bank branches, classified in the item *inventories*. This adjustment was made on the valuations prepared by the independent experts as at June 30th, 2019.

10. Net movement in fair value

This item, amounting to Euro 6,210 thousand (Euro 10,301 thousand as at June 30th, 2018) refers to the revaluation recorded on the value of real estate investments, based on the evaluation reports prepared by independent experts.
For more details, please refer to note 14 - Real estate investments.

11. Net income attributable to non-controlling interests

Net income attributable to non-controlling interests, amounting to Euro 1,499 thousand (Euro 930 thousand as at June 30th, 2018), includes the adjustment of the value of the equity investments in Porta Nuova Bonnet Fund and in Co - Investment 2SCS calculated using the equity method.

For more details, please refer to paragraph 16 – Investments accounted for using the equity method.

12. Financial income and expenses

Financial charges amount to Euro 6,046 thousand (Euro 2,892 thousand as at June 30th, 2018) and mainly include interest expense accrued on outstanding loans and the non-recurring financial expenses related to the prepayment of the loans.

The increase of Euro 3,154 thousand compared to the previous half year is partly due to the signing of two new loans for the purchase of the properties Tocqueville and Pavilion, signed on July 17th, 2018 and October 31st, 2018 respectively.

It should also be noted that, following the repayments made on June 27th, 2019 as part of the refinancing and contribution operation for the Vodafone property complex, the Company, in accordance with IFRS 9, recorded in this item the costs associated with the early closing of these loans.
These costs amount to Euro 2,545 thousand, of which Euro 1,809 thousand relating to repayments made and Euro 736 thousand relating to the closing of the derivative covering the cash flows of the loan.
For more details on the operation, refer to the description in the Significant Events paragraph.

13. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

There is no difference between diluted earnings per share and basic earnings (loss) per share.

The profit and the information about the shares used for the calculation of the basic earnings per share are illustrated below:

Earnings per share	**June 30th, 2019**	**June 30th, 2018**
Profit for the period (in thousands Euro)	13,564	16,778
Outstanding shares (weighted averange)	36,007,000	36,007,000
Earnings per share (Euro)	**0.38**	**0.47**
Earnings per share diluted (Euro)	**0.38**	**-**

14. Real estate investments

The changes in property investments at June 30th, 2019, are listed below:

(in thousands Euro)	Investments	December 31st, 2018	Capex	Other changes	Acquisitions/ (disposal)	Revaluations/ (write-downs)	June 30th, 2019
COIMA RES SIIQ	Vodafone	209,300	138		(213,000)	3,562	-
	Monte Rosa	60,400	45		-	55	60,500
	Tocqueville	58,900	-		-	700	59,600
	Pavilion	70,000	5		-	795	70,800
COIMA CORE FUND IV	DB branches	83,390	47	9,040	(480)	(407)	91,590
COIMA CORE FUND VI	Gioiaotto	79,800	2		-	1,998	81,800
COIMA RES SIINQ I	Deruta	49,800	-		-	(400)	49,400
COIMA CORE FUND VIII	Vodafone	-	93		213,000	(93)	213,000
Real estate investments		**611,590**	**330**	**9,040**	**(480)**	**6,210**	**626,690**

The total amounts reported as of June 30th, 2019 match those of the last appraisals produced by independent appraisers. The appraisals were performed in accordance with RICS Valuation – Professional Standards, in compliance with applicable law and with recommendations given by ESMA - European Security and Market Authority.

The item "*revaluations / (write-downs)*" includes changes in the *fair value* of the property because of the valuations issued by the independent experts appointed by the Company and Funds.
It should be noted that the values as at June 30th 2019, communicated by independent experts, were calculated considering any transaction costs they estimated.

The table below shows the parameters used by the independent experts to make their valuations, according to the discount cash flow method.

Independent experts	Investments	Discounted rate	Discounted rate retraining	Gross cap out rate	Inflation rate forecast	Year plan
CBRE Valuation	Tocqueville	5.50%	7.50%	3.80%	1.47%	7.5
	Monte Rosa	5.40%	7.10%	5.60%	1.47%	10.3
	Pavilion	4.50%	7.50%	3.50%	1.47%	16.6
Duff & Phelps REAG	DB branches (let)	m.6.3%	m.6.3%	m.4.6%	1.5%-2.0%	11
	DB branches (vacant)	m.7.0%	m.7.0%	m.5.3%	1.5%-2.0%	15
Duff & Phelps REAG	Gioiaotto (office)	6.30%	6.30%	4.22%	1.5%-2.0%	16
	Gioiaotto (hotel)	6.70%	7.20%	4.61%	1.5%-2.0%	17
CBRE Valuation	Deruta	5.50%	7.70%	5.60%	1.47%	4.5
PWC	Vodafone	6.00%	6.00%	5.60%	1.2%-1.6%	12

It should be noted that regarding the Gioaotto and Eurcenter assets, previously assessed through the CBRE expert, following the expiry of his appointment, a new appraiser was appointed according to the procedure of the Company and he made some non-significant changes to the rates applied.

The item "*acquisitions / (disposal)*" includes the operations carried out by the Company during the period, below:

- on March 15th, 2019 COIMA CORE FUND IV sold the branch located in Pisa for a price of Euro 500 thousand;
- on June 27th, 2019, the Company contributed the Vodafone real estate complex and the related loan to a newly established fund called COIMA CORE FUND VIII, managed by COIMA SGR. On the same date, Meritz Financial Group purchased from the Company 50% of the shares through a Korean trust for a price of Euro 43,550 thousand. For more details on the operation, please refer to the Significant Events paragraph.

The amount shown in the reclassification column refers to the value of the Deutsche Bank branches in Milan and Turin, reclassified from inventories to real estate investments due to the lease agreements signed on February 19th, 2019 and April 2nd, 2019 respectively.

In accordance with IAS 2, at December 31st, 2018 the branches in question were recorded among the inventories at cost. Following the signing of the lease agreements and the reclassification to the item *investment property*, the value of the branches was aligned to *fair value* in accordance with IAS 40.

15. Other tangible assets and intangible assets

Other tangible fixed assets, equal to Euro 1,217 thousand (Euro 319 thousand as at December 31st, 2018), increased by Euro 898 compared to the previous year following the application of the new accounting standard IFRS 16, in force since January 1st, 2019.

(in thousands Euro)	December 31st, 2018	Acquisitions / (write-downs)	June 30th, 2019
Furniture and fixtures	71	-	71
Installations	284	-	284
Other tangible assets	5	-	5
Rights of use	-	960	960
Original costs	**360**	**960**	**1.320**
Furniture and fixtures	(8)	(3)	(11)
Installations	(30)	(11)	(41)
Other tangible assets	(3)	(1)	(4)
Rights of use	-	(47)	(47)
Depreciation fund	**(41)**	**(62)**	**(103)**
Net book value	**319**	**898**	**1,217**

This accounting standard defines new criteria for measuring and reporting information on leasing agreements, requiring the recognition, in the financial statements of the tenants, of an intangible asset that represents the right of use related the underlying asset for the entire duration of the agreement, and the simultaneous recognition of a liability related to the payment of future rents.

Today, the Group has mainly a lease agreement relating to the headquarter in Piazza Gae Aulenti 12, whose right of use amounts to Euro 811 thousand as of June 30th, 2019.

Intangible assets, equal to Euro 111 thousand (Euro 73 as of December 31st, 2018), mainly include administrative and accounting software in implementation. The increase of Euro 38 thousand compared to the previous year is mainly due to the development of the implementation activities carried out during the period.

16. Investments accounted for using the equity method

The item, amounting to Euro 24,222 thousand (Euro 21,473 thousand as of December 31st, 2018), includes Porta Nuova Bonnet investment, for an amount of Euro 22,661 thousand, and Co – Investment 2 SCS investment, for an amount of Euro 1,560 thousand, owned indirectly through MHREC Sarl.

The increase of Euro 2,749 thousand compared to the previous year is due to the recalls made by Porta Nuova Bonnet Fund during this half year, amounted to Euro 1,250 thousand, and the profit for the period amounting to Euro 1,449 thousand.

17. Derivatives

Derivative financial instruments, amounting to Euro 66 thousand (Euro 893 thousand at December 31, 2018) have decreased by Euro 827 thousand compared to the previous year due to the negative change in the fair value of the period and to the partial closure of the interest rate cap agreement concerning the loan repaid.
This closure took place in the broader context of the refinancing and contribution transaction of the Vodafone real estate complex, described in the paragraph Significant events of the period.

The Company has accounted for hedging transactions based on *hedge accounting*, verifying the efficiency of the hedging relationship.

18. Non-current financial receivables

Non-current financial receivables are related to loans granted by MHREC Sàrl to the associated company Co – Investment 2 SCS.

19. Inventories

Inventories, amounting to Euro 2,810 thousand (Euro 11,930 thousand as of December 31st, 2018), includes the remaining vacant Deutsche Bank branches.
The change of Euro 9,120 thousand compared to the previous year is due to the reclassification of the Milan and Turin branches in the item *real estate investments* following the stipulation of lease agreements signed in February 2019 and April 2019 respectively.

20. Trade and other current receivables

The breakdown of trade receivables and other current receivables is given below:

(in thousands Euro)	June 30th, 2019	December 31st, 2018
Receivables from tenants	3,745	2,117
Trade receivables	**3,745**	**2,117**
Tax receivables	2,102	4,282
Advance payment to suppliers	4	-
Other receivables	213	143
Accrued income and prepaid expenses	1,791	1,691
Other current receivables	**4,111**	**6,116**
Trade and other current receivables	**7,855**	**8,233**

The item “*receivables from tenants*" includes a write-down of receivables amounting to Euro 501 thousand related to expected loss estimated by the management.
The Group reasonably expects that receivables not written down will be collected within twelve months, as at present there are no expected losses due to un-collectability or other reasons for not realising receivables from tenants.

Tax receivables consist mainly of the Group's VAT receivables. The decrease of Euro 2,180 thousand compared to the previous year is largely due to the offsetting with other taxes and duties.

Other receivables include advances to suppliers and other receivables from third parties.

Accrued income and *prepaid expenses* mainly refer to prepaid expenses relating to grants in favour of tenants for improvements and enhancement works which will be amortised over the contractual duration (*landlord contribution*).

21. Cash and cash equivalents

The Group's cash and cash equivalents amount to Euro 116,987 thousand.

(in thousands Euro)	June 30th, 2019	December 31th, 2018
Banca Popolare di Milano	52,107	16,095
Unicredit	6,985	6,443
Intesa San Paolo	5,786	5,535
State Street Bank	43,077	46,239
ING Bank N.V.	2,302	3,697
BNP Paribas	4,643	3,350
DEPObank	1,588	-
Banca Passadore	277	619
Cash	1	1
Société Générale Group	221	242
Cash and cash equivalents	**116,987**	**82,221**

Cash and cash equivalents increased significantly compared to the balance in 2018, mainly due to the proceeds collected from the sale of 50% units of COIMA CORE FUND VIII, a fund set up as part of the contribution of the Vodafone property complex on June 27th, 2019.

22. Shareholders’ equity

Shareholders’ equity as at June 30th, 2019 amounts to Euro 424,813 thousand (Euro 418,748 thousand as of December 31st, 2018).
The share capital comprises Euro 36,007,000 ordinary shares with no nominal value and amounts to Euro 14,451 thousand.

Reserves, which amounted to Euro 396,798 thousand, include:
- share premium reserve of Euro 335,549 thousand;
- *fair value* reserve for hedging derivatives of Euro 2,288 thousand (negative);

- legal reserve of Euro 2,890 thousand;
- *fair value* reserve related to investment property of Euro 31,932 thousand;
- other reserves of Euro 28,715 thousand.

Minorities amounts to Euro 56,140 thousand (Euro 13,492 thousand as of December 31st, 2018), of which Euro 902 thousand is related to the minority interest for the period. The increase of Euro 42,648 thousand compared to the previous year is mainly due to the change in equity interests in the controlled entity COIMA CORE FUND VIII.

It should be noted that during the month of July, the capital increase was completed, carried out on June 13th, 2019 by the Company's Board of Directors, to service the payment of the coupon of the financial instruments held by the key managers. For more details, please refer to the description in the subsequent events paragraph.

23. Non-current bank borrowings

As of June 30th, 2019, the item "*non-current bank borrowings*" amounts to Euro 287,212 thousand and includes the financial loans of the contracted by the Company and by the controlled entities. The changes in loans are shown below.

(in thousands Euro)	December 31th, 2018	Borrowings	Amortised costs	Reimbursement	June 30th, 2019
COIMA RES SIIQ	246,764	-	2,096	(132,080)	116,780
COIMA CORE FUND VI	24,785	-	42	-	24,827
COIMA RES SIINQ I	19,791	-	35	-	19,826
COIMA CORE FUND VIII	-	127,800	(2,021)	-	125,779
Non-current bank borrowings	**291,340**	**127,800**	**152**	**(132,080)**	**287,212**

On June 27th, 2019, the Company repaid part of the outstanding loans for a total amount of Euro 129,780 thousand (of which Euro 18,905 thousand relating to Tocqueville and Monte Rosa financing and Euro 110,875 thousand relating to the Vodafone financing). This repayment was partially made using the liquidity collected from the stipulation of a new loan agreement with Natixis with a 5-year maturity and for an amount of Euro 127,800 thousand.

Furthermore, on June 27th, 2019, the Company transferred the Vodafone property complex and the related loan to a newly established fund called COIMA CORE FUND VIII and at the same time sold 50% of the units to the Korean investor Meritz Financial Group for Euro 43,550 thousand.

For more details on the operation, please refer to the Significant Events paragraph.

During the first half of 2019, the Company also reimbursed part of the VAT line contracted to partially finance the acquisition of the Pavilion property for an amount of Euro 2,300 thousand.

The table below summarises the financial details of the loans:

(in thousands Euro)	June 30th, 2019	Maturity date	Rate	% hedged
Deutsche Bank branches	37,874	July 16th, 2023	Eur 3M + 180 bps	100%
Monte Rosa, Tocqueville	50,500	July 16th, 2023	Eur 3M + 160 bps	98%
Pavilion	28,406	October 31th, 2023 October 31th, 2021	Eur 6M + 150 bps Eur 6M + 130 bps	88%
Gioiaotto	24,827	March 31th, 2022	Eur 3M + 150 bps	100%
Vodafone	125,779	June 27th, 2024	Eur 3M + 180 bps	100%[11]
Deruta	19,826	January 16th, 2022	Eur 3M + 160 bps	80%

To hedge the loans outstanding, the entities entered derivative hedging contracts in the form of an *Interest Rate Cap* and *an Interest Rate Swap*. These transactions are used to hedge cash flows of existing loans, falling within the scope of the so-called hedge accounting.
For more details on derivative financial instruments, refer to paragraphs 17 and 25 - Derivative financial instrument.

The level of net debt at June 30th, 2019 was 27% of the value of the real estate portfolio.

It should be noted that the verification of the financial covenants is held every quarter, as provided for in the contract. The following are the indicators for each entity as at June 30th, 2019.

Properties	Covenant	Threshold	Test result as of June 30th, 2019
Deutsche Bank branches Monte Rosa Tocqueville	LTV Consolidated ICR Portfolio ICR/DSCR Consolidated	<60% >1.8x >1.4x	42.8% 4.3x 3.2x
Pavilion	LTV Portfolio	<65%	37.7%
Vodafone	LTV Portfolio	<65%	60.0%
Gioiaotto	LTV ICR	<60% >1.75x	30.7% 6.4x
Deruta	LTV ICR-BL	<55% >3.0x	40.1% 10.1x

24. Non-current financial liabilities

In accordance with the international accounting standard IFRS 16 in force on January 1st, 2019, the Company has recognized a liability in respect of the payment of lease rents relating to existing lease agreements. This liability, amounting to Euro 918 thousand, is the current value of the expected future cash flows for the duration of the agreements. For more details please refer to paragraph 15 – Other tangible assets and intangible assets.

[11] Considering the derivative hedging agreement which will be closed by September 2019.

25. Derivatives

Derivative financial instruments classified as liabilities, amounting to Euro 2,291 thousand (Euro 1,026 thousand as at December 31st, 2018), refer to *interest rate swap* contracts entered to hedge the cash flows relating to the financing of the Monte Rosa, Tocqueville and Pavilion properties.

The Interest Rate Swap contracts are stipulated to cover the Euribor reference rate and its variations by paying a fixed rate representing the total cost of funding for the entire duration of the swap contract.
The Group accounted for the hedging transactions based on *hedge accounting*, verifying the effectiveness of the hedging relationship.

It should be noted that the increase of Euro 1,265 thousand compared to the previous year is exclusively due to the change in the *fair value* of derivatives as at June 30th, 2019.

The valuation of derivatives at fair value considered some potential adjustments to be made as a result of the deterioration of the bank counterparties or of the Group itself, also taking into consideration any guarantees given by the Group to the Banks.

26. Trade and other non-current liabilities

Other non-current liabilities, amounting to Euro 1,720 thousand, (Euro 1,705 thousand as of December 31st, 2018), include the *fair value* of the financial instruments granted to the CEO and *key managers* and cash deposits received from tenants.

As at June 30th, 2019 the instrument amounts to Euro 998 thousand using the financial method. There is no change in value compared to December 31st, 2018 based on the analysis made by the management.

27. Trade and other current payables

The breakdown of trade payables and other current payables, amounting to Euro 8,387 thousand, is given below:

(in thousands Euro)	June 30th, 2019	December 31th, 2018
Account payables	2,279	5,217
Invoices to be received	3,010	2,896
Trade payables	**5,289**	**8,113**
Personnel payables	179	219
Security provider payables	756	203
Tax payables	80	66
Other payables	369	1,776
Accruals and deferred income	1,714	1,455
Other liabilities	**3,098**	**3,719**
Trade payables and other current liabilities	**8,387**	**11,832**

The decrease amount to Euro 3,445 thousand compared to the previous financial year is mainly due to:

- the payment of the promote fee of COIMA SGR for Euro 1,021 thousand;
- the payment of payables to NH Hotel for Euro 1,537 thousand for the contribution to the updating works of Gioiaotto;

- the reclassification of the short-term financial instrument to the item o*ther reserves* of shareholders' equity for Euro 787 thousand (net of taxes).

28. Information on transfers of financial asset portfolio

The Company has not made any transfer between financial asset portfolios in the year.

29. Information on fair value

IFRS 13 provides that:

- non-financial assets must be measured using the Highest and best use method i.e. considering the best use of the assets from the perspective of market participants;
- liabilities (financial and non-financial) and equity instruments (i.e. shares issued as consideration in a business combination) must be transferred to a market participant as at the measurement date. In the process of measuring the fair value of a liability it is necessary to identify the risk of default of the counterparty, which also includes credit risk.

The general rules for preparing fair value measurement techniques should be adjusted based on the circumstances, configured to maximize observable inputs and established pursuant to the measurement method used (multiples method, income method and cost method):

1) adjusted based on the circumstances: measurement techniques must be applied consistently over time unless there are more representative alternative techniques for the measurement of fair value,
2) maximise the observable inputs: inputs are divided into observable and unobservable, providing various examples of markets from which fair values can be calculated,
3) measurement techniques of fair value are classified in three hierarchical levels according to the type of input used:

- level 1: inputs are quoted prices in active markets for identical assets or liabilities. In this case, the prices are used without any adjustments.
- level 2: inputs are quoted prices or other information (interest rates, observable yield curves, credit spreads) for similar assets and liabilities in active and inactive markets. For this case price adjustments can be made based on specific factors of the assets and liabilities.
- level 3: in this case inputs are not observable. The standard provides that it is possible to use the latter technique only in this case. Inputs for this level include, for example, long-term currency swaps, interest rate swaps, decommissioning liabilities undertaken in a business combination, etc.

The arrangement of these levels follows a priority hierarchy: attributing the maximum importance to level 1 and minimum for level 3.

IFRS 13 provides that three different measurement methods can be used for the measurement of fair value:

- the market approach method is based on prices and other important information for market transactions involving identical or comparable assets and liabilities. The models used are the multiples method and the matrix price method;
- the income approach is achieved from the discounted sum of future amounts that will be generated by the asset. This method allows to obtain a fair value that reflects the current market expectation of such future amounts;
- the cost method reflects the amount that would be required as at the measurement date to substitute the capability of the service of the asset subject to measurement, Fair value will be equal to the cost that a market participant would incur to acquire or build an asset of rectified comparable use (taking into consideration the level of obsolescence of the asset in question), This method can be used only when the other methods cannot be used.

Measurement techniques are applied consistently over time unless there are alternative techniques that allow a more representative measurement of fair value, In the selection of measurement techniques, the assumptions used for the determination of the assets or liabilities are particularly important.

The comparison between the book value and the fair value of the Company's assets and liabilities as at June 30th, 2019 is given below:

(in thousands Euro)	June 30th, 2019		December 31st, 2018	
	Net book value	Fair Value	Net book value	Fair Value
Real estate investments	626,690	626,690	611,590	611,590
Other tangible assets	1,217	1,217	319	319
Intangible assets	111	111	73	73
Investments accounted for using the equity method	24,222	24,222	21,473	21,473
Non-current deferred tax assets	14	14	10	10
Derivatives	66	66	893	893
Long term financial assets	1,620	1,620	1,620	1,620
Inventories	2,810	2,810	11,930	13,090
Trade and other current receivables	7,855	7,855	8,233	8,233
Cash and cash equivalents	116,987	116,987	82,221	82,221
Assets	**781,592**	**781,592**	**738,362**	**739,522**
Non-current bank borrowings	287,212	288,947	291,340	292,520
Other liabilities	10,138	10,138	11,227	11,227
Financial instruments	2,291	2,291	1,026	1,026
Bank borrowings and other current lenders	998	998	2,529	2,529
Liabilities	**300,639**	**302,374**	**306,122**	**307,302**

The Company does not own capital instruments valued at cost.

The summary table below shows the hierarchy in the measurement of the *fair value* as at June 30th, 2019 and December 31st, 2018.

(in thousands Euro)	June 30th, 2019			
	Total amount	Quoted prices in active markets (Level 1)	Observable inputs (Level 2)	Unobservable inputs (Level 3)
Real estate investments	626.690	-	-	626.690
Other tangible assets	1,217	-	-	1,217
Intangible assets	111	-	-	111
Investments accounted for using the equity method	24.222	-	-	24.222
Non-current deferred tax assets	14	-	-	14
Derivatives	66	-	66	-
Long term financial assets	1.620	-	-	1.620
Inventories	2.810	-	-	2.810
Trade and other current receivables	7.855	-	-	7.855
Cash and cash equivalents	116.987	-	-	116.987
Assets	**781.592**	**-**	**66**	**781.526**
Non-current bank borrowings	288,947	-	288,947	-
Other liabilities	10,138	-	-	10,138
Financial instruments	2,291	-	2,291	-
Bank borrowings and other current lenders	998	-	-	998
Liabilities	**302,374**	**-**	**291,238**	**11,136**

(in thousands Euro)	December 31st, 2018			
	Total amount	Quoted prices in active markets (Level 1)	Observable inputs (Level 2)	Unobservable inputs (Level 3)
Real estate investments	611,590	-	-	611,590
Other tangible assets	319	-	-	319
Intangible assets	73	-	-	73
Investments accounted for using the equity method	21,473	-	-	21,473
Non-current deferred tax assets	10	-	-	10
Derivatives	893	-	893	-
Long term financial assets	1,620	-	-	1,620
Inventories	13,090	-	-	13,090
Trade and other current receivables	8,233	-	-	8,233
Cash and cash equivalents	82,221	-	-	82,221
Assets	**739,522**	**-**	**893**	**738,629**
Non-current bank borrowings	292,520	-	292,520	-
Other liabilities	11,227	-	-	11,227
Financial instruments	1,026	-	1,026	-
Bank borrowings and other current lenders	2,529	-	-	2,529
Liabilities	**307,302**	**-**	**293,546**	**13,756**

30. Risks, guarantees and commitments

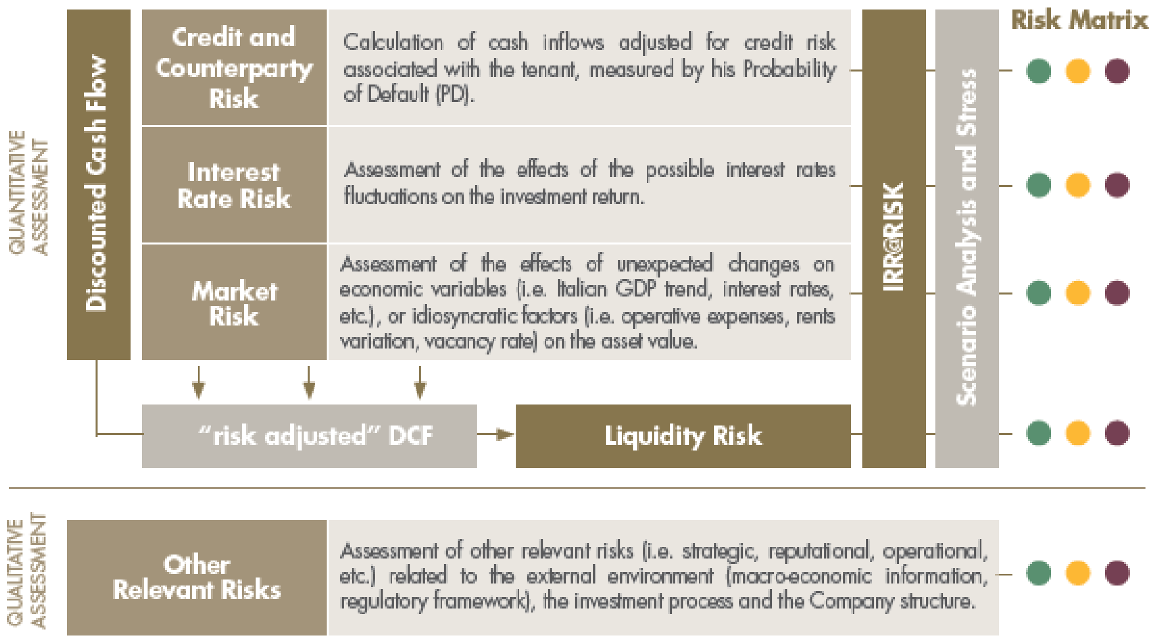
Risks

The table below summarizes the main risks and the mitigating measures of the Company:

	Risks	COIMA RES mitigation
1	**Market risk** - the risk of losses related to the fluctuation in the prices of properties in the portfolio resulting from adverse changes of macroeconomic variables, the property market and/or the specific characteristics of the properties owned by the Company. This risk also includes the effects resulting from properties in the portfolio that are vacant (vacancy risk) and potential losses associated with investment in "value-added" projects, in particular relating to restructuring or refurbishment works of certain real estate projects.	The Company's investment strategy is focused on high-quality assets (real estate or fund units) in large urban areas, specifically in Milan, which have demonstrated high income capacities and good resilience during negative market cycles, partly due to a less volatile level of demand compared with smaller assets located in secondary cities. Regarding vacancy risk, the Company deals with long-term rental agreements with adequate protection clauses. Tenant-specific asset management initiatives are designed in order to understand the situation and needs of each tenant, and to identify and address potential problems proactively. Furthermore, the high quality of the Company's real estate assets mitigates the vacancy risk.
2	**Credit and counterparty risk** - the risk of losses resulting from the non-compliance of counterparties due to the deterioration of their creditworthiness, with them defaulting in extreme cases with reference to: - tenants; - counterparties in real estate development operations (manufacturer, operator); - counterparties in real estate transactions.	During the on-boarding phase, the Company analyses and continuously monitors the risks of non-compliance of tenants and other significant counterparties (e.g. solvency and creditworthiness analyses, analysis of the financial situation, references, prejudicial and negative information, etc.), also resorting to external databases. In this regard, the Company's investment strategy favours reputable and well-capitalized counterparties and those belonging to large international groups.
3	**Concentration risk** - the risk resulting from properties leased to individual counterparties or groups of legally connected counterparties, counterparties from the same economic sector or which carry out the same activity, or are located in the same geographical area.	The Company analyses and monitors this risk regularly and has also defined the limits in its Articles of Association with regard to concentration of individual properties/tenants. The Company's strategy involves increasing the number of tenants and the number of industrial sectors in which our tenants are active, in order to mitigate the risks associated with excessive concentration.
4	**Interest rate risk** - the risk related to adverse changes in the rate curve that change the current value of assets, liabilities and their net value (ALM), and cash flows (assets and liabilities) based on changes in interest expense (assets and liabilities).	The Company purchases hedging instruments or otherwise contractually fixes an adequate amount of its floating rate exposure in order to reduce the impact of adverse changes in interest rates.
5	**Liquidity risk** - the risk of not being able to meet one's payment obligations due to: - the inability to obtain funds in the market (funding liquidity risk); - the inability to monetise one's assets (market liquidity risk).	The Company continuously monitors the level of its liquidity based on detailed cash-flow analyses and projections as well as through cash flow and ALM risk management activities, utilizing among other tools scenario analyses and stress tests. From the perspective of optimising the financial and capital structure, the Company's objective is to achieve a stabilized leverage of less than 40% (LTV) in the medium term.
6	**Other financial risks** - other financial risks not associated with real estate assets such as, for example, counterparty risks and/or other market risks on any financial instruments in the portfolio.	The strategy currently adopted by the Company involves a limited investment in assets other than real estate assets except for treasury bills and instruments needed to hedge interest rate risk; this also takes into account statutory restrictions related to the SIIQ status to which we are subject. Exposure to any financial risks, not connected with real estate assets, is subject to periodic monitoring and is also mitigated through our use of reputable and well-capitalized banking counterparties.

7	**Operating risk** - the risk of suffering losses resulting from the inadequacy or malfunction of procedures, human resources and internal systems or external events. This risk includes the risk of outsourcing, i.e. the operating losses arising from the performance of the outsourced activities.	Operating risks are addressed by adopting adequate internal procedures and the structuring of the internal control system on three levels: - Level One: Scheduled checks carried out by the business units and staff functions; - Level Two: Checks carried out by the Legal, Compliance and Risk Management functions; - Level Three: Checks carried out by the internal audit function based on the Audit Plan.
8	**Legal and compliance risk** - the risk of changes in performance due to changes in the legislative framework.	The Company continuously monitors the risk of non-compliance with current legislation and compliance requirements. Our compliance checks include asset and profit tests to ensure that legal requirements, necessary to maintain the SIIQ status are met now and in the future, as indicated in the Articles of Association.
9	**Reputational risk** - the current or future risk of a fall in profits or capital, resulting from a negative perception of the Company's image by customers, counterparties, shareholders, investors or the Regulatory Authorities.	Reputational risk, like operating risk, is mitigated by adopting an adequate organizational and control structure, consistent with international best-practices. We also mitigate reputational risk by putting in place stringent and specific procedures such as supervising external communication, overseeing interaction with stakeholders (e.g. governmental authorities) and monitoring contact with investors (e.g. complaint management).
10	**Strategic risk** - Pure risk and business risk; this consists of the current or prospective risk of a fall in profits or capital, resulting from changes in the operating environment or from incorrect corporate decisions, inadequate implementation of decisions, poor reaction to changes in the competitive environment, customer behaviour or technological developments.	In addition to a comprehensive strategic planning and evaluation process for analysis of investments, strategic risk is mitigated by the high level of experience and professionalism of Company management, with regard to the real estate market, operational/financial management, and internal controls.

The Company adopts an advanced Risk Management Model that combines quantitative analysis of interest rates, credit, and markets and qualitative analysis for other risks (operational, reputational and strategic risks), and considers the use of scenario analysis and stress testing in order to assess the degree of exposure to the main risks under adverse conditions, and to determine the IRR @ Risk.



Guarantees and commitments

Regarding bank loans taken on by COIMA RES, the Company has agreed with the lending banks on the following *security package*.

As for the loan related to Deutsche Bank portfolio:
- first mortgage of Euro 298,550 thousand;
- pledge on the CCFIV units;
- pledge on operating bank accounts linked to the loan agreement, excluding the account to which any amounts distributed as dividends will be paid.

As for the loan related to Monte Rosa and Tocqueville:
- first mortgage of Euro 140,000 thousand;
- pledge on the CCFIV units;
- pledge on operating bank accounts linked to the loan agreement, excluding the account to which any amounts distributed as dividends will be paid;
- disposal of receivables related to rents, insurance claims and any other receivables arising from disputes against consultants engaged for the due diligence on the property.

As for the loan related to Pavilion:
- first mortgage of Euro 63,000 thousand;
- pledge on operating bank accounts linked to the loan agreement, excluding the account to which any amounts distributed as dividends will be paid;
- disposal of receivables related to rents, insurance claims and any other receivables arising from disputes against consultants engaged for the due diligence on the property.

Regarding the loan of our 100% owned subsidiary COIMA RES SIINQ I, the Company has agreed with the lending banks on the following *security package*:
- first mortgage of Euro 40,000 thousand;
- pledge on the subsidiary shares;
- pledge on operating bank accounts linked to the loan agreement, excluding the ordinary account;
- disposal of receivables related to Deruta rents, insurance claims and any other receivables arising from disputes against consultants engaged for the *due diligence* on the property.

COIMA CORE FUND VI, has granted the following guarantees to banks in relation to the loan it has taken on:
- pledge on bank accounts held at State Street Bank;
- disposal of receivables, in favour of the bank, related to rents, insurance contracts and warranties issued to the fund, to guarantee the proper fulfilment of obligations of tenants.

Mortgage debt encumbering real estate is as follows:

Date	Amount	Grade	Bank
June 24th, 2016	156,000,000	I	UBI Bank

Furthermore, the Fund will contribute Euro 1,400 thousand for the modernisation and redevelopment works on Gioiaotto carried out by NH Hotel, of which Euro 1,260 thousand already paid.

For the loan relating to the Vodafone building held through COIMA CORE FUND VIII:
- first degree mortgage for Euro 255,600 thousand;
- ledge on operating current accounts linked to the loan agreement;
- assignment of receivables deriving from the Vodafone lease agreement, insurance claims and any receivables deriving from disputes with consultants employed for due diligence on Vodafone.

As for the lease agreement signed on July 21st, 2017 with COIMA RES and Porta Nuova Garibaldi, managed by

COIMA SGR S.p.A., the Company has granted a guarantee to the landlord amounting to ca. Euro 25 thousand.

Regarding the VAT reimbursement, COIMA RES has granted a guarantee to the Italian Inland Revenue Agency amounting to Euro 41,187 thousand.

The Company has a commitment of Euro 25,000 thousand to the Porta Nuova Bonnet Fund. Please note that as of June 30th, 2019 Porta Nuova Bonnet Fund drew Euro 17,304 thousand and therefore has a residual claim of Euro 7,696 thousand on the Company.

31. Related parties

Related party transactions are listed below:

(in thousands Euro)	Receivables	Liabilities	Costs
COIMA SGR S.p.A.	-	1,896	2,369
COIMA S.r.l.	-	139	263
COIMA Image S.r.l.	-	2	-
Porta Nuova Garibaldi Fund	812	952	21
Consorzio Porta Nuova Garibaldi	-	69	69
Co - Investment 2 SCS	1,620	-	-
Infrastrutture Garibaldi - Repubblica		9	9
Managers	-	43	127
Directors and key managers	-	1,796	362
Board of Statutory Auditors	-	62	62
Total	2,432	4,968	3,282

Also note that the Company has signed the following service agreements with related parties in line with market standards:

- Asset Management Agreement with COIMA SGR S.p.A.;
- agreement with COIMA S.r.l. for the supply, by the latter, of development and project management services, as well as property and facility management services;
- lease agreement related to the new headquarter of the Company signed on July 21st, 2017, with Porta Nuova Garibaldi Fund, managed by COIMA SGR S.p.A..

STATEMENT OF THE CEO AND THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS REGARDING THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30th, 2019

pursuant to art. 154-bis, paragraph 5, of the Legislative Decree No. 58 of February 24th, 1998 and art. 81-ter of the CONSOB Regulation No. 11971 of May 14th, 1999

1. We, the undersigned, Manfredi Catella, as Chief Executive Officer, and Fulvio Di Gilio, as Manager responsible for preparing the interim condensed consolidated financial report of COIMA RES S.p.A. SIIQ, having also taken into account the provisions of art. 154-*bis*, paragraphs 3 and 4, of the Legislative Decree No. 58 of February 24th, 1998, hereby certify:
   - the adequacy, with regard to the nature of the Company; and
   - the effective application of the administrative and accounting procedures adopted in preparing the interim condensed consolidated financial statements.
2. In this regard, we also note that:
   - the adequacy of the administrative and accounting procedures adopted in preparing the interim condensed consolidated financial statements has been verified by means of the evaluation of the internal control system on the financial information.
   - no material aspects have been detected from the evaluation of the internal control system on the financial information.
3. We also certify that:
   The interim condensed consolidated financial statements:
   - have been prepared in accordance with the international financial reporting standards recognized in the European Union under the EC Regulation 1606/2002 of the European Parliament and of the Council of July 19th, 2002;
   - are consistent with the entries in the accounting books and records;
   - are capable of providing a true and fair representation of the assets and liabilities, profits and losses and financial position of the issuer and the group of companies included in the consolidation.

   The interim condensed consolidated report on operations provides a reliable analysis of performance and results of operations, and the Company's situation, as well as a description of the main risks and uncertainties to which the Company is exposed.

The interim condensed consolidated report on operations also includes a reliable analysis on the information regarding the relevant transactions with related parties.

Milan, July 25th, 2019

Chief Executive Officer	Manager responsible for preparing the Company's financial reports
Manfredi Catella	Fulvio Di Gilio

This certification has been translated from the original which was issued in accordance with Italian legislation

GLOSSARY

	Definition
Accounting Period	Accounting period means each successive period of 12 calendar months each of which starts on 1 January and ends at midnight on December 31st in each year.
ALM	Asset Liabilities Management is the practice of managing risks stemming from mismatches between assets and liabilities. The process is a mix between risk management and strategic planning.
Asset Management Agreement	The agreement entered into on October 15th, 2015, by and between COIMA RES and COIMA SGR and modified on November 15th, 2015.
Bonnet or Corso Como Place	Bonnet is the property located in Milan, in via Bonnet, held through the Porta Nuova Bonnet investment (35.7%).
Break Option	The right of the tenant to withdraw from the lease agreement.
CBD	Central Business District, which is the area where the prime office market is mainly located.
CBRE	CBRE Valuation S.p.A., with registered office in Milan, Via del Lauro, 5/6.
CO - Investment 2SCS	A subsidiary owned indirectly via MHREC Real Estate S.à.r.l., which owns 33.33% of the units.
COIMA CORE FUND IV	Fund in which the Company owns 100% of the shares.
COIMA CORE FUND VI (ex "MHREC")	Fund of which the Company acquired 86.67% of the shares on July 27th, 2016.
COIMA CORE FUND VIII	COIMA CORE FUNV VIII, set up in May 29th, 2019, of which the company owns 50% of the capital stock.
COIMA RES SIINQ I	COIMA RES S.p.A. SIINQ I, of which COIMA RES owns 100% of the capital stock.
COIMA S.r.l.	COIMA S.r.l., with registered office in Milan, Piazza Gae Aulenti no.12.
COIMA SGR	COIMA SGR S.p.A., with registered office in Milan, Piazza Gae Aulenti no.12.
Company or COIMA RES	COIMA RES S.p.A. SIIQ, with registered office in Milan, Piazza Gae Aulenti no.12.
Consortium Lorenteggio Village	Consortium Lorenteggio Village, established on January 25th, 2018, of which COIMA RES owns 69.21% of the shares.
Consortium Porta Nuova Garibaldi	Consortium Porta Nuova Garibaldi, of which COIMA RES owns about 4%.
Core	The *core* assets are characterized mainly by high liquidity and low risk. This type of property is located in strategic areas and is intended to be held in the portfolio on a long-term basis so as to fortify the company's risk-return profile.
Core plus	The *core plus* assets are similar to the *core* category, except that some investments may exhibit enhancement potential (such as partially vacant areas or tenancies with short term expiries). For this type of risk, the profile is considered medium-low.
Coupon	The value accrued on the Financial Instrument.
Deruta 19 or Deruta	Deruta is the property complex located in Milan, Via Deruta 19, acquired on January 16th, 2017, by COIMA RES SIINQ I.
Deutsche Bank Portfolio	The bank branches of COIMA CORE FUND IV, leased to Deutsche Bank
EBITDA	Earnings before Interest, Taxes, Depreciation & Amortisation, is the most widely used measure of a company's operating performance as it isolates operating earnings, excluding the effects of capital structure, taxes or depreciation regime. EBITDA is a proxy for the operating cash flow that the company is able to generate.
EPRA Cost Ratio	Calculated as administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.
EPRA Earnings	Recurring earnings from core operational activities. EPRA Earnings is a key measure of a company's operational performance and represents the net income generated from the operational activities.
EPRA NAV	EPRA Net Asset Value is calculated based on the consolidated shareholders' equity adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallize in a long-term investment property business model, as per EPRA's recommendations.
EPRA Net Initial Yield	Calculated as Net Initial Rent divided by the gross market value of the property.

EPRA NNNAV	Triple Net Asset Value is the EPRA NAV adjusted to include the fair value of financial instruments, debt and deferred taxes.
EPRA topped up Net Initial Yield	Calculated as Net Stabilised Rent divided by the gross market value of the property.
EPS	Earnings Per Share calculated as net income divided by the basic number of shares outstanding.
Expected Gross Stabilised Rent	Gross Stabilised Rent adjusted for selected active asset management initiatives.
FFO	Funds From Operations calculated as Core Business EBITDA less net interest expense.
Gioiaotto	Gioiaotto is the property located in Milan, in Melchiorre Gioia 6-8, held through the MHREC Fund.
Good Secondary	High quality properties located in central or peripheral areas of primary cities.
Gross Expected Stabilised Yield	Calculated as Expected Gross Stabilised Rent divided by the gross market value of the property.
Gross Initial Rent	Annualised rents being received as at a certain date considering lease incentives such as rent-free periods, discounted rent periods and step rents.
Gross Initial Yield	Calculated as Gross Initial Rent divided by the gross market value of the property.
Gross Stabilised Rent	Annualised rents being received as at a certain date adjusted for unexpired lease incentives. The adjustment includes the annualised cash rent that will apply at the expiry of the lease incentive.
Gross Stabilised Yield	Calculated as Gross Stabilised Rent divided by the gross market value of the property.
Infrastrutture Garibaldi - Repubblica	Infrastrutture Garibaldi – Repubblica, of which the Company owns about 2%.
Initial Portfolio	The Deutsche Bank branches and the Vodafone properties.
Interest Coverage Ratios	Ratio between the EBITDA and interest expense.
Key managers	Matteo Ravà and Gabriele Bonfiglioli
LEED Certification	Certification of building efficiency issued by the U.S. Green Building Council.
MHREC S.à.r.l.	MHREC Real Estate S.à.r.l., subsidiary of COIMA CORE FUND VI (ex “MHREC”).
Monte Rosa	Monte Rosa is the property complex located in Milan, Via Monte Rosa 93, acquired on October 24th, 2017 by COIMA RES.
Net Expected Stabilised Rent	Corresponds to Expected Gross Stabilised Rent for the period less, service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Net Expected Stabilised Yield	Calculated as Expected Net Stabilised Rent divided by the gross market value of the property.
Net Initial Rent	Corresponds to gross initial rent for the period less service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Net Liquidity	Net Liquidity or Net Financial Position is the effective Net Debt of the Company.
Net Stabilised Rent	Corresponds to Gross Stabilised Rent for the period less service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Palazzo Sturzo or "Eurcenter"	The property located in Roma, in Piazza Don Luigi Sturzo, held through COIMA CORE FUND VI (“ex MHREC”) and sold on December 17th, 2018.
Pavilion	Pavilion is the property complex located in Milan, Piazza Gae Aulenti 10, acquired on November 23rd, 2018 by COIMA RES.
Porta Nuova Bonnet	Fund established on October 20th, 2016, of which COIMA RES owns 35.7%.
Promote Fee	Performance fee payable by COIMA RES to SGR, related to the Asset Management Agreement.
Qatar Holding	Qatar Holding LLC, a company with principal offices in Doha, Qatar, Q-Tel Tower, PO Box 23224, wholly-owned by Qatar Investment Authority, sovereign fund of the State of Qatar.
Recurring FFO	Calculated as FFO adjusted to exclude non-recurring income and expenses.

Shareholder Return	Shareholder Return means, in respect of each Accounting Period, the sum of (a) the change in the EPRA NAV of the Company during such year less the net proceeds of any issues of ordinary shares during such year; and (b) the total dividends (or any other form of remuneration or distribution to the shareholders) that are paid in such year.
Shareholder Return Outperformance	Shareholder Return Outperformance means, in respect of each Accounting Period, the amount in Euro by which the Shareholder Return for the year exceeds the Shareholder Return that would have produced a determined Shareholder Return.
SIINQ	Unlisted real estate investment company regulated by article 1, paragraph 125 of the Finance Act 2007.
SIIQ	Listed real estate investment company regulated by article 1, paragraphs 119-141-bis of the Finance Act 2007.
Tocqueville	Tocqueville is the property located in Milan, Via A. Tocqueville, acquired on July 27th, 2018, by COIMA RES.
Weighted Average Debt Maturity	It is the length of time the principal of a debt issue is expected to be outstanding. The average life is an average period before a debt is repaid through amortisation or sinking fund payments.
Value-added	This type of assets includes properties undergoing redevelopment and refurbishment, usually vacant or with high rate of vacancy. Compared to the core category, value added real estate has a medium-high risk profile and is expected to generate returns through real estate value appreciation over time.

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Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
COIMA RES S.p.A. SIIQ

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the interim condensed consolidated statement of financial position, the interim condensed consolidated statement of profit / (loss), the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated statement of cash flows and the related explanatory notes of COIMA RES S.p.A. SIIQ and its subsidiaries (the "COIMA RES Group") as of 30 June 2019. The Directors of COIMA RES S.p.A. SIIQ are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of COIMA RES Group as of June 30, 2019 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, July 31, 2019

EY S.p.A.
Signed by: Aldo Alberto Amorese, (Partner)

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

CERTIFICATE FOR FINANCIAL STATEMENT

In respect of:

Market Value as at 30 June 2019 of the buildings belonging to the office Portfolio owned by COIMA RES SPA. SIIQ

(This copy of this Certificate has been translated for information purposes only. In case of doubt or discrepancies the Italian version shall be read and it shall prevail)

On behalf of:

COIMA RES S.p.A. SIIQ

Piazza Gae Aulenti, 12

20124 - Milano

Date of Valuation: 30 June 2019

CBRE

Legal Notice and Disclaimer

This valuation report (the "Report") has been prepared by CBRE Valuation S.p.A. ("CBRE") exclusively for COIMA RES SPA SIIQ (the "Client") in accordance with the terms of engagement entered into between CBRE and the client dated 14 June 2016 ("the Instruction"). The Report is confidential to the Client and any other Addressees named herein and the Client and the Addressees may not disclose the Report unless expressly permitted to do so under the Instruction.

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(i) 25% of the value of the property to which the Instruction relates (as at the valuation date); or

(ii) €10 million (10,000,000.00 Euro).

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CBRE

CONTENTS

The property details and specific assumptions and findings, that are not expressly covered within the subject Valuation Report, on which each valuation is based are as set out in each property report. Property Reports have to be read in conjunction with the subject Valuation Report, certificate and the Terms of Reference and Basis of Value that is detailed within.

PART I

CERTIFICATE FOR FINANCIAL STATEMENT

CBRE

CBRE VALUATION S.p.A.
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20123 Milan
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CERTIFICATE FOR FINANCIAL STATEMENT

Report Date	12 July 2019
Addressee (or Client)	COIMA RES S.p.A. SIIQ Piazza Gae Aulenti, 12 20124 Milano (MI) – Italy For the attention of: **Mr Emiliano Mancuso**
The Properties	No. 3 real estate properties owned by COIMA RES S.p.A. SIIQ, as reported in the attached schedule.
Property Description	No. 3 real estate properties mainly for office and auditorium use located in Milan, as reported in the attached schedule.
Ownership Purpose	Investment
Instruction	To value the unencumbered Freehold interest in the Properties on the basis of Market Value as at the valuation date in accordance with the terms of engagement entered into between CBRE and the addressee dated 14 June 2016 (ref. Of. n.147/16).
Valuation Date	30 June 2019
Capacity of Valuer	External Valuer, as defined in the RICS Valuation – Global Standards 2017.
Purpose	Biannual update of the office portfolio.
Market Value	Market Value as at 30 June 2019: **€ 190,900,000.00 (Euro One Hundred Ninety Million Nine Hundred Thousand/00) exclusive of V.A.T.**
Service Agreement	Our opinion of value is based upon the Scope of Work and Valuation Assumptions attached.
Special Assumptions	None

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C.F./P. I.V.A. n. 04319600153 - cap. soc. € 500.000 i.v.
Società soggetta all'attività di direzione e coordinamento da parte della Società CBRE Ltd
Regulated by RICS

Compliance with Valuation Standards	The Valuation has been prepared in accordance with the RICS Valuation – Global Standards 2017 which incorporate the International Valuation Standards ["the Red Book"]. We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the Valuation competently. Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book. This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property. Other valuers may reach different conclusions as to the value of the subject property. This Valuation is for the sole purpose of providing the intended user with the Valuer's independent professional opinion of the value of the subject property as at the Valuation date.
Assumptions	The Property details on which each Valuation are based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below. If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figures may also be incorrect and should be reconsidered.
Variation from Standard Assumptions	None.
Valuer	The Properties have been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book.
Independence	The total fees, including the fee for this assignment, earned by CBRE Valuation S.p.A. [or other companies forming part of the same group of companies within the Italy] from the Addressee [or other companies forming part of the same group of companies] is less than 5.0% of the total Italy revenues.
Conflicts of Interest	We confirm that we have had no previous material involvement with any of the Properties, and that copies of our conflict of interest checks have been retained within the working papers.
Reliance	This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.
Publication	Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval.

Yours faithfully

Davide Cattarin
Managing Director

For and on behalf of
CBRE Valuation S.p.A.

+39 02 9974 6933
davide.cattarin@cbre.com

CBRE Valuation S.p.A.
Valuation Advisory Services
Piazza degli Affari 2
20123 Milan
Project reference: 19-64VAL-0131

Yours faithfully

Laura Mauri MRICS
Executive Director
RICS Registered Valuer

For and on behalf of
CBRE Valuation S.p.A.
+39 02 9974 6928
laura.mauri@cbre.com

SCHEDULE OF VALUES

TOWN	ADRESS	USE	MARKET VALUE AT 30 JUNE 2019
Milan	Via Monte Rosa, 93	Office	60,500,000.00 €
Milan	Via Tocqueville, 13	Office	59,600,000.00 €
Milan	Piazza Gae Aulenti, 10	Auditorium	70,800,000.00 €
TOTAL			190,900,000.00 €

SOURCES OF INFORMATION AND SCOPE OF WORKS

Sources of Information

We have carried out our work based upon information supplied to us by the Client as set out within this report, which we have assumed to be correct and comprehensive.

- Rent roll and copy of the new lease agreements
- Expected capex
- Costs to be paid by the Owner

The Property

Our report contains a brief summary of the Property details on which our Valuation has been based.

Inspection

As instructed, for this update we have carried out our work based on desk top Valuation.The Client has confirmed that he is not aware of any material changes to the physical attributes of the properties, or the nature of their use, since last inspections. We have assumed this advice to be correct.

Areas

We have not measured the property, but as instructed, we have relied upon floor areas provided to us by the Client, which we assume to be correct and comprehensive and which we understand have been calculated in accordance to best Italian market practices.

Environmental Matters

We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the Properties and which may draw attention to any contamination or the possibility of any such contamination.

We have not carried out any investigations into the past or present uses of the Properties, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.

Services and Amenities

We understand that all main services including water, drainage, electricity and telephone are available to the Properties. None of the services have been tested by us.

Repair and Condition

We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.

Town Planning

We have made Planning enquiries only consulting the institutional websites. We cannot, therefore, accept responsibility for incorrect information or for material omissions in the information supplied to us.

Titles, Tenures and Lettings

Details of title/tenure under which the Properties are held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title [including relevant deeds, leases and planning consents] is the responsibility of your legal adviser.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.

VALUATION ASSUMPTIONS

Capital Values

The Valuation has been prepared on the basis of "Market Value", which is defined in the Red Book as:

"The estimated amount for which an asset or liability should exchange on the Valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The Valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge.

No account has been taken of the availability or otherwise of capital based Government or European Community grants.

Rental Values

Unless stated otherwise rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent in the Red Book, which is as follows:

"The estimated amount for which an interest in real property should be leased on the Valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.".

The Property

Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our Valuations.

Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our Valuations.

All measurements, areas and ages quoted in our report are approximate.

Environmental Matters

In the absence of any information to the contrary, we have assumed that:

[a] the Properties are not contaminated and are not adversely affected by any existing or proposed environmental law;

[b] any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities;

[c] the Properties possess current the energy performance certificates [APE - Attestato di Prestazione Energetica or equivalent] as required under government directives;

[d] the Properties are either not subject to flooding risk or, if they are, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value.

[e] the Properties are not subject to any seismic risk or if it is, possesses building characteristics in line with the relevant legislation. In addition, an appropriate insurance policy could be obtained without such affecting the Value Assumptions considered within this report.

Repair and Condition

In the absence of any information to the contrary, we have assumed that:

[a] there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties;

[b] the Properties are free from rot, infestation, structural or latent defect;

[c] no currently known deleterious or hazardous materials or suspect techniques have been used in the construction of, or subsequent alterations or additions to, the Properties; and

[d] the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the Property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

Title, Tenure, Lettings, Planning, Taxation and Statutory & Local Authority requirements

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

[a] the Properties possesses a good and marketable title free from any onerous or hampering restrictions or conditions;

[b] the buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use;

[c] the Properties are not adversely affected by town planning or road proposals;

[d] the buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;

[e] only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of the Properties to comply with the provisions of the relevant disability discrimination legislation;

[f] there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;

[g] tenants will meet their obligations under their leases;

[h] there are no user restrictions or other restrictive covenants in leases which would adversely affect value;

[i] where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required;

[j] vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and

[k] in Italy, it is common and often advantageous from a fiscal standpoint for transfers of real estate to take place via transfers of the capital of real estate companies [so-called share deal as opposed to asset deal]: the taxation level applied cannot be standardized, but must be evaluated on a case-by-case basis. In order to define the Total Purchase Price, the purchaser's costs or acquisition fees [i.e. technical and legal fees, stamp duty, agent fees, etc.], as at the Valuation Date should be added. All rents and capital values, costs and other figures stated in this report are exclusive of V.A.T.

VALUATION REPORT

In respect of:

Market Value of the Office building located in Milan, Via Privata Deruta, 19, including two units called "Building A" and "Building B"

Piazza Gae Aulenti 12. 20123 Milano

On behalf of:

COIMA RES S.p.A. SIINQ I | CBRE Project Reference 19-64VAL-0135

Date of Valuation: 30 June 2019

Legal Notice and Disclaimer

This valuation report (the "Report") has been prepared by CBRE Valuation S.p.A. ("CBRE") exclusively for COIMA RES S.p.A. SIINQ I (the "Client") in accordance with the terms of engagement entered into between CBRE and the client dated 21 June 2017 ("the Instruction"). The Report is confidential to the Client and any other Addressees named herein and the Client and the Addressees may not disclose the Report unless expressly permitted to do so under the Instruction.

Where CBRE has expressly agreed (by way of a reliance letter) that persons other than the Client or the Addressees can rely upon the Report (a "Relying Party" or "Relying Parties") then CBRE shall have no greater liability to any Relying Party than it would have if such party had been named as a joint client under the Instruction.

CBRE's maximum aggregate liability to the Client, Addressees and to any Relying Parties howsoever arising under, in connection with or pursuant to this Report and/or the Instruction together, whether in contract, tort, negligence or otherwise shall not exceed the lower of:

(i) 25% of the value of the property to which the Instruction relates (as at the valuation date); or

(ii) €10 million (10,000,000.00 Euro).

Subject to the terms of the Instruction, CBRE shall not be liable for any indirect, special or consequential loss or damage howsoever caused, whether in contract, tort, negligence or otherwise, arising from or in connection with this Report. Nothing in this Report shall exclude liability which cannot be excluded by law.

If you are neither the Client, an Addressee nor a Relying Party then you are viewing this Report on a non-reliance basis and for informational purposes only. You may not rely on the Report for any purpose whatsoever and CBRE shall not be liable for any loss or damage you may suffer (whether direct, indirect or consequential) as a result of unauthorised use of or reliance on this Report. CBRE gives no undertaking to provide any additional information or correct any inaccuracies in the Report.

If another CBRE Group entity contributes to the preparation of the Report, that entity may co-sign the Report purely to confirm its role as contributor. The Client, Relying Party or any other Addressees named herein acknowledge that no duty of care, whether existing under the Instruction or under the Report, shall extend to such CBRE Group entity and the Client, Relying Party or any other Addressees named herein hereby waive any right or recourse against such CBRE Group entity whether arising in contract, tort, negligence or otherwise. CBRE shall remain solely liable to the client in accordance with the terms of the Instruction.

None of the information in this Report constitutes advice as to the merits of entering into any form of transaction.

If you do not understand this legal notice then it is recommended that you seek independent legal advice.

CBRE

CONTENTS

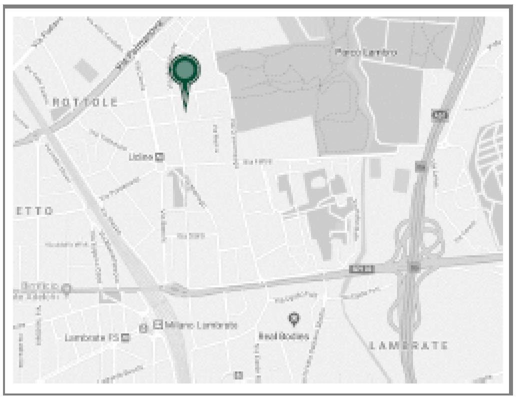
CBRE

PART I

EXECUTIVE SUMMARY

CBRE

EXECUTIVE SUMMARY



THE PROPERTY

Address: Via Privata Deruta, 19 – 20132 Milano (MI) - Italy

Main use: Office

Property including two separate Class A buildings called "Building A" and "Building B". Building A is arranged over 7 floors above ground and 2 basement levels. Building B is arranged over 8 floors above ground and 2 basement levels. The basement levels house 200 parking spaces, the external area at ground floor counts some 90 uncovered parking spaces.

TENURE

CBRE VALUATION S.p.A. has not generally examined nor had access to all the deeds, leases or other documents relating thereto. As communicated by the Client, we understand that the Property is held on freehold basis by "COIMA RES S.p.A. SIINQ I".

TENANCIES

Buildings A and B are fully let to Banca Nazionale del Lavoro S.p.A.. The two lease contracts in place have a fixed duration of 6 years starting from 01/01/2016 and can be renewed for further 6 years upon first lease expiry date. The tenant has the right to recede from the contracts from 01/01/2022 with advance notice at least 12 months before.

MARKET VALUE

€49,400,000.00 (FORTYNINE MILLION FOUR HUNDRED THOUSAND/00 EUROS) exclusive of VAT.

Split ups as follows:

Building A: € 22,600,000.00 (TWENTY TWO MILLION SIX HUNDRED THOUSAND EUROS) exclusive of VAT

Building B: € € 26,800,000.00 (TWENTY SIX MILLION EIGHT HUNDRED THOUSAND EUROS) exclusive of VAT.

We have valued each property individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole. The Aggregate Market Value above is provided for information purposes only and you should refer to the main report for the individual property valuations.

Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using comparable recent market transactions on arm's length terms, where available.

Yield Profile

Discounted rate 1 (Building A and B) (in the period of the in force lease contracts)	5.50%
Discounted rate 2 (Building A and B) (in the period of the in force lease contracts)	7.70%
Net Cap rate (Building A and B)	5.60%
Gross Initial Yield (Building A)	7.52%
Net Initial Yield (Building A)	6.59%
Gross Exit Yield (Building A)	6.36%
Gross Initial Yield (Building B)	7.24%
Net Initial Yield (Building B)	6.33%
Gross Exit yield (Building B)	6.34%

Key Issues

We would comment as follows on the key strengths and weaknesses of the Property as follows.

Strengths

- Grade A office building with flexible layout, open spaces, suspended flooring, suspended ceilings, lifts and good heating comfort;
- Availability of numerous covered and uncovered parking spaces;
- Excellent accessibility by private and public transport;
- Good visibility;
- Good state of maintenance and repair;
- Office spaces with high level of natural lighting;
- Regular and flexible floor layout also for more than one tenant;
- Office building easy to split up for more than one tenant;

Weakness and Mitigating Factors

- The micro location is a secondary business district;
- Wide size for the local market request;
- Should BNL release the spaces before the first expiry date, it would be necessary to consider a fractionised lease of the spaces.

This executive summary should be read in conjunction with the valuation report and should not be relied upon in isolation. It is provided subject to the assumptions, disclaimers and limitations detailed both throughout this report. This valuation is for the use only of the party to whom it is addressed (the Client or Addressee) and for no other purpose than that stated herein. Reliance on this report is conditional upon the reader's acknowledgement and understanding of these statements. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.

PART II

VALUATION REPORT

CBRE

CBRE VALUATION S.p.A.
Piazza degli Affari, 2
20123 Milan
Switchboard +39 02 9974 6000
Fax +39 02 9974 6950

VALUATION REPORT

Report Date	16 July 2019
Addressee (or Client)	**COIMA RES S.p.A. SIINQ I | CBRE Project Reference 19-64VAL-0135** Piazza Gae Aulenti, 12 20154 Milano (MI) – Italy For the attention of: **Mr Emiliano Moncuso**
The Property	Office property including two buildings, A and B.
Property Description	Property including two separate Class A buildings called "Building A" and "Building B" recently constructed (2007), located in the north/eastern area of Milan, near Piazza Udine. Building A is arranged over 7 floors above ground and 2 basement levels. Building B is arranged over 8 floors above ground and 2 basement levels. The basement levels house 200 parking spaces, the external area at ground floor counts some 90 uncovered parking spaces.
Ownership Purpose	Investment
Instruction	To value the unencumbered Freehold interest in the Property on the basis of Market Value as at the valuation date in accordance with the terms of engagement entered into between CBRE and the addressee (ref. no. 118/17) dated 29 May 2017 and accepted on 21 June 2017.
Valuation Date	30 June 2019
Capacity of Valuer	External Valuer, as defined in the RICS Valuation – Global Standards 2017.
Purpose	Half-yearly update
Market Value	Market Value as at 30 June 2019: €49,400,000.00 (FORTYNINE MILLION FOUR HUNDRED THOUSAND/00 EUROS) exclusive of VAT. Split ups as follows: Building A: € 22,600,000.00 (TWENTY TWO MILLION SIX HUNDRED THOUSAND EUROS) exclusive of VAT Building B: € 26,800,000.00 (TWENTY SIX MILLION EIGHT HUNDRED THOUSAND EUROS) exclusive of VAT.

Service Agreement	Our opinion of value is based upon the Scope of Work and Valuation Assumptions attached.
Special Assumptions	None
Compliance with Valuation Standards	The Valuation has been prepared in accordance with the RICS Valuation – Global Standards 2017 which incorporate the International Valuation Standards ["the Red Book"]. We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the Valuation competently. Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book. This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property. Other valuers may reach different conclusions as to the value of the subject property. This Valuation is for the sole purpose of providing the intended user with the Valuer's independent professional opinion of the value of the subject property as at the Valuation date.
Assumptions	The Property details on which the Valuation is based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below. If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figure may also be incorrect and should be reconsidered.
Variation from Standard Assumptions	None
Valuer	The Properties have been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book.
Independence	The total fees, including the fee for this assignment, earned by CBRE Valuation S.p.A. from the Addressee is less than 5.0% of the total Italy revenues.
Conflicts of Interest	We confirm that we have had no previous material involvement with any of the Properties, and that copies of our conflict of interest checks have been retained within the working papers.
Disclosure	The principal signatory of this report has not continuously been the signatory of Valuations for the same addressee and Valuation purpose as this report since 30/06/2017. CBRE Valuation S.p.A. has continuously been carrying out valuation instructions for the addressee of this report since 30/06/2017.

CBRE Valuation S.p.A. has carried out Valuation services only on behalf of the addressee for under 5 years.

Reliance

This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.

Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval.

Yours faithfully

Davide Cattarin
Managing Director

For and on behalf of
CBRE Valuation S.p.A.

+39 02 9974 6933
davide.cattarin@cbre.com

Yours faithfully

Laura Mauri MRICS
Executive Director
RICS Registered Valuer

For and on behalf of
CBRE Valuation S.p.A.
+39 02 9974 6928
laura.mauri@cbre.com

CBRE Valuation S.p.A.
Valuation & Advisory Services
Piazza degli Affari 2
20123 Milan
Project reference: 18-64VAL-0135

SCHEDULE OF VALUES

Properties held as an investment

Address	Total Market Value
Building A, Milano, Via Privata Deruta, 19	22,600,000.00
Building A, Milano, Via Privata Deruta, 19	26,800,000.00
Total	**49,400,000.00**

SOURCES OF INFORMATION AND SCOPE OF WORKS

Sources of Information	We have carried out our work based upon information supplied to us by the Client as set out within this report, which we have assumed to be correct and comprehensive. • DWG floor plans; • Floor area split up by floor and use; • Rent roll; • Costs to be paid by the Property.
The Property	Our report contains a brief summary of the Property details on which our Valuation has been based.
Inspection	As instructed, we have carried out our work based on desk top Valuation, as the Client has confirmed that he is not aware of any material changes to the physical attributes of the properties, or the nature of their use, since last inspection carried out on 12 December 2018. We have assumed this advice to be correct.
Areas	We have not measured the Property but have relied upon the floor areas provided to us by the Client, which we have assumed to be correct and comprehensive, and which you have advised us have been calculated using the most common Italian market praxis.
Environmental Matters	We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the Properties and which may draw attention to any contamination or the possibility of any such contamination. We have not carried out any investigations into the past or present uses of the Properties, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.
Services and Amenities	We understand that all main services including water, drainage, electricity and telephone are available to the Properties. None of the services have been tested by us.
Repair and Condition	We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.
Town Planning	We have made verbal Planning enquiries only of the Milan Council Planning Department and consulted the website. We therefore cannot take responsibility for eventual consequences deriving from incorrect and/or missing information.
Titles, Tenures and Lettings	Details of title/tenure under which the Properties are held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from

deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title [including relevant deeds, leases and planning consents] is the responsibility of your legal adviser.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.

VALUATION ASSUMPTIONS

Capital Values

The Valuation has been prepared on the basis of "Market Value", which is defined in the Red Book as:

"The estimated amount for which an asset or liability should exchange on the Valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The Valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge.

No account has been taken of the availability or otherwise of capital based Government or European Community grants.

Rental Values

Unless stated otherwise rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent in the Red Book, which is as follows:

"The estimated amount for which an interest in real property should be leased on the Valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.".

The Property

Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our Valuations.

Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our Valuations.

All measurements, areas and ages quoted in our report are approximate.

Environmental Matters

In the absence of any information to the contrary, we have assumed that:

[a] the Properties are not contaminated and are not adversely affected by any existing or proposed environmental law;

[b] any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities;

[c] the Properties possess current the energy performance certificates [APE - Attestato di Prestazione Energetica or equivalent] as required under government directives;

[d] the Properties are either not subject to flooding risk or, if they are, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value.

[e] the Properties are not subject to any seismic risk or if it is, possesses building characteristics in line with the relevant legislation. In addition, an appropriate insurance policy could be obtained without such affecting the Value Assumptions considered within this report.

Repair and Condition

In the absence of any information to the contrary, we have assumed that:

[a] there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties;

[b] the Properties are free from rot, infestation, structural or latent defect;

[c] no currently known deleterious or hazardous materials or suspect techniques have been used in the construction of, or subsequent alterations or additions to, the Properties; and

[d] the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the Property details do not purport to express an opinion about, or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

Title, Tenure, Lettings, Planning, Taxation and Statutory & Local Authority requirements

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

[a] the Properties possesses a good and marketable title free from any onerous or hampering restrictions or conditions;

[b] the buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use;

[c] the Properties are not adversely affected by town planning or road proposals;

[d] the buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;

[e] only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of the Properties to comply with the provisions of the relevant disability discrimination legislation;

[f] there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;

[g] tenants will meet their obligations under their leases;

[h] there are no user restrictions or other restrictive covenants in leases which would adversely affect value;

[i] where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required;

[j] vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and

[k] in Italy, it is common and often advantageous from a fiscal standpoint for transfers of real estate to take place via transfers of the capital of real estate companies [so-called share deal as opposed to asset deal]: the taxation level applied cannot be standardized, but must be evaluated on a case-by-case basis. In order to define the Total Purchase Price, the purchaser's costs or acquisition fees [i.e. technical and legal fees, stamp duty, agent fees, etc.], as at the Valuation Date should be added. All rents and capital values, costs and other figures stated in this report are exclusive of V.A.T.

DUFF & PHELPS
Real Estate Advisory Group

COIMA SGR S.p.A.

30th June 2019

Institutional Closed-end Investment Fund

COIMA CORE FUND IV

MARKET VALUE
(mid-semester update)

EXECUTIVE SUMMARY

AZIENDA CON SISTEMA
DI GESTIONE QUALITÀ
CERTIFICATO DA DNV GL
= ISO 9001 =

DUFF & PHELPS
Real Estate Advisory Group

Agrate Brianza, 30th June 2019
Ref. n° 21507.04

Spettabile
COIMA SGR S.p.A.
Piazza Gae Aulenti, 12
20154 MILANO

To the kind attention of Mrs Giuditta Losa

Object: **Determination of the Fair Market Value of Real Estate Properties included in Institutional Closed-end Investment Fund, called "Coima Core Fund IV", as of June 30th, 2019 – EXECUTIVE SUMMARY**

Dear Sirs,
in compliance with Your request, Duff & Phelps REAG S.p.A. (here inafter REAg S.p.A.) carried out the valuation of the real estate assets in which the patrimony of the Institutional Closed-end Investment Fund called "COIMA CORE FUND IV" is invested, in order to determine the Market Value as of June 30th, 2019.

The valuation will be used for a patrimonial verification, in compliance with the Italian law governing the Asset Management companies (Decree of Ministry of Economic Affairs and Finance no. 30 dated 5 March 2015 and the Provision of Banca d'Italia dated 19 January 2015 "Regolamento sulla gestione collettiva del Risparmio", Item V, Article IV, Section II, as well as the Assogestioni guidelines of May 2010 and joint communication of Consob and Banca d'Italia dated 29 July 2010 and subseq. amend. and suppl.

Duff & Phelps REAG SpA a socio unico
Direzione Generale
Centro Direzionale Colleoni
Palazzo Cassiopea 3
20864 Agrate Brianza MB – Italy
Tel. +39 039 6423.1
Fax +39 039 6058427

Sede Legale
Via Monte Rosa, 91 20149 Milano - Italy
Capitale Sociale € 1.000.000,00 i.v.
R.E.A. Milano 1047058
C.F. / Reg. Imprese / P. IVA 05881660152
REAGInfo@duffandphelps.com

Definitions

In this Executive Summary, the corresponding definition is to be applied to the terms listed below, unless otherwise indicated in the ES itself:

- **"Real Estate Portfolio"** (hereinafter **"Portfolio"**) represents the ensemble of assets subject to appraisal: land, buildings, building systems and land improvements. Personal Properties and intangible assets were excluded from the appraisal.
- **"Real Estate Property":** represents the following assets subject to being appraised: land, buildings, building systems and land improvements. Personal property and intangible assets shall be excluded from the appraisal.
- **"Valuation"** is defined by the Royal Institution of Chartered Surveyors ("RICS") as: an opinion of the value of an asset or liability on a stated basis, at a specified date. Unless limitations are agreed in the Terms of Engagement this will be provided after an inspection, and any further investigations and enquiries that are appropriate, having regard to the nature of the property and the purpose of the valuation.
- **"Market Value" (MV)** is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. (RICS Red Book, July 2017)
- **"Market Rent (MR)"** is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. (RICS Red Book, July 2017).

- **"Gross area"** measured along the external edge of the perimeter walls of the building, to the centre line of the confining walls towards Third Parties, it is expressed in square meters.

- **"Commercial area"** the gross area with the exclusion of technical rooms, facilities, cellars, stairwells and/or lift shafts.

Valuation criteria

During the appraisal, REAG followed generally accepted valuation concepts and methods, applying in particular the following valuation methods.

Market/Sales Comparison Approach: is predicated on actual sales transaction data. Sales are adjusted for comparability including time, location, size, condition, utility and intangible benefits.

Income Capitalization Approach: takes two different methodological approaches into consideration:

- ✓ Direct Capitalisation: based on capitalisation of future net incomes generated by the property at a rate deduced from the real estate market;
- ✓ Discounted Cash Flow Method (DCF) based:

a) on the calculation of future net incomes derived from Property renting for a period of "n." years;

b) on the determination of the Market Value of the property by means of the capitalisation in perpetuity of the net income at the end of this period;

c) on the discounted back net incomes (cash flow) as of the evaluation date.

Above mentioned valuation criteria are used singularly and/or integrated one with another, on the discretion of REAG, considering that these criteria are not ever applicable because of difficulties in collecting market data.

REAG determined the value of the Property on the assumption of their higher and best use considering among all legally permitted and financially feasible possible technical uses, only the uses that can potentially confer the maximum value to each Property.

Criteria and methods of evaluation are conformed to the general directives issued by Banca d'Italia.

In addition, REAG:

- according with the Client, carried out an external and internal site inspection (full) of n. 34 properties in the first part of June 2019 e in the first part of July 2019; REAG proceeded with a "desktop" update (without site inspections) for the other properties;
- considered the assets in the current rental status, as provided by the Client, in the excel file called "201906_EI_DB";
- Considered IMU&TASI and Insurance amount (2019) provided by the Client;
- Considered gross surfaces provided by the Client; REAG did not verify gross surfaces;
- analysed the conditions of the local real estate market, taking the economic data related thereto into consideration and adapting it to the specific features of the properties by means of appropriate statistical work-ups;
- analysed the market data supplied by the main market observer and by our own data-base, managed by REAG research & development office, the data-base consists of "rent comparables" and "sale comparables" deriving from the most recent transactions carried out on the Italian market and collected during the daily work by our appraiser technicians
- did not investigate the title to or any liabilities against the real estate properties, but relied on the information provided by the Client. REAG shall neither investigate nor assume any responsibility with regards to any right or encumbrance of the property under appraisal. REAG didn't verify permits, building licenses or assessments, but considered the properties as conforming to existing regulations;
- did not consider possible environmental liabilities of the subject properties. Environmental liabilities are the costs which may be incurred to avoid environmental damages or to modify situations which do not comply with ongoing regulations.

- did not make a specific compliance survey and analysis of the properties to determine whether or not it is in conformity with the various detailed requirements of the law, concerning the possibility for disabled people to enter working places; no soil analysis or geological studies were provided by REAG, nor any water, oil, gas, or other subsurface mineral and use rights or conditions were investigated;
- did not make any environmental impact studies. Full compliance with all applicable laws and governmental regulations were assumed. We have also assumed responsible ownership and that all required licenses, consents, or other legislative or administrative authority from any applicable government or private entity organization either have been or can be obtained or renewed for any use that is relevant to this analysis.

Contents of the Report

The Volume 0 contains the conclusions reached by REAG and includes:

- a general letter of introduction to the report, which identifies the Property, describes the type of examination carried out and presents and certifies the value conclusions;
- a descriptive report on the Property;
- photographic documentation of the Property;
- assumptions and limitations of the Valuation;
- general service conditions.

The 69 "Evaluation Report", related to the analysis and evaluation of each property.

Conclusions

The conclusions on the value pertinent to the Valuation were treated by REAG based on the results obtained upon completion of the following operations:

- collection, selection, analysis and valuation of the data and documents related to the Property;
- carrying out of timely market surveys;
- technical-financial work-ups;

as well as based on the valuation methods and principles indicated above.

Based on the investigation and the premises outlined

it is our opinion that as of June 30th, 2019, the Market Value of the Real Estate Properties (asset by asset) can be reasonably expressed as follows:

Market Value in the current rental situation

Euro 94.400.000,00

(Euro Ninety-Four Million Four Hundred Thousand/00)

The overall value is the sum of the values of each single asset, as indicated in the follow Attachment A

Duff & Phelps REAG S.p.A.

Performed by:
Simone Macchi
Senior Associate Valuation & Investment

Supervision and control:
Marco Ugolini
Director, Valuation & Investment

Simone Spreafico
Managing Director, Advisory & Valuation Dept.

Paola Ricciardi
Managing Director

Leopoldo Civelli
Chairman REAG Europe

N.B.

The results of our findings can be understood only by reading the whole report, consisting of:

- *Statement of Value including valuation criteria, assumptions and limiting conditions, general service conditions;*
- *N. 69 valuation reports and attachments.*

ATTACHMENT:

- Attachment "A" - Summary of values.

WORK TEAM:

The performance of the valuation and drafting of the Report was managed by:

Simone Spreafico – Managing Director, Advisory & Valuation Dept.

Marco Ugolini - Director, Advisory & Valuation Dept.

and collaboration of:

Simone Macchi – Senior Associate, Valuation & Investment

Centro Studi Reag – Analisi di Mercato

Micaela Beretta – Editing.

Site inspections were carried out by:

Federica Riva, Claudia Losa, Coroleo Luca, Ermanno Benati, Ciraci Domenico, Rosina Boccutti, Gabriele Santini, Claudio Maniezzo, Marco Lari, Guastella Alessandro, Luca Bertuzzi, Simone Macchi, Carlo Repele, Matteo Lavagna.

ASSUMPTIONS AND LIMITING CONDITIONS

REAG has expressly indicated the date to which the opinions and conclusions of value refer. The value opinion presented therein is based on the status of the economy and on the purchasing power of the currency stated in the report as of the date of the valuation.

REAG didn't carry out verifications of the area or boundaries of the property subject to analysis. All indications regarding the area and boundaries of the property are supplied by REAG only with the purpose of identifying the property subject to analysis. These identifications cannot be included in property transfer deeds or any other legal document, without the accurate verification on the part of a notary or legal advisor. Any plans, should they be present, are intended to be used solely as aids to represent the property and the area in which it is located. Although these materials were prepared using the most accurate data available, they should not be considered as a survey or as a plan to scale.

No environmental impact study has been ordered or made.
Full compliance with all applicable laws and governmental regulations was assumed unless otherwise stated in this report. We have also assumed responsible ownership and that all required licenses, permits, or other legislative or administrative authority from any applicable government or private entity organization either have been or can be obtained or renewed for any use that is relevant to this analysis (except for what was expressly analysed during the Due Diligence activity).

The value estimate contained within the final report specifically excludes the impact of substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials or of structural damage or environmental contamination resulting from earthquakes or other causes, unless stated to the contrary in this report. It is recommended that the reader of the report consult a qualified structural engineer and/or industrial hygienist for the evaluation of possible structural or environmental defects, the existence of which could have a material impact on value (except for what was expressly analysed during the Due Diligence activity).

REAG did not make specific compliance survey and analysis of the property to determine whether or not it is compliant with the various detailed requirements of the law, concerning the possibility for disabled people to enter work places, unless stated to the contrary in this report.

No soil analysis or geological studies were provided by REAG, nor were any water, oil, gas, or other subsurface minerals nor were the rights of use and conditions were investigated.

REAG assumed that all applicable zoning and use regulations and restrictions have been complied with unless stated to the contrary in this report. Furthermore, REAG assumed that the utilization of the land and improvements is within the boundaries of the property described and that no encroachment or trespassing exists (except for what was expressly analysed during the Due Diligence activity).

We did not consider costs (fiscal costs included) potentially emerging from sale or purchase of the property.

VAT (Value Added Tax) is not included in the values expressed.

Nevertheless REAG, unless otherwise provided for by this report, did not express any opinion and will not be responsible for the structural integrity of the property, including its conformity to specific governmental code requirements such as fire prevention, earthquake resistance, workers' safety or for physical defects not evident to the appraiser.

GENERAL SERVICE CONDITIONS

Agreement

The Contract governing this engagement, including these General Service Conditions, represents the entire agreement between REAG and the Client. It supersedes any prior oral or written agreement and may not be altered except by the mutual agreements of all parties thereto.

Assignment

Neither party may assign, transfer, or delegate any of the rights or obligations hereunder without the prior written consent of the other party; unless such assignment is based upon the lawful transfer to a successor in interest of all or substantially all of the party's assets or business interests.

The Client acknowledges to have been informed by Reag about the possibility of the Assignment of Credit (hereinafter the "Assignment") to any legal person appointed by Reag (hereinafter the "Cessionary"). The Client agrees from now on and without reserve to such Assignment and commits himself to signing any document which may be necessary for legal and administrative regularization on Reag request. The Client may possibly be notified of the Assignment by means of either registered letter with acknowledgement of delivery or extrajudicial act. With effect from the invoice factoring, the Client shall be bound to pay any amount due according to this agreement and to keep to any contractual obligation

Client of Record

Only the signed Client(s) of Record may rely on the results of REAG's work. No Third Party shall have reliance or contractual rights of REAG's Client(s) of Record without REAG's prior written consent. No Party should rely on the results of REAG's work as a substitute for its own due diligence.

Communication

Electronic media including e-mail and faxes are acceptable vehicles to communicate all materials unless such communication forms are expressly prohibited in the Contract. The Client is expected to communicate and to give information to the Client Service Team assigned by REAG to this engagement. The Client shall not assume nor enlist the Client Service Team assigned by REAG to any work contemplated by the Contract to have knowledge of information provided to others not part of the team.

Contingent Fees

REAG's compensation is not contingent in any way upon its opinion or conclusions or upon any subsequent event directly related to those opinions or conclusions. The Client shall pay REAG's invoices in accordance with their stated terms.

Confidentiality of data and information.

REAG maintained strictly confidential all information and data relating to the object of the engagement and its performance, and undertook not to disclose them or make them known to third parties, except in compliance with the provisions and provisions of the Authority.

REAG has the right to show the files and work notes in the context of any quality or compliance audits carried out by certification organizations to which REAG or its employees are associated. Any such access continues to be subject to the same confidence and protection by both REAG and the certification organizations. The information has not been handled and will not be handled as confidential if:

i) it is at the moment of the disclosure or later released to the public;

ii) at the time of disclosure to REAG, the information was already in its possession;

iii) the information was obtained from a third party not subject to confidentiality obligations towards the Customer.

Unless mandated by applicable laws or governmental regulations, Client shall not disclose any part REAG's work product, its confidential materials, or its role in the engagement to anyone not stipulated in the Contract, without the prior written consent of REAG.

Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report (especially any conclusion, the identity of any individuals signing or associated with this report or the firms with which they are connected, or any reference to the professional associations or organizations with which they are affiliated or the designations awarded by those organizations) shall be disseminated to third parties through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of REAG.

REAG has the right to include the name of the Customer in his list of references.

Data Protection

The Parties recognised that they each processed or shall each be processing personal data in connection with the performance of their obligations and/or exercise of their rights under this Agreement and/or as otherwise required by law or regulation and that the factual arrangement between them dictated the role of each Party (as to data controller or data processor) in respect of the Data Protection Laws. Notwithstanding the foregoing, the Parties agreed and acknowledged that where either Party processed personal data pursuant to or in relation to this Agreement, that Party carried out the processing for its own purposes, and as such is a data controller under the Data Protection Laws.

Each Party at all times complies with its respective obligations under all applicable Data Protection Laws to the extent such Data Protection Laws applies to it in connection with the performance of its obligations or exercise of its rights under this Agreement

Force Majeure

Neither the Client nor REAG shall be liable for delays or for failures to perform according to the terms of the Contract due to circumstances that are beyond their individual control.

Governing Law, Jurisdiction and Venue

This Contract shall be governed exclusively by the Italian Law. Any disputes regarding these agreements will be handled exclusively by the Italian Judge and will fall within the territorial jurisdiction of the Court of Milan.

Indemnification

Client shall indemnify and hold REAG harmless against and from any and all losses, claims, actions, damages, expenses, or liabilities, including reasonable attorney fees, to which REAG may become subjected in connection with this engagement, except to the extent finally judicially determined to have resulted from the negligence or intentional misconduct of REAG. The Client's obligation for indemnification and reimbursement shall extend to any authoritative person of REAG including any director, officer, employee, subcontractor, affiliate or agent. REAG's liability to the Client shall in no event exceed the fees it receives as a result of the engagement, except to the extent determined to have resulted from the negligence or intentional misconduct of REAG.

REAG shall indemnify and hold the Client harmless against and from any and all losses, claims, or expenses for bodily injury or property damage, in proportion to that which is caused by REAG personnel or representatives during the performance of the engagement, except to the extent of the Client's negligence. While on the Client's premises, the personnel assigned by REAG to any work contemplated by the Contract shall comply with all posted safety instructions or safety procedures requested by the Client.

Independent Contractor

REAG and the Client shall be independent contractors with respect to each other. REAG reserves the right to use subcontractors in executing the engagement. REAG is an equal opportunity employer.

Limits on the Use of the Work

REAG's report may be used only for the specific use or uses stated in the Contract, and any other use is invalid.

Matters legal in nature

No responsibility is assumed for matters legal in nature. No investigation has been made regarding the title of or any liabilities against the property appraised. We have assumed that the owner's claim is valid, the property rights are good and marketable, and there are no encumbrances that cannot be cleared through normal processes.

Reliance on Information Provided by the Client

REAG is entitled to rely without independent verification on the accuracy and completeness of all of the information provided by the Client or its advisors. Although gathered from sources that we believe are reliable, no guarantee is made nor liability assumed for the truth or accuracy of any data, opinions, or estimates furnished by others, unless stated to the contrary.

Retention

Unless stipulated to the contrary in this report or in a related written agreement, REAG retains as its property all files, documents, work papers, and other results, developed during the course of the engagement. Such materials will be retained for a period of at least 5 years. During this retention period, the Client shall have access to these documents to assist it in completing the specific use or uses stated in the Contract, subject only to reasonable notification.

Standards of Performance

REAG shall perform the engagement in accordance with applicable professional standards. However, professional services usually involve judgements made in uncertain environments and based on an analysis of data that may be unverified or subject to change over time. The Client and other parties to whom the Client provides access to the results of REAG's work, shall evaluate the performance of REAG based on the specifications of the Contract as well as on the applicable professional standards.

Testimony

REAG's services do not include giving testimony or participating in or attending court or any other legal or regulatory hearings or inquiries unless provided for in the Contract or in a subsequent written agreement.

Ethical code – Model 231

The Client takes note that REAG has adopted its own ethical code (hereinafter "Ethical code") and its organization, management and control model according to principles and guidelines of Decreto Legislativo n. 231/2001 (hereinafter "**Model 231**"). The adoption of Model 231 is intended to prevent any crimes which Decreto Legislativo n. 231/2001 refers to and to avoid any related sanction. Copy of the Ethical code in force is available upon specific request.

The Client declares that they and any of their direct and/or indirect parent companies and subsidiaries: - do not deal (do not have offices, business, investments, transactions) with sensitive countries and/or countries subject to sanctions and embargos imposed by the UN, USA, EU and local governments; - do not do business with individuals or entities based/operating in said countries; - are not subject to said sanctions.

Clash of interests

Six –months after delivery of the final report REAG shall be able to submit to Third Parties proposals concerning the real estate assets which are the subject of this appraisal.

Complaint

The Client can demonstrate, within 20 days of the end of the activity, his dissatisfaction to REAG sending a complaint via e-mail to the appropriate e-mail account customercare@reag-dp.com.

In order to accept and respect the requests of the Client, REAG shall carefully review any claim, verifying and analyzing the work.

DUFF & PHELPS

Real Estate Advisory Group

Duff & Phelps REAG S.p.A.
Centro Direzionale Colleoni
Palazzo Cassiopea 3- Via Paracelso, 26
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Duff & Phelps is a premier independent advisor with expertise in the areas of valuation, corporate finance, disputes and investigations, compliance and regulatory matters and other governance-related issues. From offices around the world, the firm's nearly 2,500 employees help clients address their most pressing business challenges. www.duffandphelps.com.

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RICS

DNV·GL

Duff & Phelps
Real Estate Advisory Group

COIMA S.G.R. S.p.A

Institutional Closed-end Alternative Investment Fund

"COIMA CORE FUND VI"

EXECUTIVE SUMMARY

Market Value

JUNE 30th, 2019

AZIENDA CON SISTEMA
DI GESTIONE QUALITÀ
CERTIFICATO DA DNV GL
= ISO 9001 =

DUFF & PHELPS
Real Estate Advisory Group

Agrate B.za, June 30th,2019
Rif. n. 21926.02

Messrs
COIMA SGR S.p.A.
Piazza Gae Aulenti, 12
20154 MILANO

To the kind attention of Mrs Giuditta Losa

Object: **Determination of the Fair Market Value of Real Estate Properties included in Institutional Closed-end Alternative Investment Fund, called "COIMA CORE FUND VI", as of June 30th, 2019 – EXECUTIVE SUMMARY**

Dear Sirs,
in compliance with Your request, Duff & Phelps REAG S.p.A. (hereinafter REAG) carried out the valuation of the real estate assets in which the patrimony of the Institutional Closed-end Alternative Investment Fund called "COIMA CORE FUND VI" is invested, in order to determine the Market Value as of June 30th, 2019.

The valuation will be used for a patrimonial verification, in compliance with the Italian law governing the Asset Management companies (Decree of Ministry of Economic Affairs and Finance no. 30 dated 5 March 2015 and the Provision of Banca d'Italia dated 19 January 2015 "Regolamento sulla gestione collettiva del Risparmio", Item V, Article IV, Section II, as well as the Assogestioni guidelines of May 2010 and joint communication of Consob and Banca d'Italia dated 29 July 2010 and subseq. amend. and suppl.

Duff & Phelps REAG SpA a socio unico
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Centro Direzionale Colleoni
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REAGinfo@duffandphelps.com

ASSET UNDER ANALYSIS

The real estate portfolio belonging to the "COIMA CORE FUND VI" consists of:

- ✓A single building, located in the CBD of Milano, intended for office use (Gioia 8) and hotel use (Gioia 6).

Please refer to the individual evaluation reports attached for the characteristics of each asset.

In the second half of 2018 the Fund proceeded with the disposal of the building located in Rome, Piazzale Sturzo.

Definitions

In this Executive Summary, the corresponding definition is to be applied to the terms listed below, unless otherwise indicated in the ES itself.

"Real Estate Property": represents the following assets subject to being appraised: land, buildings, building systems and land improvements. Personal property and intangible assets shall be excluded from the appraisal.

"Valuation" is defined by the Royal Institution of Chartered Surveyors ("RICS") as: an opinion of the value of an asset or liability on a stated basis, at a specified date. Unless limitations are agreed in the Terms of Engagement this will be provided after an inspection, and any further investigations and enquiries that are appropriate, having regard to the nature of the property and the purpose of the valuation.

"Market Value" The estimated amount for which an asset or liability should exchange on the *valuation date* between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. (RICS Red Book, July 2017)

"Market Rent" The estimated amount for which an interest in *real property* should be leased on the *valuation date* between a willing lessor and willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. (RICS Red Book, July 2017).

"Gross area" measured along the external edge of the perimeter walls of the building, to the centre line of the confining walls towards Third Parties, it is expressed in square meters.

"Commercial area" the gross area with the exclusion of technical rooms, facilities, cellars, stairwells and/or lift shafts.

Valuation criteria

During the appraisal, REAG followed generally accepted valuation concepts and methods, applying in particular the following valuation methods.

Market/Sales Comparison Approach: is predicated on actual sales transaction data. Sales are adjusted for comparability including time, location, size, condition, utility and intangible benefits.

Income Capitalization Approach: takes two different methodological approaches into consideration:

- ✓ Direct Capitalisation: based on capitalisation of future net incomes generated by the property at a rate deduced from the real estate market;
- ✓ Discounted Cash Flow Method (DCF) based:
  a) on the calculation of future net incomes derived from Property renting for a period of "n." years;
  b) on the determination of the Market Value of the property by means of the capitalisation in perpetuity of the net income at the end of this period;
  c) on the discounted back net incomes (cash flow) as of the evaluation date.

REAG determined Market Value in order to its highest and best use. The highest and best use is defined as the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

In determining the Value of the Property, the criteria and methods of evaluation conformed to the general directives issued by the Banca d'Italia.

In addition, REAG:

- according with the Client, did't carry out any external and internal site inspections (full) of the Properties; last site inspections were carried out in May/June 2018;
- conducted the valuations basing on the data provided by the Client;
- analysed the conditions of the local real estate market, taking the economic data related thereto into consideration and adapting it to the specific features of the properties by means of appropriate statistical work-ups;
- considered the building areas relating to the properties (gross area divided by intended use) provided by the Client and not verified by REAG;
- verified the city-planning situation of the properties, based on the documentation supplied by the Client and by conducting specific checks on the Milano and Rome Municipality websites (city-planning section);
- did not investigate the title to or any liabilities against the real estate property but shall rely on the infor-mation provided by the Client. REAG neither investigated nor assumed any responsibility with regards to any right or encumbrance of the property under appraisal.
- did not verify permits, building licenses or assessments, but considered the property as conforming to existing regulations;
- did not be consider Environmental liabilities are the costs which may be incurred to avoid environmental damages or to modify situations which do not comply with ongoing regulations.

Contents of the Report

The report includes:
"Volume 0" including the final report on the conclusions reached by REAG, comprises the conclusion reached, Valuation considerations and criteria, assumptions and limiting conditions and General Service conditions.

The **"Volume 1"**, related to the analysis and the valuation of each real estate property and consists of the following paragraphs:

- ID data; surrounding area; property description; town planning situation; real estate market; area chart;
- Attachments: Valuation chart.

Conclusions

The value conclusions concerning the valuation Report were treated by REAG on the basis of the results obtained upon completion of all of the following operations:

- collection, selection, analysis and valuation of the data and documents pertaining to the Property;
- carrying out appropriate market surveys;
- technical-financial work-ups;
- collection, selection, analysis of the "Market / Rent Comparables"

as well as on the basis of the evaluative methods and principles indicated previously.

<u>*Based on the investigation and the premises outlined*</u>

Based on the investigation, and the premises outlined, it is our opinion that as of June 30th, 2019, the Market Value of the Real Estate Property constituting the Institutional Closed-end Alternative Investment Fund called "COIMA CORE FUND VI" can be reasonably expressed as follows:

Counter	ASSET	MV (Euro) 30/06/2019
1	MILANO VIA M. GIOIA 6/8 OFFICE	53.100.000,00
2	MILANO VIA M. GIOIA 6/8 NH HOTEL VERDI	28.700.000,00
	TOTAL	**81.800.000,00**

Duff & Phelps REAG S.p.A.

Performed by:
Christian Cavenaghi
Associate Director, Valuation & Investment

Supervision and control:
Marco Ugolini
Director, Valuation & Investment

Simone Spreafico
Managing Director, Advisory & Valuation Dept.

Paola Ricciardi
Managing Director

Leopoldo Civelli
Chief Executive Officer

The results of our findings can be understood only by reading the whole report, consisting of:

- *Statement of Value including valuation criteria, assumptions and limiting conditions, general service conditions;*
- *Description reports and attachments, including in Volume 1.*

Work Team:

The performance of the valuation and drafting of the Report was managed by:

Simone Spreafico – *Managing Director, Advisory & Valuation Dept.*

with the supervision of and control by:

Marco Ugolini – *Director, Valuation & Investment*

Federica Minnella – *Director, Hospitality&Leisure Division*

and collaboration of:

Christian Cavenaghi – *Associate Director, Valuation & Investment*

Davide Vergani – *Associate Director, Hospitality&Leisure Division*

R&D Office – *Market Analysis*

Micaela Beretta – *Editing*

ASSUMPTIONS AND LIMITING CONDITIONS

REAG has expressly indicated the date to which the opinions and conclusions of value refer. The value opinion presented therein is based on the status of the economy and on the purchasing power of the currency stated in the report as of the date of the valuation.

REAG didn't carry out verifications of the area or boundaries of the property subject to analysis. All indications regarding the area and boundaries of the property are supplied by REAG only with the purpose of identifying the property subject to analysis. These identifications cannot be included in property transfer deeds or any other legal document, without the accurate verification on the part of a notary or legal advisor. Any plans, should they be present, are intended to be used solely as aids to represent the property and the area in which it is located. Although these materials were prepared using the most accurate data available, they should not be considered as a survey or as a plan to scale.

No environmental impact study has been ordered or made.
Full compliance with all applicable laws and governmental regulations was assumed unless otherwise stated in this report. We have also assumed responsible ownership and that all required licenses, permits, or other legislative or administrative authority from any applicable government or private entity organization either have been or can be obtained or renewed for any use that is relevant to this analysis (except for what was expressly analysed during the Due Diligence activity).

The value estimate contained within the final report specifically excludes the impact of substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials or of structural damage or environmental contamination resulting from earthquakes or other causes, unless stated to the contrary in this report. It is recommended that the reader of the report consult a qualified structural engineer and/or industrial hygienist for the evaluation of possible structural or environmental defects, the existence of which could have a material impact on value (except for what was expressly analysed during the Due Diligence activity).

REAG did not make specific compliance survey and analysis of the property to determine whether or not it is compliant with the various detailed requirements of the law, concerning the possibility for disabled people to enter work places, unless stated to the contrary in this report.

No soil analysis or geological studies were provided by REAG, nor were any water, oil, gas, or other subsurface minerals nor were the rights of use and conditions were investigated.

REAG assumed that all applicable zoning and use regulations and restrictions have been complied with unless stated to the contrary in this report. Furthermore, REAG assumed that the utilization of the land and improvements is within the boundaries of the property described and that no encroachment or trespassing exists (except for what was expressly analysed during the Due Diligence activity).

We did not consider costs (fiscal costs included) potentially emerging from sale or purchase of the property.

VAT (Value Added Tax) is not included in the values expressed.

The site inspection on the property has been carried out by staff who are experts in the real estate division.

Nevertheless REAG, unless otherwise provided for by this report, did not express any opinion and will not be responsible for the structural integrity of the property, including its conformity to specific governmental code requirements such as fire prevention, earthquake resistance, workers' safety or for physical defects not evident to the appraiser.

GENERAL SERVICE CONDITIONS

Agreement

The Contract governing this engagement, including these General Service Conditions, represents the entire agreement between REAG and the Client. It supersedes any prior oral or written agreement and may not be altered except by the mutual agreements of all parties thereto.

Assignment

Neither party may assign, transfer, or delegate any of the rights or obligations hereunder without the prior written consent of the other party; unless such assignment is based upon the lawful transfer to a successor in interest of all or substantially all of the party's assets or business interests.

The Client acknowledges to have been informed by Reag about the possibility of the Assignment of Credit (hereinafter the "Assignment") to any legal person appointed by Reag (hereinafter the "Cessionary"). The Client agrees from now on and without reserve to such Assignment and commits himself to signing any document which may be necessary for legal and administrative regularization on Reag request. The Client may possibly be notified of the Assignment by means of either registered letter with acknowledgement of delivery or extrajudicial act. With effect from the invoice factoring, the Client shall be bound to pay any amount due according to this agreement and to keep to any contractual obligation

Client of Record

Only the signed Client(s) of Record may rely on the results of REAG's work. No Third Party shall have reliance or contractual rights of REAG's Client(s) of Record without REAG's prior written consent. No Party should rely on the results of REAG's work as a substitute for its own due diligence.

Communication

Electronic media including e-mail and faxes are acceptable vehicles to communicate all materials unless such communication forms are expressly prohibited in the Contract. The Client is expected to communicate and to give information to the Client Service Team assigned by REAG to this engagement. The Client shall not assume nor enlist the Client Service Team assigned by REAG to any work contemplated by the Contract to have knowledge of information provided to others not part of the team.

Contingent Fees

REAG's compensation is not contingent in any way upon its opinion or conclusions or upon any subsequent event directly related to those opinions or conclusions. The Client shall pay REAG's invoices in accordance with their stated terms.

Confidentiality of data and information.

REAG maintained strictly confidential all information and data relating to the object of the engagement and its performance, and undertook not to disclose them or make them known to third parties, except in compliance with the provisions and provisions of the Authority.

REAG has the right to show the files and work notes in the context of any quality or compliance audits carried out by certification organizations to which REAG or its employees are associated. Any such access continues to be subject to the same confidence and protection by both REAG and the certification organizations. The information has not been handled and will not be handled as confidential if:

i) it is at the moment of the disclosure or later released to the public;

ii) at the time of disclosure to REAG, the information was already in its possession;

iii) the information was obtained from a third party not subject to confidentiality obligations towards the Customer.

Unless mandated by applicable laws or governmental regulations, Client shall not disclose any part REAG's work product, its confidential materials, or its role in the engagement to anyone not stipulated in the Contract, without the prior written consent of REAG.

Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report (especially any conclusion, the identity of any individuals signing or associated with this report or the firms with which they are connected, or any reference to the professional associations or organizations with which they are affiliated or the designations awarded by those organizations) shall be disseminated to third parties through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of REAG.

REAG has the right to include the name of the Customer in his list of references.

Data Protection

The Parties recognised that they each processed or shall each be processing personal data in connection with the performance of their obligations and/or exercise of their rights under this Agreement and/or as otherwise required by law or regulation and that the factual arrangement between them dictated the role of each Party (as to data controller or data processor) in respect of the Data Protection Laws. Notwithstanding the foregoing, the Parties agreed and acknowledged that where either Party processed personal data pursuant to or in relation to this Agreement, that Party carried out the processing for its own purposes, and as such is a data controller under the Data Protection Laws.

Each Party at all times complies with its respective obligations under all applicable Data Protection Laws to the extent such Data Protection Laws applies to it in connection with the performance of its obligations or exercise of its rights under this Agreement

Force Majeure

Neither the Client nor REAG shall be liable for delays or for failures to perform according to the terms of the Contract due to circumstances that are beyond their individual control.

Governing Law, Jurisdiction and Venue

This Contract shall be governed exclusively by the Italian Law. Any disputes regarding these agreements will be handled exclusively by the Italian Judge and will fall within the territorial jurisdiction of the Court of Milan.

Indemnification

Client shall indemnify and hold REAG harmless against and from any and all losses, claims, actions, damages, expenses, or liabilities, including reasonable attorney fees, to which REAG may become subjected in connection with this engagement, except to the extent finally judicially determined to have resulted from the negligence or intentional misconduct of REAG. The Client's obligation for indemnification and reimbursement shall extend to any authoritative person of

REAG including any director, officer, employee, subcontractor, affiliate or agent. REAG's liability to the Client shall in no event exceed the fees it receives as a result of the engagement, except to the extent determined to have resulted from the negligence or intentional misconduct of REAG.

REAG shall indemnify and hold the Client harmless against and from any and all losses, claims, or expenses for bodily injury or property damage, in proportion to that which is caused by REAG personnel or representatives during the performance of the engagement, except to the extent of the Client's negligence. While on the Client's premises, the personnel assigned by REAG to any work contemplated by the Contract shall comply with all posted safety instructions or safety procedures requested by the Client.

Independent Contractor

REAG and the Client shall be independent contractors with respect to each other. REAG reserves the right to use subcontractors in executing the engagement. REAG is an equal opportunity employer.

Limits on the Use of the Work

REAG's report may be used only for the specific use or uses stated in the Contract, and any other use is invalid.

Matters legal in nature

No responsibility is assumed for matters legal in nature. No investigation has been made regarding the title of or any liabilities against the property appraised. We have assumed that the owner's claim is valid, the property rights are good and marketable, and there are no encumbrances that cannot be cleared through normal processes.

Reliance on Information Provided by the Client

REAG is entitled to rely without independent verification on the accuracy and completeness of all of the information provided by the Client or its advisors. Although gathered from sources that we believe are reliable, no guarantee is made nor liability assumed for the truth or accuracy of any data, opinions, or estimates furnished by others, unless stated to the contrary.

Retention

Unless stipulated to the contrary in this report or in a related written agreement, REAG retains as its property all files, documents, work papers, and other results, developed during the course of the engagement. Such materials will be retained for a period of at least 5 years. During this retention period, the Client shall have access to these documents to assist it in completing the specific use or uses stated in the Contract, subject only to reasonable notification.

Standards of Performance

REAG shall perform the engagement in accordance with applicable professional standards. However, professional services usually involve judgements made in uncertain environments and based on an analysis of data that may be unverified or subject to change over time. The Client and other parties to whom the Client provides access to the results of REAG's work, shall evaluate the performance of REAG based on the specifications of the Contract as well as on the applicable professional standards.

Testimony

REAG's services do not include giving testimony or participating in or attending court or any other legal or regulatory hearings or inquiries unless provided for in the Contract or in a subsequent written agreement.

Ethical code – Model 231

The Client takes note that REAG has adopted its own ethical code (hereinafter "Ethical code") and its organization, management and control model according to principles and guidelines of Decreto Legislativo n. 231/2001 (hereinafter "Model 231"). The adoption of Model 231 is intended to prevent any crimes which Decreto Legislativo n. 231/2001 refers to and to avoid any related sanction. Copy of the Ethical code in force is available upon specific request.

The Client declares that they and any of their direct and/or indirect parent companies and subsidiaries: - do not deal (do not have offices, business, investments, transactions) with sensitive countries and/or countries subject to sanctions and embargos imposed by the UN, USA, EU and local governments; - do not do business with individuals or entities based/operating in said countries; - are not subject to said sanctions.

Clash of interests

Six –months after delivery of the final report REAG shall be able to submit to Third Parties proposals concerning the real estate assets which are the subject of this appraisal.

Complaint

The Client can demonstrate, within 20 days of the end of the activity, his dissatisfaction to REAG sending a complaint via e-mail to the appropriate e-mail account customercare@reag-dp.com.

In order to accept and respect the requests of the Client, REAG shall carefully review any claim, verifying and analyzing the work.

DUFF & PHELPS
Real Estate Advisory Group

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RICS

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Determination of the Market Value of the Real Estate Complex and the Consortium's shares owned by the CORE Fund VIII

17 July 2019

Valuation report for the determination of the market value of the real estate complex in Milan, Via Lorenteggio 240, and the Consorzio Lorenteggio Village's shares owned by the real estate Core Fund VIII managed by Coima SGR S.p.A.

PricewaterhouseCoopers Advisory SpA

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Coima SGR S.p.A.
Piazza Gae Aulenti, 12
20154 - Milano (Mi)

To the attention of Dr. Gabriele Bonfiglioli

July 17th 2019

Dear Sirs,

Object: Determination of the Market Value of the real estate complex in Milan, Via Lorenteggio 240, and the Consorzio Lorenteggio Village's shares owned by the real estate Core Fund VIII managed by Coima SGR S.p.A.

Referring to the engagement letter between us dated 20/06/2019 (for the "Engagement Letter" refer to Attachment 1), hereafter we present our valuation report ("Document").

We invite you to read what is reported in the following Document based on the context of the purposes for which the Document was prepared.

This Document is a summary and the complete analysis has already been provided to Coima SGR S.p.A.

Yours faithfully

PricewaterhouseCoopers Advisory S.p.A.

Marco Tanzi Marlotti

Partner

Antonio Martino, MRICS

Partner

PricewaterhouseCoopers Advisory SpA

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Contents

1 . At a glance

1.1 Scope of work

COIMA SGR S.p.A. (the "Company" or "SGR") is interested in determining the market value ("Market Value" or "MV") at June 30th 2019 of the real estate portfolio located in Milan ("Services" and "Portfolio"), more precisely at Via Lorenteggio 240 called "Vodafone Village" (the "Asset") and the shares of the Consorzio Lorenteggio Village (the "Consortium").

The valuation of the Portfolio is required as an Independent Expert (the "IE") pursuant to and for the purposes of the Applicable Rules as defined below:

- D.Lgs. 24/02/1998 n. 58 and following amendments;
- Lgs. 01/09/1993 n. 385 and following amendments;
- D.M. 30/2015;
- Comunicazione Banca d'Italia of March 25th 2015. Acknowledge from direttiva 2011/61/UE (AIFMD);
- Regulation adopted by the Bank of Italy and Consob by order of October 29th 2007 and subsequently amended by atti congiunti Bank of Italy/Consob of May 9th 2012, of July 25th 2012 and of January 19th 2015;
- Comunicazione congiunta Banca d'Italia/Consob del 29/07/2010;
- "Assogestioni" guidelines on the valuation of real estate properties, property rights and participation in real estate companies not listed on FIAs.
- L. 30/12/2018, n. 145 "Bilancio di previsione dello Stato per l'anno finanziario 2019 e bilancio pluriennale per il triennio 2019-2021".

In this context, PricewaterhouseCoopers Advisory S.p.A. – Corporate Finance Division or Deals team - ("PwC CF" or "PwC") was instructed as an Independent Expert from the SGR on behalf of the Core Fund VIII to determine the Market Value of the Portfolio. With reference to our Engagement Letter (dated at 20.06.2019), reported in the Attachments section of this Document for a detailed description of the Services.

1.2 Source of information

The following Document is based on:

- Data and documents concerning the Asset received from the management of the SGR ("Management");
- inspection of the Asset conducted on June 24th 2019 by PwC;
- analysis of the Milan real estate market as well as a specific focus of the office real estate market;
- unit construction costs on the basis of official price lists (DEI 2014 Collegio degli Ingegneri e Architetti di Milano – Tipografia del Genio Civile), considering gross leasable area, defined by the DEI as the sum of the main surface and the homogenized surface of the direct accessories and the uncovered area;
- information extrapolate from data providers: Scenari Immobiliari – Real Value and OMI – Agenzia delle Entrate;

- data processed and organized systemically, according to the appraisal method deemed best suited to determining the requested value.

This Document was also prepared on the basis of discussions with the Management.

We obtained written confirmation that the information supplied to us is complete and exhaustive and that the Management is not aware of additional information significant to our work that has not been presented to and discussed with us.

For further details of the information and documentation used for evaluation purposes, refer to Section 2 "Nature and Source of Information".

1.3 Assumptions and limitations

Our analysis has been conducted according to assumptions and limitations reported as follows:

- the performance of the Services may not be considered as an involvement of PwC CF in the management and activity of the Company nor in any decision related to the Assets;
- this Document has been prepared for the sole benefit of the Company, in accordance with the terms of our Engagement Letter, and is not intended to be used for other purposes. Accordingly, we decline all liability in respect of other purposes or other parties to whom the Document has been delivered or who have come into possession of it in another manner, except for cases in which we have given our prior consent in writing;
- by its very nature, valuation work cannot be represented by a pure application of methods and formulas, but it is the result of a complex process of analysis and estimation that in many cases will be subjective. There is, therefore, no indisputable single value and we normally express our valuation opinions as falling within expected ranges;
- the analysis has been based on technical, economic and financial information and documents provided by the Management. The Management is responsible for the quality and correctness of the data and information provided to us. We have only reviewed this documentation for reasonableness;
- we analysed the data that we received from the Management for overall reasonableness only;
- the Services do not include any type of urban planning analysis and environmental-related issues;
- the gross floor areas on which the gross leasable areas were calculated were provided by the Management;
- the Asset was considered in the occupancy situation indicated by the Management and in its current physical and legal condition at the date of the appraisal;
- the Services do not include any type of due diligence (e.g. accounting, legal, tax, technical or environmental), nor the provision of legal and/or tax advice, therefore, PwC does not assume any liability related to legal and/or tax issues or contractual interpretation;
- our findings do not take into consideration individual expectations, possible synergies nor the contractual power of the parties or their interests, which may affect the price within an independent negotiation process;
- the appendices are an integral part of this Document.

1.4 Limitations of the analysis

- The floor plans were not verified to correspond with the Asset as it stands;
- no verification was performed concerning owned securities and the compliance of the individual properties with current administrative, safety, hygiene and environmental provisions, and it was assumed that all necessary administrative authorizations had been obtained;
- Gross surfaces were not verified either by on-site surveys and/or planimetric measurements;
- no environmental issues were sought or verified by PwC.

1.5 Key aspects of the analysis

The analysis conducted to determine the Market Value of the Portfolio is based on the following valuation standards and criteria:

- The International Valuation Standards ("IVS");
- The Red Book of the Royal Institute of Chartered Surveyors ("RICS");

The analysis conducted to determine the Market Value of the Portfolio is based on the following Applicable Rules as defined below:

- D.Lgs. 24/02/1998 n. 58 and following amendments;
- Lgs. 01/09/1993 n. 385 and following amendments;
- D.M. 30/2015;
- Comunicazione Banca d'Italia of March 25th 2015. Acknowledge from direttiva 2011/61/UE (AIFMD);
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- "Assogestioni" guidelines on the valuation of real estate properties, property rights and participation in real estate companies not listed on FIAs.
- L. 30/12/2018, n. 145 "Bilancio di previsione dello Stato per l'anno finanziario 2019 e bilancio pluriennale per il triennio 2019-2021".

1.6 Definition of Market Value

"**Market Value**" ("MV") is defined as the estimated amount for which a property ought to be sold and purchased, at the valuation date, by a seller and buyer without particular ties, both interested in the transaction, under competitive conditions, after adequate marketing in which the parties have both acted in an informed, aware manner and without coercion. ["IVS"]

1.7 Valuation perimeter

The Asset is a real estate office complex located at Via Lorenteggio 140 in Milan named "Vodafone Village".

The Consortium's shares owned by the fund amount to 69.21% of the total.

1.8 Reference date of valuation

June 30th 2019

1.9 Conclusions

Our conclusions must be read and interpreted in the context of the purposes for which the Document was prepared and based on the assumptions and limitations previously discussed. Based on our analysis, illustrated in the Document, and based on the application of the estimation method most suited to the characteristics of the Asset, we estimate that the Market Value, as at June 30th 2019, is:

€ 213,000,000

(€two hundred thirteen million)

On the basis of our analysis and on the basis of the application of the valuation methodologies, illustrated in the Document, the Market Value of the Consortium's Economic Capital as at June 30th 2019, is equal to:

€ 6,921

(€six thousand nine hundred and twenty-one)