Real Estate SIIQ

COIMA RES
Interim condensed
consolidated financial statements
as of June 30th, 2018

INDEX

CORPORATE INFORMATION

COIMA RES S.p.A. SIIQ, (the "**Company**" or "**COIMA RES**"), with legal incorporation in Milan, Piazza Gae Aulenti 12, with Tax Code, Register of Companies and VAT No. n. 09126500967, is a commercial real estate company listed on Borsa Italiana.

COIMA RES manages commercial real estate properties with primary focus on the office segment, in order to generate rental income from major national and international operators. The company operates with the beneficial tax status granted to SIIQs (Società di Investimento Immobiliare Quotata) which is similar to the designation of Real Estate Investment Trusts (REITs) in other jurisdictions. COIMA RES' investment strategy is focused on creating a high-quality real estate portfolio – underpinned by stable, growing and sustainable cash flows – through acquisition, management, and selective disposals of commercial properties with the potential for medium term capital-value appreciation.

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	Key Manager (CEO), Executive Director
Luciano Gabriel	Independent Director
Olivier Elamine	Independent Director
Agostino Ardissone	Independent Director
Alessandra Stabilini	Independent Director
Michel Vauclair	Independent Director
Ariela Caglio	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 12th, 2018 until the approval of the financial statements as of December 31st, 2018.
[2] In charge from April 12th, 2018 until the approval of the financial statements as of December 31st, 2020.

Investment Committee

Manfredi Catella	Chairman
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 Tema S.r.l., which has designated Mr. Massimiliano Forte as responsible for the Internal Audit function and Mr. Paolo Costanzo 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 Ernst & Young 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, 2018 are summarized in the table below.

(in million Euro)	June 30th, 2018	per share	December 31st, 2017	per share	Δ	Δ%
Total property value	585.6		575.6		10.1	1.7%
EPRA NAV	394.9	10.97	384.6	10.68	10.2	2.7%
EPRA NNNAV	390.8	10.85	380.2	10.56	10.6	2.8%
Debt position	239.9		263.1		(23.2)	(8.8%)
Cash position	32.8		27.0		5.8	21.3%
Net Loan to Value	35.4%		37.1%		(1.7 p.p.)	n.m.
EPRA Net Initial Yield	5.4%		5.3%		0.1 p.p.	n.m.
EPRA "topped-up" NIY	5.5%		5.5%		0.0 p.p.	n.m.
EPRA vacancy rate	4.4%		4.8%		(0.4 p.p.)	n.m.

(in million Euro)	June 30th, 2018	per share	June 30th, 2017	per share	Δ	Δ%
Rents	17.7		16.7		1.0	6.1%
NOI	15.8		14.8		1.0	6.7%
EBITDA	10.8		10.1		0.7	7.2%
EBIT	20.0		17.4		2.6	14.7%
Recurring FFO	8.9	0.25	8.0	0.22	0.9	11.5%
Net profit	16.8	0.47	14.1	0.39	2.7	19.0%
EPRA Earnings	8.0	0.22	6.8	0.19	1.2	17.4%
EPRA cost ratio (including direct vacancy costs)	36.9%		40.4%		(3.5) p.p.	n.m.
EPRA cost ratio (excluding direct vacancy costs)	33.5%		38.3%		(4.8) p.p.	n.m.
Like for like rental growth	3.1%		0.8%		2.3 p.p.	n.m.
WALT (years)	6.6		8.0		(1.4)	n.m.

EPRA Net Asset Value per share as of June 30th, 2018 was Euro 10.97, an increase over the first six months of the year of 4.3% before the dividend payment related to FY 2017 and 2.7% after the dividend payment related to FY 2017. The increase in the NAV is related to positive operating results generated over the first six months of 2018 and revaluations gains on the real estate portfolio.

The key factors affecting the NAV increase in the first six months of 2018 are:

- EPRA Earnings for the period of Euro 8.0 million;
- fair value adjustment related to the real estate portfolio, net of minorities of Euro 8.9 million;
- reduction due to dividend payment for Euro 6.5 million.

An improvement of the EPRA Cost Ratio from 40.4% as of June 30th, 2017 to 36.9%, is mainly due to the increase in revenues compared to the first half of 2017 and the corporate costs which are in line with previous period.

The following table summarizes the balance sheet of the Company with the subsequent reclassification of the investment in the Bonnet Fund based on proportional consolidation in order to obtain the total amount of the COIMA RES real estate properties at June 30th, 2018.

(in million Euro)	June 30th, 2018	December 31st, 2017	Δ	Δ%	June 30th, 2018 Look-Through adjusted
Investment properties	585.6	575.6	10.1	1.7%	622.6
Financial assets	3.9	4.2	(0.3)	(7.7%)	3.9
Investments accounted for using the equity method	18.9	16.9	2.1	12.2%	1.5
VAT receivable	-	-	-	0.0%	-
Total LT assets	**608.4**	**596.6**	**11.8**	**2.0%**	**628.0**
Trade receivables	14.0	8.2	5.8	71.4%	14.2
Other assets	0.0	0.0	0.0	0.0%	0.0
Cash	32.8	27.0	5.8	21.3%	33.1
Total current assets	**46.9**	**35.2**	**11.6**	**32.9%**	**47.2**
Held for sale assets	-	38.0	(38.0)	100.0%	-
Total assets	**655.3**	**669.9**	**(14.6)**	**(2.2%)**	**675.2**
			-		
Debt	239.9	240.4	(0.5)	(0.2%)	259.2
Provisions	0.2	0.1	0.0	13.4%	0.2
Other liabilities	0.1	0.1	0.1	76.4%	0.1
Trade payables	7.7	11.2	(3.5)	(31.4%)	8.3
Current Financial Debt	-	22.7	(22.7)	100.0%	-
Total liabilities	**247.9**	**274.6**	**(26.7)**	**(9.7%)**	**267.8**
Minorities	13.3	11.9	1.4	11.4%	13.3
NAV	**394.1**	**383.4**	**10.7**	**2.8%**	**394.1**
NAV per share	10.95	10.65	0.30	2.8%	10.95
Net Loan to Value	*35.4%*	*37.1%*		*(1.7%)*	*36.3%*

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

Investment properties includes Euro 100.2 million related to the Deutsche Bank portfolio, Euro 209.1 million related to the real estate complex Vodafone, Euro 77 million related to Gioiaotto, Euro 87 million related to EurCenter, Euro 51.9 million related to Deruta and Euro 60.4 million related to Monte Rosa.

Investments in associated companies increased by Euro 2.1 million mainly due to the profit of the period amounting to Euro 0.9 million and recalls of the period made by the Bonnet Fund, amounting to Euro 1.2 million.

Financial assets relate to the investment in equity funds of part of the excess liquidity through a management mandate given to Pictet, equal to Euro 1.5 million, derivative instruments, equal to Euro 0.4 million and non-current financial receivables and trade receivables amounting to Euro 1.6 million receivables relating to loans granted by the investee company MHREC Sarl to the associate company Co–Investment 2SCS.

Trade receivable refer the ordinary activities of the Company.

Compared to December 31st, 2017, the current assets held for sale show a zero-balance due to the disposal of 21 Deutsche Bank branches finalised in January 2018 for an amount of Euro 38 million.

The Company has a net debt position of Euro 207.1 million as of June 30th, 2018, in reduction of Euro 29 million compared to December 31st, 2017 mainly due to the partial reimbursement of COIMA RES' loan in relation to the 21 Deutsche Bank branches sold.

(in million Euro)	June 30th 2018	December 31st, 2017
(A) Cash	32.8	27.0
(B) Cash equivalent	-	-
(C) Trading securities	-	-
(D) Liquidity (A)+(B)+ (C)	**32.8**	**27.0**
(E) Current financial receivables		
(F) Current bank debt	-	(22.7)
(G) Current portion of non-current debt	-	-
(H) Other current financial debt	-	-
(I) Current financial debt (F)+(G)+(H)	**-**	**(22.7)**
(J) Net current liquidity (I)+(E)+(D)	**32.8**	**4.3**
(K) Non-current bank loans	(239.9)	(240.4)
(L) Bonds issued	-	-
(M) Other non-current loans	-	-
(N) Non-current financial indebtedness (K)+(L)+(M)	**(239.9)**	**(240.4)**
(O) Net liquidity (J)+(N)	**(207.1)**	**(236.1)**

As of June 30th, 2018, the net LTV is equal to 35.4%, within the target of the Company to maintain on LTV below 45%.

The trade payables and other liabilities mainly include amounts payable to suppliers and invoices to be paid in an amount of Euro 4.8 million (Euro 4.2 million as of December 31st, 2017) and deferred income in an amount of Euro 1.6 million (Euro 1.6 million as of December 31st, 2017).

As of June 30th, 2018, the weighted average debt maturity is 3.3 years and the weighted average "all in" cost of debt is 1.97% (74.1% of debt is hedged by derivatives).

The Group equity amounts to Euro 394.1 million corresponding to a NAV per share of Euro 10.95.

The interim consolidated figures show a net profit of Euro 16.8 million for the period ending June 30th, 2018.

(in million Euro)	Six months ended June 30th 2018	Six months ended June 30th 2017	Δ	Δ%
Rents	17.7	16.7	1.0	6.1%
Net real estate operating expenses	(1.9)	(1.9)	0.0	(1.6%)
NOI	**15.8**	**14.8**	**1.0**	**6.7%**
Other revenues	0.0	0.0	(0.0)	(99.9%)
G&A	(4.1)	(3.9)	(0.3)	6.7%
Other expenses	(0.1)	(0.3)	0.2	(75.9%)
Non-recurring general expenses	(0.8)	(0.6)	(0.2)	34.8%
EBITDA	**10.8**	**10.1**	**0.7**	**7.2%**
Net depreciation	(0.9)	(0.0)	(0.9)	>100%
Net movement in fair value	10.0	7.3	2.7	36.9%
EBIT	**20.0**	**17.4**	**2.6**	**14.7%**
Finance income	0.0	0.4	(0.4)	(98.3%)
Income from investments	0.9	(0.0)	0.9	>(100%)
Financial expenses	(2.9)	(3.1)	0.2	(6.8%)
Profit before taxation	**18.0**	**14.7**	**3.3**	**22.4%**
Income tax	0.0	0.0	0.0	0.0%
Profit after taxation	**18.0**	**14.7**	**3.3**	**22.4%**
Minorities	(1.3)	(0.6)	(0.6)	96.4%
Profit of the Group	**16.8**	**14.1**	**2.7**	**19.0%**
EPRA adjustments[3]	(8.8)	(7.3)	(1.5)	20.7%
EPRA Earnings	**8.0**	**6.8**	**1.2**	**17.4%**
EPRA Earnings per share	0.22	0.19	0.03	17.4%
FFO	**8.0**	**7.4**	**0.5**	**7.1%**
FFO adjustments[4]	0.9	0.6	0.3	56.8%
Recurring FFO	**8.9**	**8.0**	**0.9**	**11.5%**
Recurring FFO per share	0.25	0.22	0.02	11.5%

The NOI margin includes rents generated by the Deutsche Bank portfolio, Vodafone complex, Gioiaotto, EurCenter, Deruta and Monte Rosa, net of direct property operating costs (such as property taxes, property management costs, utilities and maintenance costs).
The NOI margin as of June 30th, 2018 is 89.3% and the current in-place NOI yield is 5.2%.

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 other operating costs.

Net depreciation, amounting to Euro 0.9 million, mainly includes the effect of the valuation of receivables in place.

The net movement in fair value, amounting to Euro 10 million, is related to Vodafone complex for an amount equal to Euro 0.6 million, to the Deutsche Bank branches for Euro 1.3 million, to Gioiaotto for Euro 4.9 million and to EurCenter for Euro 3.2 million.

[3] Include non-recurring costs, mainly related to the 21 Deutsche Bank branches disposal finalised in January 2018.
[4] Include mainly the amortised costs related to the reimbursement of the loan linked to 21 Deutsche Bank branches disposal finalised in January 2018 and the related disposal expenses.

Income from investments, amounting to Euro 0.9 million, is related to the profit of the investments accounted for using the equity method.

The financial expenses are mainly related to debt in place.

The Group profit per share amounts to Euro 0.47 (Euro 16.8 million overall) and is calculated according to the international accounting principles IFRS, considering the average number of shares outstanding during the period.

PORTFOLIO AS OF JUNE 30th, 2018

As of June 30th, 2018, COIMA RES' portfolio totals Euro 585.6 million (Euro 622.6 million considering Bonnet on proportionally consolidated basis)[5] and includes the Deutsche Bank portfolio, Vodafone complex, Gioiaotto, EurCenter, the Bonnet complex, Deruta and Monte Rosa.

The net rentable area is equal to 189,092 square meters and gross initial rents are approximately Euro 35.7 million. The overall initial portfolio WALT is approximately 6.6 years, the EPRA net initial yield is equal to 5.4%.

[5] Considering the acquisitions of Tocqueville and Pavilion, the real estate portfolio would amount to Euro 727.3 million.

The main attributes of our real estate portfolio as at June 30th, 2018 are shown below

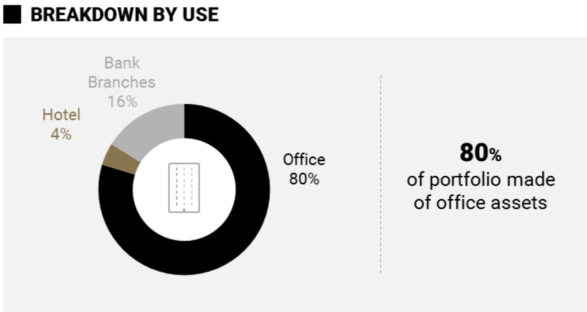
	Deutsche Bank	Vodafone Village	Gioiaotto	Eurcenter	Bonnet	Deruta	Monte Rosa	Portfolio June 30th, 2018
City	Various	Milan	Milan	Rome	Milan	Milan	Milan	-
Address	Various	Lorenteggio 240	Melchiorre Gioia 6-8	Piazzale Sturzo 23-31	Via Bonnet	Via Deruta 19	Via Monte Rosa 93	-
Sub-market	Various	Lorenteggio BD	Porta Nuova BD	EUR BD	Porta Nuova BD	Piazza Udine BD	Lotto-Citylife BD	-
Asset class	Bank Branches	Office	Office Hotel Retail	Office Retail	Office Retail	Office	Office	-
% of ownership	100.0%	100.0%	86.7%	86.7%	35.7%	100.0%	100.0%	-
NRA excluding parkings (sqm)	45,089	46,323	14,545	15,805	20,210	27,571	19,539	**189,092**
EPRA occupancy rate	82%	100%	100%	99%	n.a.	100%	91%	**95.6%**
Tenants (#)	1	1	10	10	6	1	5	**34**
WALT (years)	8.3	8.6	5.9[6]	4.0[6]	2.1	3.5	4.4	**6.6**
Gross initial rents (€/m)	5.2	14.0	3.7[6]	5.1[6]	0.3[7]	3.6	3.7	**35.7**
Net initial rents (€/m)	4.3	12.9	3.3[6]	4.6[6]	0.1[7]	3.3	3.0	**31.6**
Gross stabilised rents (€/m)	5.2	14.0	4.1[6]	5.1[6]	0.3[7]	3.6	3.8	**36.2**
Net stabilised rents (€/m)	4.3	12.9	3.7[6]	4.6[6]	0.2[7]	3.3	3.1	**32.1**
Expected gross stabilised rents (€/m)	5.2	14.0	4.1[6]	4.9[6-11]	3.1[7]	3.6	4.1	**39.1**
Expected net stabilised rents (€/m)	4.4	12.9	3.7[6]	4.4[6-11]	2.9[7]	3.3	3.5	**35.1**
Fair Value (€/m)	100.2	209.1	77.0[6]	87.0[6]	37.0[7]	51.9	60.4	**622.6**
Gross initial yield [8]	5.2%	6.7%	4.8%	5.9%	n.a.	6.9%	6.1%	**6.1%**
EPRA net initial yield [8]	4.3%	6.2%	4.3%	5.3%	n.a.	6.3%	5.0%	**5.4%**
Gross stabilised yield [8]	5.2%	6.7%	5.3%	5.9%	n.a.	6.9%	6.3%	**6.1%**
EPRA topped-up NIY[8]	4.3%	6.2%	4.8%	5.3%	n.a.	6.3%	5.2%	**5.5%**
Expected gross stabilised yield	5.9%[9]	6.7%	5.3%	5.7%	6.2%[10]	6.9%	6.5%	**6.3%**
Expected net stabilised yield	5.0%[9]	6.2%	4.8%	5.0%	5.7%[10]	6.3%	5.6%	**5.6%**

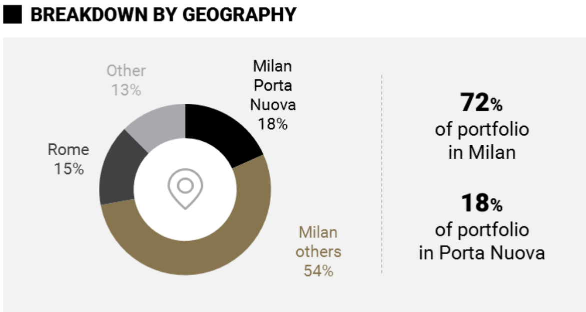
[6] Accounted 100%
[7] Pro-rata (35.7%)
[8] Excluding the redevelopment of Bonnet
[9] Vacant buildings excluded
[10] Expected capex considered (hard & soft costs)
[11] Assuming to rent the spaces to 320 Euro/sqm and additional rents related to the extension area "piano casa".

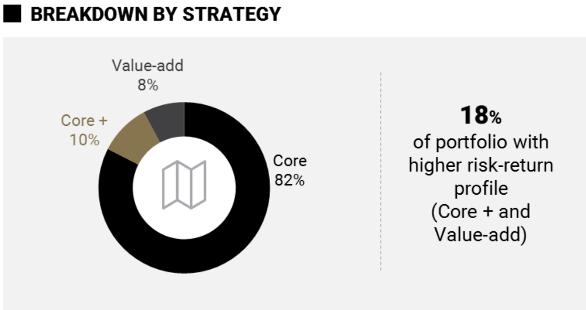
The acquisition plan executed to date is in line with our investment strategy focused on the development of a portfolio focused on:

- office use;
- Italy's most attractive markets (Milan 72% and Rome 15%);
- primarily income-producing assets;
- Grade A buildings or buildings to be converted to Grade A.

Portfolio breakdown as of June 30th, 2018

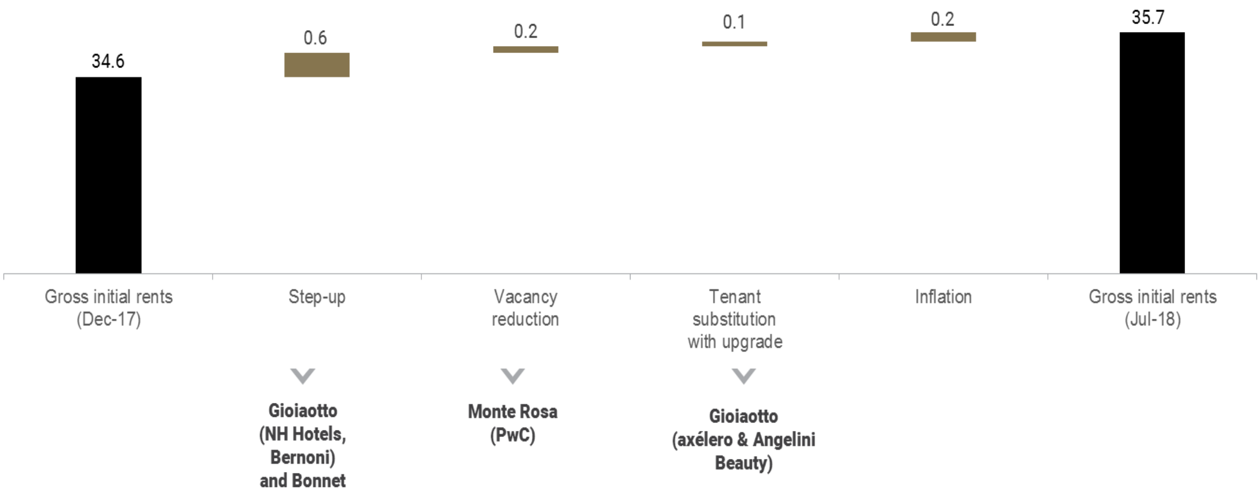






Evolution on annual gross initial rents

The graph below summarises the evolution of our annual gross initial rents for the period ending June 30th, 2018 in Euro million.



Like-for-like rents grew by 3.1% in the first half of 2018, driven by rental step-ups agreed, indexation and additional asset-management initiatives. Like-for-like rents grew by 3.5%, excluding the bank branch portfolio and by 4.1% if we consider only the Milan portfolio.

SIGNIFICANT EVENTS OF THE PERIOD

Finalisation of Deutsche Bank Branches Sale and Active Asset Management

The sale of 21 Deutsche Bank Branches (which was announced on October 25th, 2017) closed in January 2018, six months prior to the date originally expected. The sale closed at a price of Euro 38.0 million, 3.1% below appraised book value and slightly above the amount initially agreed of Euro 37.8 million. The 11,416 sqm portfolio included the branch in Naples on Via Santa Brigida (4,600 sqm) and several smaller branches in the regions of Campania (10 branches), Abruzzo (1 branch) and Puglia (8 branches). COIMA RES may consider further disposals on an opportunistic basis. In addition, we have achieved property tax reductions for 11 branches in the first quarter of 2018 leading to savings of c. Euro 94 thousand per annum which correspond to an increase in EPRA Net Initial Yield of approx. 10 bps (from 4.3% to 4.4%) of our Deutsche Bank portfolio on an annualised basis.

Vodafone Consolidates in the COIMA RES Campus

In January 2018, Vodafone completed the consolidation in our premises by concentrating all its employees in the two buildings of the Vodafone Village owned by COIMA RES. Vodafone was thereby able to reduce its cost per employee. COIMA RES has also activated a new property management contract for the buildings which will result in cost reduction of circa Euro 70 thousand per annum and boost the property’s NOI margin by around 50 bps (from 92.2% to 92.7%).

Refurbishment for NH Hotel and Net Release with Upgrade for Office Portion at Gioiaotto

With the aim of upgrading the hotel standards to the NH Collection level, the NH Hotel Group is performing renovation works for Euro 4.0 million. The fund which owns the Gioiaotto property – which is 87% owned and fully consolidated by COIMA RES – will contribute Euro 1.4 million to this amount. The works started in the last quarter of 2017 and were completed in July 2018. Regarding Gioiaotto’s office segment, axélero S.p.A. (“**axélero**”) vacated the premises in the first quarter of 2018 (c. 700 sqm) and was contextually replaced by Angelini Beauty S.p.A. (“**Angelini Beauty**”) as a new tenant on a 6 years + 6 years lease agreement. The new lease was signed at a 14% premium to the rental rate previously paid by axélero, highlighting the strong rental dynamic currently unfolding in the Porta Nuova district.

Eurcenter NRA expansion project underway and re-letting activity ongoing

In May 2017, the relevant authorities approved our application to increase the Eurcenter net rentable area (“**NRA**”) by 3.1% or 458 sqm: 419 sqm pertaining to the development of a rooftop and 39 sqm to a mezzanine floor. In relation to the rooftop, the design has been finalised and works will start upon appointment of a general contractor to be selected by the end of the third quarter of 2018. Meanwhile, preliminary leasing activity with current tenants is underway. Estimated cost for the increase in the rooftop NRA amount to c. Euro 830 thousand and could yield additional gross rent of c. Euro 134 thousand (16% yield on cost). We expect to conclude the works within the first quarter of 2019.

In addition, we are actively working on the re-letting of the Eurcenter NRA which will be vacated by AXA Assicurazioni S.p.A. (“**AXA**”) on December 31st, 2018 according to the leasing agreement.

Additional Lease with PwC at Monte Rosa

On February 1st, 2018, COIMA RES signed an additional lease agreement with PricewaterhouseCoopers ("**PwC**") for Euro 154 thousand per annum covering an additional 500 sqm (3.4% of NRA) plus 7 parking spots. Including this new lease, PwC will occupy c. 46% of the building's net rentable area. The lease was signed at Euro 280 / sqm plus annual rent of Euro 2 thousand per parking space. The new rent was signed at a premium of about 8% vs the blended average rental value of Euro 260 / sqm in place at the time of the acquisition.

Bonnet Project on Track for Delivery in 2020, refinancing extends maturity to 5 years

The Bonnet Project is well on track for delivery by the first half of 2020 within the estimated overall cost of Euro 164 million. Demolition works and excavations began in November 2017 and were completed in the first half of 2018. In July 2018, we obtained the final approval for construction works and we initiated the construction phase with the appointment of the general contractor. The overall completion of the project is planned for the first half of 2020. Formal leasing activity to start in September 2018, brokers have already been appointed. Preliminary feedback from prospective tenants is positive on an unsolicited basis.

In the second quarter 2018, the Porta Nuova Bonnet Fund (which is 35.7% owned by COIMA RES) has signed in with Banco BPM a financing package for the Bonnet Value-add project for Euro 95.6 million, of which Euro 56.4 million as refinancing of the existing acquisition and pre-development lines and Euro 39.2 million as new financing related to capex and VAT. The maturity of the overall financing package has been extended by 18 months (now a 5-year maturity) with a marginal improvement in some of the step-down mechanics of the financing.

Pavilion acquisition increases portfolio revaluation potential

On May 22nd, 2018, COIMA RES announced that it had signed with UniCredit S.p.A. ("**UniCredit**") a preliminary purchase agreement to acquire the Pavilion complex (the "**Pavilion**") in Milan Porta Nuova (Piazza Gae Aulenti, 10) for Euro 45.0 million (or Euro 46.3 million including transfer tax and due diligence costs). The closing of the acquisition is expected by the first quarter of 2019. The Pavilion is a LEED Gold multipurpose building designed by Michele De Lucchi with a total gross surface area (SLP) of approx. 3,580 sqm.

Tocqueville acquisition synergistic with the Bonnet project

On May 29th, 2018, COIMA RES announced that it had entered into a preliminary agreement to purchase an office complex in Via Alessio di Tocqueville, 13, Milan ("**Tocqueville**") for Euro 56.0 million (or Euro 57.7 million including transfer tax and due diligence costs). The fair value of Euro 58.5 million (as estimated by independent appraiser CBRE) implies an EPRA Net Initial Yield of 3.5%. The seller of the property is Mediolanum Real Estate, a real estate alternative investment fund managed by Mediolanum Gestione Fondi SGR and listed on the Italian Stock Exchange. The transaction is closing within July 2018.

Investment Strategy and Outlook for 2018

We are considering on an opportunistic basis the disposal of mature assets and of further bank branches in order to crystallise value and to generate additional firepower in order to increase further the growth component of our portfolio.

The strategy for further acquisitions envisages office assets with growth potential and where the COIMA platform can generate value also through sustainability and technology upgrades.

Milan and possibly Porta Nuova are our tactical focus at this particular point in time as they are relatively more resilient areas through the cycle.

We are aiming to achieve a stabilised LTV below 40% in the medium term whilst retaining the flexibility to increase our leverage tactically to secure assets.

In terms of further acquisition, Core / Core + offices remain our prime focus. We will also consider selective co-investments in Value-add projects with the COF II fund, in order to boost returns at a time of increased competition and compressed yields for “plain vanilla” acquisitions.

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

On July 16th, 2018, COIMA RES has agreed to enter into a new financing agreement with Banca IMI (Agent), BNP Paribas, ING Bank and UniCredit for Euro 70.0 million for the financing of Tocqueville and the Monte Rosa properties. In addition, COIMA RES has agreed a 2-year extension of the Euro 149.3 million facility related to Vodafone Village and the Deutsche Bank branches portfolio with the same pool of banks, raising that facility's maturity to 5 years.

ITALY: ECONOMIC AND REAL ESTATE MARKET CONDITIONS

Italian macroeconomic environment

Italy's macro-economic performance has materially improved in 2017 vs 2016. GDP growth in 2017 stood at 1.5% (Source: IMF) vs the 0.9% level achieved in 2016. The GDP growth trend is expected to continue in 2018 albeit at a more moderate level of c. 1.2% for 2018 (Source: IMF). The Italian macro recovery remains more muted vs other countries in Europe (both core and peripheral) with the Eurozone expected to experience aggregate GDP growth at around 2.2% in 2018 (Source: The Economist).
The inflation environment in Italy remains benign with the June 2018 (month on month) level being at 1.3% (Source: Istat) and expected to stand at 1.2% in 2018 (Source: The Economist).
Employment continues to grow in Italy with May 2018 figures showing an increase of 0.5% of number of people employed vs April 2018 (Source: Istat).
The 10 years Italian Government Bond yield has recently increased due to the uncertainty surrounding the government formation process on the back of the March 4th, 2018 elections and stood at an average level of 2.2% in the second quarter of 2018 (i.e. +20 bps vs the 2.0% average level recorded in the first quarter of 2018) and as of June 30th, 2018 stood at the 2.7% level (i.e. c. 60 bps higher than the average level recorded in 2017 of c. 2.1%).

Milan office market environment

The Milan office market remains benign with prime rent having grown to Euro 570/sqm in the second quarter of 2018 (Source: BNP Paribas Real Estate Research), i.e. an increase of 10% over the last 12 months. Green Street Advisors estimates that the combined rental and occupancy growth in the period 2018-2020 will be +18.5% in Milan Porta Nuova, +10.2% in Milan CDB and +4.8% in Milan Inner City.
Vacancy in Milan for Grade A offices as of Q2 2018 stands at 2.3% (Source: JLL). Take up for Milan offices in first half of 2018 stood at c. 200.000 sqm, broadly in line with the first half of 2017 levels (Source: BNP Paribas Real Estate Research).
The investment market for Milan offices remains solid with Euro 800 million worth of transaction recorded in H1 2018 (Source: BNP Paribas Real Estate Research), which is a level broadly in line with the first half of 2017. Prime net yield for Milan offices stands at 3.40%, i.e. a reduction of 10bps vs the end of 2017 (Source: BNP Paribas Real Estate Research).

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30th, 2018

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(in thousands Euro)	Notes	Six months ended June 30th, 2018	*of which related parties*	Six months ended June 30th, 2017	*of which related parties*
Income statements					
Rents	4	17,701	-	16,684	-
Net real estate operating expenses	5	(1,915)	(211)	(1,956)	(58)
Net rents		**15,786**	**(211)**	**14,728**	**(58)**
Revenues from disposal		-	-	15	-
Net revenues from disposal		**-**	**-**	**15**	**-**
G&A expenses	6	(4,815)	(2,781)	(4,444)	(2,532)
Other operating expenses	7	(130)	(7)	(173)	-
Gross operating income		**10,841**	**(2,998)**	**10,126**	**(2,590)**
Net depreciation	8	(1,149)	-	(1)	-
Net movement in fair value	9	10,301	-	7,314	-
Net operating income		**19,993**	**(2,998)**	**17,439**	**(2,590)**
Net income attributable to non-controlling interests	10	930	-	(6)	-
Financial income	11	7	-	416	-
Financial expenses	11	(2,892)	-	(3,102)	-
Profit before tax		**18,038**	**(2,998)**	**14,747**	**(2,590)**
Income tax	12	3	-	(8)	-
Profit after tax		**18,041**	**(2,998)**	**14,739**	**(2,590)**
Minorities		(1,263)	-	(643)	-
Profit for the Group		**16,778**	**(2,998)**	**14,096**	**(2,590)**

EARNINGS PER SHARE

(Euro)	Notes	Six months ended June 30th, 2018	Six months ended June 30th, 2017
Earnings per share			
Basic, net income attributable to ordinary shareholders	13	0.47	0.39
Diluted, net income attributable to ordinary shareholders	13	0.47	0.39

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands Euro)	Notes	Six months ended June 30th, 2018	Six months ended June 30th, 2017
Profit for the period		**18,041**	**14,739**
Other comprehensive income to be reclassified to profit or loss in subsequent periods	18	(165)	(17)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	
Other comprehensive income		**17,876**	**14,722**
Attributable to:			
Equity holders		16,613	14,079
Non-controlling interests		1,263	643
Total		17,876	14,722

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands Euro)	Notes	June 30th, 2018	*of which related parties*	December 31st, 2017	*of which related parties*
Assets					
Real estate investments	14	573,767	-	563,410	-
Other tangible assets	15	334	-	351	-
Intangible assets	15	49	-	24	-
Investments accounted for using the equity method	16	18,934	-	16,879	-
Financial assets at fair value	17	1,483	-	1,492	-
Non-current deferred tax assets		17	-	9	-
Derivatives	18	395	-	723	-
Non-current financial receivables	19	1,620	1,620	1,620	1,620
Total non - current assets		**596,599**	**1,620**	**584,508**	**1,620**
Inventories	20	11,850	-	12,140	-
Trade and other current receivables	21	14,040	46	8,194	46
Cash and cash equivalents	22	32,803	-	27,042	-
Total current assets		**58,693**	**46**	**47,376**	**46**
Non-current assets available for sale		-	-	38,000	-
Total assets		**655,292**	**1,666**	**669,884**	**1,666**
Liabilities					
Capital stock		14,451	-	14,451	-
Share premium reserve		335,549	-	335,549	-
Valuations reserve		-	-	29	-
Interim dividend		-	-	(3,240)	-
Other reserves		27,362	-	7,733	-
Profit for the period		16,778	-	28,889	-
Group shareholders' equity	**23**	**394,140**	**-**	**383,411**	**-**
Minorities	**23**	**13,270**	**-**	**11,915**	**-**
Shareholders’ equity		**407,410**	**-**	**395,326**	**-**
Bank borrowings and other non-current lenders	24	239,912	-	240,420	-
Deferred tax liabilities		3	-	7	-
Payables for post-employment benefits		34	-	20	-
Provisions for risks and charges	25	127	-	123	-
Trade and other non-current liabilities	26	623	246	554	243
Total non-current liabilities		**240,699**	**246**	**241,124**	**243**
Bank borrowings and other current lenders	24	-	-	22,720	-
Trade and other current liabilities	27	7,066	2,505	10,653	2,306
Current tax payables		117	-	61	-
Total current liabilities		**7,183**	**2,505**	**33,434**	**2,306**
Total liabilities		**247,882**	**2,751**	**274,558**	**2,549**
Total liabilities and shareholders’ equity		**655,292**	**2,751**	**669,884**	**2,549**

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 year	Total	Non-controlling interests	Total equity
Balance as of January 1st, 2017	**14,451**	**335,549**	**75**	**-**	**(320)**	**12,123**	**361,878**	**11,114**	**372,992**
Partial allocation of the profit	-	-	-	7,733	320	(8,055)	(2)	-	(2)
Dividend distribution on 2016 results	-	-	-	-	-	(4,068)	(4,068)	(467)	(4,535)
Cash flow hedge reserve	-	-	(17)	-	-	-	(17)	-	(17)
Profit for the period	-	-	-	-	-	14,096	14,096	643	14,739
Balance as of June 30th, 2017	**14,451**	**335,549**	**58**	**7,733**	**-**	**14,096**	**371,887**	**11,290**	**383,177**

(in thousands Euro)	Capital stock	Share premium reserve	Valuation reserve	Other reserve	Profit carried forward	Profit for the year	Total	Non-controlling interests	Total equity
Balance as of January 1st, 2018	**14,451**	**335,549**	**29**	**4,493**	**-**	**28,889**	**383,411**	**11,915**	**395,326**
Adjustments [11]	-	-	(13)	(348)	1,013	-	652	100	752
Partial allocation of the profit 2017	-	-	-	20,373	2,034	(22,407)	-	-	-
Dividend distribution on 2017 results [12]	-	-	-	-	-	(6,482)	(6,482)	-	(6,482)
Valuation of derivatives	-	-	(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**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands Euro)	**Six months ended June 30th, 2018**	**Six months ended June 30th, 2017**
Profit for the period	18,041	14,739
Adjustments to reconcile the profit to net cash flow:		
Net depreciation	1,149	1
Severance pay	37	52
Net movement in fair value property	(10,301)	(7,314)
Net income attributable to non-controlling interests	(930)	6
Financial income	-	(405)
Financial expenses	701	410
Net movement in fair value derivatives	3	5
Changes in working capital:		
(Increase) / decrease in trade and other current receivables	1,050	400
(Increase) / decrease in deferred tax assets	(8)	-
Increase / (decrease) in trade payables and other current liabilities	(3,587)	(3,152)
Increase / (decrease) in current tax payables	55	47
Increase / (decrease) in trade payables and other current liabilities	48	-
Net cash flows generated (absorbed) from operating activities	**6,258**	**4,789**
Investment activities		
(Acquisition) / disposal of real estate property	30,144	(46,556)
(Acquisition) / disposal of other tangible and intangible assets	(23)	(26)
(Acquisition) / disposal of other non-current receivables	(11)	(1,534)
Purchase of associated companies	(1,125)	(6)
Net cash flow generated (absorbed) from investment activities	**28,985**	**(48,122)**
Financing activities		
Shareholders' contribution / (dividends paid)	(6,482)	(3,972)
Dividends paid to minorities	-	(467)
Acquisition of derivatives	-	(192)
Increase / (decrease) in bank borrowings and other non-current lenders	-	19,180
Reimbursement	(23,000)	(6,655)
Net cash flows generated (absorbed) from financing activities	**(29,482)**	**7,894**
Net increase / (decrease) in cash and cash equivalents	5,761	(35,439)
Cash and cash equivalents at the beginning of the period	27,042	113,102
Cash and cash equivalents at the end of the period	**32,803**	**77,663**

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, 2018 was authorised by the Board of Directors on July 26th, 2018.
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, 2018 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, 2018 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, 2018 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, 2017.

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, 2018, 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"), MHREC Sàrl ("SARL"), COIMA RES S.p.A. SIINQ I ("SIINQ I") and the Lorenteggio Village Consortium ("CLV") 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.

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 and the Lorenteggio Village Consortium as of June 30th, 2018. 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 or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses arising from the retirement or disposal of an investment property are recognized in the income statement in the year of the withdrawal or disposal.

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, maximising the use of relevant observable inputs and minimising 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, 2018 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 - Investment property.

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.

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 cover 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 the valuation reserve, in the OCI 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. The amount is recognised directly in the 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.

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.

Recording of revenues, income and expenses in the income statement

Revenues

Revenues are recognized to the extent that the economic benefits are achieved by the Company and the related amount can be determined reliably, regardless of the date of collection. Revenues are valued at the fair value of the consideration to which the entity deems to be entitled in exchange for the transfer of goods or services to the customer, considering the terms agreed and the commitments made.

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

- *rental income:* rental income from the property investments owned by the Company are accounted for on the basis of the international accounting standard IAS 17 (paragraph 50), the criterion representative of the accrual basis, based on the existing leases;
- *sale of properties:* revenues from sale of properties are recognized in the income statement when all significant risks and rewards connected to ownership are transferred to the buyer, a transfer that normally takes place on the date of signing the notarial deed when generally the transaction fee is generally settled.

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 capitalised in the carrying amount of the pertinent property. Capitalisation of interest is carried out on condition that the increase in the carrying value does not elevate the value of the asset to a higher level than the asset's 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 other than real estate leases, or rather by management c.d. not exempt.

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 assets at fair value*: after initial recognition, these assets are measured at fair value and their unrealized profits and losses are recorded in the income statement. The fair value is determined by management based on the market quotations of the securities funds at the reference date;
- *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 policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31st, 2017, except for the adoption of new standards effective as of January 1st, 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.
The Company applies, for the first time, IFRS 9 - Financial Instruments and IFRS 15 - Revenues from contracts with customers. 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 2018, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Adoption of new accounting standards IFRS 15, IFRS 16 and IFRS 9

Starting from January 1st, 2018, the new accounting standards IFRS 15 on the recognition of revenues and the accounting standard IFRS 9 on financial instruments must be applied, while from January 1st, 2019 the new accounting standard IFRS 16 on leases will come into force.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards such as leasing contracts, for which the reference standard is IAS 17. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires Company to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

For the application of this standard two alternatives are foreseen, that is a retrospective application or a modified one. The Group adopted IFRS 15 using the full retrospective method of adoption.

Leasing

The Group 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. At present, the rental revenues deriving from property investments are recorded based on the international accounting standard IAS 17 (paragraph 50), the criterion representative of the temporal competence, based on the existing leases.

Considering the current contractual structure and the sector practices adopted by the main competitors, the Group has assessed that with the adoption of IFRS 15 there will be no effects on the financial results as for real estate leases.

Real estate disposals

With reference to real estate sales, it should be noted that they take place through the signing of a notary deed, during which the actual contractual obligations are verified and the real availability of the asset by the notary. 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), possibly , 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.

Presentation and information required

The provisions of IFRS 15 relating to the presentation and required disclosure represent a significant change from the practice and significantly increase the volume of disclosure required in the financial statements. However, in consideration of the fact that at June 30th, 2018 the Group's revenues refer exclusively to rents, the impacts deriving from the application of the new standard are not relevant.

IFRS 16 Leases

From January 1st, 2019 will 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 will recognise 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 will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.
Lessees will be 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 will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under 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.

The first year of adoption of IFRS 16 will entail the registration of an activity for the right of use (c.d. right of use) equal to Euro 715 thousand and a liability for leasing equal to Euro 688 thousand. In subsequent years, the Company will generally recognize the amount of the remeasurement of the lease liability as a correction of the right to use the asset and account for the effects on the income statement, separately recognizing the financial charges of the liability and amortization of the use.

In 2018, the Group will continue to define the potential effects of IFRS 16 on its consolidated financial statements.

IFRS 9 Financial instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting.

IFRS 9 is effective for annual periods beginning on or after January 1st, 2018, with early application permitted. Except for hedge accounting, a retrospective application is required. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

As required by the standard, the Company adopts IFRS 9 on the required effective date without providing the comparative information for the previous year (prospective application).

With the introduction of the new standard, the Company had no significant impact on its consolidated financial statements except for the effects deriving from the valuation of financial assets and financial liabilities.

The impacts deriving from the application of the new standard, including the adjustment to the opening balance of retained earnings at January 1st, 2018, have been recorded in the statement of changes in equity for the six months ended June 30th, 2018, shown in the related explanatory notes and described below.

Classification and measurement

The Company did not have a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9 in fact, it expects to continue measuring at fair value all financial assets currently held at fair value. However, regarding financial assets classified as available for sale (AFS) as at December 31st, 2017 with gains and losses recognized in the other comprehensive income statement, which are not significant, they have been classified as fair value financial assets at January 1st, 2018, reporting the effect to the income statement.

The AFS reserve relating to these assets, amounting to Euro 12 thousand as of December 31st, 2017 and recognized in the other comprehensive income statement, following application of the new standard, has been reclassified to retained earnings.

As for equity investments, it should be noted that the Company does not currently hold investments in other companies, except for the assets referred to in the previous paragraph, in fact the investments currently held in portfolio refer to non-listed subsidiaries and associated companies, not subject to the standard in question.

Loans, as well as trade receivables, are held until they are collected based on contractual deadlines. The Company analysed the characteristics of the contractual cash flows of these instruments and concluded that they comply with the criteria for amortized cost valuation in accordance with IFRS 9. Therefore, it has not been necessary to proceed to a reclassification of these financial instruments.

As for the application of the classification and assessment requirements of IFRS 9, it was decided to continue to measure at fair value all the financial assets previously measured using this method.

Impairment

IFRS 9 requires the Company 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 Company applies the simplified approach and therefore records the expected losses on all trade receivables based on their residual contractual duration. The Company, 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 are not significant.

Hedge accounting

The Company uses the application of hedge accounting regarding the interest cap rate instruments subscribed. Considering the foregoing, the Company has established that all existing hedging relationships that are currently designated as effective hedges will continue to qualify for hedge accounting in accordance with IFRS 9. However, regarding these instruments, the new standard provides for 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, considering 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 opening balance at January 1st, 2018 from “*retained earnings*” to “*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).
The value of the liabilities subject to renegotiation and in place at December 31st, 2017 has been recalculated in application of the new calculation approach defined by IFRS 9 and, in the opening balance at January 1st, 2018, the difference with respect to the book value under IAS 39 was adjusted to retained earnings for an amount equal to Euro 748 thousand.

Therefore, regarding the adoption of IFRS 9, the interim condensed consolidated financial statements shows the impact deriving from the application of the new standard in the opening balances and in details:

- as for the financial assets at fair value described in the paragraph 17, a reclassification of Euro 13 thousand from the item "*valuation reserve*" to the item "*retained earnings*";
- as for derivatives described in the paragraph 18, a reclassification of Euro 348 thousand from the item "*retained earnings*" to the item "*other reserves*";
- as for financial liabilities described in the paragraph 24, an increase of Euro 748 thousand in the item "*retained earnings*" with a reduction of the same amount for the item "*bank borrowings and other non-current lenders*", deriving from the loan renegotiated on March 2017, which effects have been shown in the opening balance at January 1st, 2018, according to the prospective approach (test 10%).

These effects deriving from the prospective adoption of IFRS 9, shown in the opening balance at January 1st, 2018 are reported in the statement of changes in equity and better described in the paragraph 23.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations

The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This interpretation does not have any impact on the Group's interim condensed consolidated financial statements.

Amendments to IAS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Group's accounting policy for cash-settled share based payments is consistent with the approach clarified in the amendments. In addition, the Group has no share-based payment transaction with net settlement features for withholding tax obligations and had not made any modifications to the terms and conditions of its share-based payment transaction. Therefore, these amendments do not have any impact on the Group's interim condensed consolidated financial statements.

Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 Insurance Contracts, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. These amendments are not relevant to the Group.

Amendments to IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters

Short-term exemptions in paragraphs E3–E7 of IFRS 1 were deleted because they have now served their intended purpose. These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

Amendments to financial statements

The interim condensed consolidated financial statements as at June 30th, 2018, show a statement of profit / (loss) for the year which separately represents the net profits deriving from the lease, the net revenues deriving from the disposal of the properties and the costs relating to the ordinary operations of the Company. This exposure, adopted in the consolidated financial statements as at December 31st, 2017, is commonly adopted by companies operating in the real estate sector and it makes it possible to better represent the profitability of investments based on the nature of the activities carried out. For this reason, it was considered appropriate to re-enter the comparative data relating to the profit / (loss) for the interim financial statements as of June 30th, 2017, in order to make the amount presented in the two reference periods comparable.

The main reclassifications made to the statement of profit / (loss) for the six months ended June 30th, 2017 are shown below. It should be noted that the adoption of the new statement of profit / (loss) for the period has no resulted in changes or adjustments in the result of the previous year.

In order to illustrate the changes made below, the reconciliation table and the related tables are shown below:

Consolidated statement of profit published for the six months ended June 30th, 2017		Notes	Reclassified income statement item	Six months ended June 30th, 2017
(in thousands Euro)				
Revenues	17,693	(a)	Rents	16,684
			Net real estate operating expenses	994
			Income from disposal	15
Costs of raw material and services	(4,837)	(b)	Net real estate operating expenses	(1,213)
			General and administration expenses	(3,586)
			Other operating expenses	(38)
Personnel costs	(795)	(c)	General and administration expenses	(795)
Other operating expenses	(1,935)	(d)	Net real estate operating expenses	(1,737)
			General and administration expenses	(63)
			Other operating expenses	(135)
Amortisation, depreciation and write-downs	(1)		Net depreciation	(1)
Adjustment to fair value of property	7,314		Net movement in fair value	7,314
Net operating income	**17,439**		**Net operating income**	**17,439**
Net income attributable to non-controlling interests	(6)		Net income attributable to non-controlling interests	(6)
Financial income	416		Financial income	416
Financial expenses	(3,102)		Financial expenses	(3,102)
Profit before tax	**14,747**		**Profit before tax**	**14,747**
Income tax	(8)		Income tax	(8)
Profit for the period	**14,739**		**Profit for the period**	**14,739**
Minority interest	(643)		Minority interest	(643)
Profit for the Group	**14,096**		**Profit for the Group**	**14,096**

(a) for the six months ended June 30th, 2017, the item *revenues* includes Euro 16,684 thousand of rents, Euro 994 thousand in revenues from reversal of property management charges and Euro 15 thousand in revenues from the sale of properties. These amounts, in the new consolidated statement of profit / (loss) for the period, have been reclassified separately in the item *rents*, *net real estate operating expenses* and *income from disposal*;

(b) the item *costs for raw materials and services* includes Euro 1,213 thousand of management expenses of real estate assets (property management commissions, maintenance, utilities, insurance policies) and Euro 3,586 thousand related costs to the corporate structure (legal, administrative and business consultancy, governance and control functions, IT services, auditing, marketing) and Euro 38 thousand related other taxes. The first one have been reclassified respectively to the item *net real estate operating expenses, general and administration expenses* and *other operating expenses*;

(c) *personnel costs,* amounting to Euro 795 thousand, have been totally reclassified in the item *general and administration expenses;*

(d) *other operating expenses* include Euro 1,737 thousand for property taxes (IMU, TASI, stamp duties) relating to the real estate portfolio, Euro 63 thousand for costs relating to the Company's ordinary operations (membership fees, roadshow costs, other administration charges) and Euro 135 thousand other management charges (including the fair value adjustment of the financial instrument). The amounts described above were reclassified respectively to the *net real estate operating expenses, general and administration expenses* and *other operating expenses*.

The different exposure of the original items of the consolidated statement of profit / (loss) for the period and the changes made led to the separation of management costs of the real estate portfolio, net of revenues from re-charges, and costs related to the corporate structure, in order to represent separately the profitability of investments and costs related to the Company's operating structure.

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 17% of the total property portfolio (considering the disposal of 21 Deutsche Bank branches closed in January 2018).

An income statement showing information about the Company's income and results for the six months ended June 30th, 2018 is given below:

(in thousands Euro)	Offices	Bank branches	Others	Unallocated amounts	Sector results
Rents	14,257	2,549	895	-	17,701
Net movement in fair value	7,228	1,617	1,456	-	10,301
Net income attributable to non-controlling interests	1,398	-	-	(468)	930
Financial income	-	-	-	7	7
Total income	**22,883**	**4,166**	**2,351**	**(461)**	**28,932**
Net real estate operating expenses	(1,221)	(524)	(170)	-	(1,915)
G&A expenses	(3,280)	(1,208)	(301)	(26)	(4,815)
Other operating expenses	(17)	(99)	8	(22)	(130)
Net depreciation	(843)	(293)	-	(13)	(1,149)
Financial expenses	(2,141)	(613)	(114)	(24)	(2,892)
Income tax	-	-	-	3	3
Sector results	**15,381**	**1,429**	**1,774**	**(546)**	**18,041**

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	471,306	88,468	32,190	4,615	596,579
Current assets	36,940	17,438	923	3,379	58,680
Total assets	**508,246**	**105,906**	**33,113**	**7,994**	**655,259**
Non-current liabilities	183,867	45,984	10,843	5	240,699
Current liabilities	5,441	1,157	426	126	7,150
Total liabilities	**189,308**	**47,141**	**11,269**	**131**	**247,849**

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 MHREC Sarl's cash;
- 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	12,943	2,759	1,999	-	17,701
Net movement in fair value	5,490	3,214	1,597	-	10,301
Net income attributable to non-controlling interests	1,398	-	(468)	-	930
Financial income	-	-	-	7	7
Total income	**19,831**	**5,973**	**3,128**	**7**	**28,939**
Net real estate operating expenses	(1,211)	(253)	(451)	-	(1,915)
G&A expenses	(2,914)	(864)	(1,037)	-	(4,815)
Other operating expenses	(24)	(15)	(90)	(1)	(130)
Net depreciation	(940)	(25)	(184)	-	(1,149)
Financial expenses	(2,087)	(765)	(5)	(35)	(2,892)
Income tax	-	-	-	3	3
Sector results	**12,655**	**4,051**	**1,361**	**(26)**	**18,041**

The geographic breakdown has also been chosen with regard to the Company's investment strategy which is aimed primarily at the markets of Milan and Rome.
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	428,407	96,190	70,493	1,489	596,579
Current assets	34,948	6,915	13,731	3,086	58,680
Total assets	**463,355**	**103,105**	**84,224**	**4,575**	**655,259**
Non-current liabilities	163,162	46,797	30,737	3	240,699
Current liabilities	4,618	1,484	1,037	11	7,150
Total liabilities	**167,780**	**48,281**	**31,774**	**14**	**247,849**

The same methodology described for the division of assets and liabilities by intended use is also used for the breakdown by geographic location.
The column called *unallocated amounts* mainly includes financial assets at fair value and tax liabilities.

4. Rents

The revenues amount to Euro 17,701 thousand as of June 30th, 2018 and include rents accrued on the real estate portfolio.

(in thousands Euro)	Investments	June 30th, 2018	June 30th, 2017
COIMA RES SIIQ	Vodafone	6,978	6,937
	Monte Rosa	1,873	-
CCFIV Fund	Deutsche Bank branches	2,549	3,655
CCFVI (ex MHREC) Fund	Gioiaotto	1,946	1,922
	EurCenter	2,561	2,540
COIMA RES SIINQ I	Deruta	1,794	1,630
Rents		**17,701**	**16,684**

It should be noted that the property located in Via Monte Rosa 93 was acquired on October 24th, 2017, therefore for the six months ended June 30th, 2017 there are no rents accrued on this property.

About the fees accrued on the Deutsche Bank portfolio, the reduction of Euro 1,106 thousand compared to the previous half-year is mainly due to the disposal of 21 branches in January 2018.

5. Net real estate operating expenses

The net real estate operating expenses amount to Euro 1,915 thousand for the six months ended June 30th, 2018 and are detailed as follows:

(in thousands Euro)	Vodafone	Monte Rosa	Deutsche Bank branches	Gioiaotto EurCenter	Deruta	June 30th, 2018	June 30th, 2017
Recovery of costs from tenants	1,087	486	19	417	9	2,018	994
Property management fee	(146)	(30)	(57)	(157)	(18)	(408)	(342)
Maintenance charges	(351)	(230)	(28)	(126)	(5)	(740)	(193)
Utilities	(590)	(231)	-	(124)	-	(945)	(582)
Insurance	(34)	(11)	(26)	(26)	(13)	(110)	(96)
Property tax (IMU)	(347)	(225)	(382)	(330)	(115)	(1,399)	(1,411)
Property tax (TASI)	(24)	(15)	(13)	(21)	(8)	(81)	(71)
Stamp duties	(69)	(17)	(37)	(47)	(18)	(188)	(148)
Other real estate costs	-	(48)	-	(14)	-	(62)	(107)
Net real estate expenses	**(474)**	**(321)**	**(524)**	**(427)**	**(168)**	**(1,915)**	**(1,956)**

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. General and administration expenses

General and administration expenses amount to Euro 4,815 thousand for the six months ended June 30th, 2018. The detailed summary table is attached below:

(in thousands Euro)	COIMA RES	CCFIV IV	CCFIV VI (ex MHREC)	SIINQ I	Others	June 30th, 2018	June 30th, 2017
Asset management fee	(1,441)	(238)	(488)	-	-	(2,167)	(2,044)
Personnel costs	(889)	-	-	-	-	(889)	(795)
Consulting costs	(353)	(55)	(126)	(13)	(63)	(610)	(884)
Control functions	(154)	(9)	(8)	(7)	-	(178)	(162)
Audit	(107)	(17)	(16)	(7)	(5)	(152)	(133)
Marketing	(149)	-	-	-	-	(149)	(127)
IT service	(88)	-	-	-	-	(88)	(71)
Independent appraisers	(18)	(29)	(6)	(3)	-	(56)	(75)
Other operating expenses	(233)	(290)	6	-	(9)	(526)	(153)
G&A expenses	**(3,432)**	**(638)**	**(638)**	**(30)**	**(77)**	**(4,815)**	**(4,444)**

Asset Management fees relate to the agreement signed by the Company and COIMA SGR for scouting activities for investment transactions and the management of the real estate portfolio, as well as for other activities provided by 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.

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.

Personnel costs include:

- wages, salaries and similar expenses, amounting to Euro 376 thousand, related to wages for the Company's employees.
- social security contributions, amounting to Euro 130 thousand, paid by the Company to social security funds.

- other personnel costs, amounting to Euro 383 thousand, include mainly the Board of Directors' remuneration.

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 34 thousand, and other control functions, amounting to Euro 82 thousand.

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

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

Marketing costs are mainly related to digital and media relations expenses, amounting to Euro 84 thousand; website maintenance, amounting to Euro 47 thousand and other marketing costs related to corporate events and conferences for Euro 18 thousand.

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

7. Other operating costs

The other operating expenses, amounting to Euro 130 thousand (Euro 173 thousand for the six months ended June 30th, 2017), mainly include corporate taxes and fees, costs related to non-deductible VAT, non-recurring liabilities and other operating costs. This item also includes the increase of fair value of the financial instrument granted to some executive directors and key managers for an amount of Euro 3 thousand.

8. Net depreciation

Net depreciation, amounting to Euro 1,149 thousand (Euro 1 thousand for the six months ended June 30th, 2017), mainly refers to the write-down of the Deutsche Bank branches classified in the item *inventories*, based on the evaluation report prepared by the independent experts, and the expected loss of value on part of trade receivables, estimated by the Company based on analyses carried out on the solvency of the counterparty and on the timing of collection.

9. Net movement in fair value

This item, amounting to Euro 10,301 thousand (Euro 7,314 thousand as of June 30th, 2017) refers to adjustments made to 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.

10. Net income attributable to non-controlling interests

Net income attributable to non-controlling interests, amounting to Euro 930 thousand, 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

11. Financial income and expenses

Financial income, amounting to Euro 7 thousand (Euro 416 thousand for the six months ended June 30th, 2017), they refer mainly to exchange rate gains accrued on the financial assets portfolio, classified in the balance sheet as "financial assets at fair value".

Interest expenses amount to Euro 2,892 thousand (Euro 3,102 thousand for the six months ended June 30th, 2017) thousand and mainly include interests accrued on existing financings.

The all-in weighted average cost of the Group's debt as of June 30th, 2018 is 1.97% and 74.1% of the outstanding debt has been hedged with "interest rate caps". The remaining weighted average maturity of the financing is 3.3 years.

12. Income tax

In accordance with the SIIQ regime, the Company calculates income taxes arising from non-exempt business, using a tax rate of 24%.
For the six months ended June 30th, 2018, the positive amount of Euro 3 thousand (Euro 8 thousand negative for the six months ended June 30th, 2017) mainly refers to deferred tax assets accrued on the change in the value of the portfolio of financial assets classified in the balance sheet as "financial assets at fair value".

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	**Six months ended June 30th, 2018**	**Six months ended June 30th, 2017**
Profit for the period (in thousands Euro)	16,778	14,096
Outstanding shares (weighted averange)	36,007,000	36,007,000
Earnings per share (Euro)	**0.47**	**0.39**

There were no transactions involving ordinary shares between the reference date of the interim condensed consolidated financial statements and the date of consolidated financial statements as of December 31st, 2017.

14. Real estate investments

The changes in property investments for the six months ended June 30th, 2018, are listed below:

(in thousands Euro)	Investments	December 31st, 2017	Other charges	Revaluations/ (write-downs)	June 30th, 2018
COIMA RES SIIQ	Vodafone	208,500	-	600	209,100
	Monte Rosa	60,400	15	(15)	60,400
CCFIV	DB branches	86,750	-	1,617	88,367
CCFVI (ex MHREC)	Gioiaotto	72,070	25	4,905	77,000
	EurCenter	83,790	16	3,194	87,000
COIMA RES SIINQ I	Deruta	51,900	-	-	51,900
Real estate investments		**563,410**	**56**	**10,301**	**573,767**

The total amounts reported as of June 30th, 2018 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.

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	Vodafone	5.5%	6.6%	5.7%	1.5%	11
	Monte Rosa	5.4%	7.0%	5.6%	1.5%	10.3
Duff & Phelps REAG	DB branches (rented)	m.6.2%	m.6.2%	m.4.5%	1.3%-2.0%	12
	DB branches (vacant)	m.6.8%	m.6.8%	m.5.1%	1.3%-2.0%	15
Duff & Phelps REAG	Gioiaotto (office)	6.3%	6.3%	5.0%	1.3%-2.0%	16
	Gioiaotto (tur./leis.)	6.8%	6.8%	5.5%	1.3%-2.0%	17
	EurCenter	6.1%	6.1%	5.2%	1.3%-2.0%	15
CBRE Valuation	Deruta	5.5%	7.0%	5.6%	1.5%	4.5

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.

15. Other tangible assets and intangible assets

Other tangible assets, amounting to Euro 334 thousand (Euro 351 thousand as of December 31st, 2017), mainly include the plants, furniture and fixtures related to Company headquarter. The decrease of Euro 17 thousand compared to the previous year is mainly due to the depreciations of the period.

Intangible assets, amounting to Euro 49 thousand (Euro 24 thousand as of December 31st, 2017), refer to administrative and accounting software. The increase of Euro 25 thousand compared to the previous year is related to for the development of implementation activities carried out during the period.

16. Investments accounted for using the equity method

The item, amounting to Euro 18,934 thousand (Euro 16,879 thousand as of December 31st, 2017), includes Porta Nuova Bonnet investment of Euro 17,438 thousand and Co – Investment 2 SCS investment of Euro 1,496 thousand, owned indirectly through MHREC Sarl.

The increase of Euro 2,055 thousand compared to the previous year is due to the recalls made by Porta Nuova Bonnet Fund during this half year, amounted to Euro 1,125 thousand, and the profit for the period attributable to the companies amounted to Euro 930 thousand.

17. Financial assets at fair value

The increase in financial assets at fair value, amounting to Euro 1,483 thousand, relates to an investment of part of our excess cash into certain investment funds through an investment mandate entrusted to the company Pictet.

The breakdown of the portfolio as of June 30th, 2018 is given below:

(in thousands Euro)	June 30th, 2018	December 31st, 2017
Bond fund	596	606
Equity fund	147	138
Alternative fund	154	153
Other investments	586	595
Financial assets at fair value	**1,483**	**1,492**

From January 1st, 2018 financial assets have been evaluated at fair value with effect on the income statement, in accordance with the international accounting standard IFRS 9. It should be noted that, at the date of the interim condensed consolidated financial statements, all funds in the portfolio have a market price.

18. Derivatives

The item, amounting to Euro 395 thousand (Euro 723 thousand as of December 31st, 2017), includes interest rate caps which hedge the change rate financial exposure at June 30th, 2018.

The Company has recognized the continuity hedging transactions based on the hedging accounting and in accordance with the international accounting standard IFRS 9, effective from January 1st, 2018.
As required by the standard, derivative financial instruments are measured at fair value and the time component of their value, amounting to Euro 227 thousand, is recorded in equity, in particular in "*other reserves*".

The Company has applied this standard prospectively, including the impacts deriving from the adoption of the new standard in the opening balance at January 1st, 2018. These changes only entailed a reclassification of Euro 348 thousand from the item "*retained earnings*" to "*other reserves*".

19. Non-current financial receivables

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

20. Inventories

Inventories, amounting to Euro 11,850 thousand (Euro 12,140 thousand as of December 31st, 2017), include the remaining vacant Deutsche Bank branches.
The decrease of Euro 290 thousand compared to the previous year is related to the adjustment of the fair value based on the evaluation report prepared by the independent expert.

21. Trade and other current receivables

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

(in thousands Euro)	June 30th, 2018	December 31st, 2017
Receivables from tenants	1,961	1,901
Receivables from buyers	-	863
Trade receivables	**1,961**	**2,764**
Tax receivables	1,561	2,948
Advance payment	6	3
Other advance payment	7,800	-
Other current activities	479	243
Prepayments and accrued income	2,233	2,236
Other current receivables	**12,079**	**5,430**
Trade and other current receivables	**14,040**	**8,194**

The increase of Euro 5,846 thousand compared to the previous year is mainly due to the advances paid by the Company for the acquisition of two buildings located in Milan in the Porta Nuova district, in particular Euro 5,000 thousand for the complex called "Pavilion" in Piazza Gae Aulenti and Euro 2,800 thousand for a building in via Alessio di Tocqueville.

As for tax receivables, the decrease of Euro 1,387 thousand compared to the previous year is largely due to offset with other taxes.

22. Cash and cash equivalents

The Group's cash and cash equivalents amount to Euro 32,803 thousand.

(in thousands Euro)	**June 30th, 2018**	**December 31th, 2017**
Banca Passadore	10,154	12,602
Intesa San Paolo	11,298	4,949
Pictet	1,014	1,014
ING Bank N.V.	2,189	2,733
BNP Paribas	4,024	4,059
State Street Bank	3,869	1,396
Société Générale Group	255	289
Cash and cash equivalents	**32,803**	**27,042**

Cash increased significantly, mainly due to the cash collected deriving from the sale of the Deutsche Bank branches in January 2018 and to the profits deriving from leasing activities.

23. Shareholders' equity

Shareholders' equity as at June 30th, 2018 amounts to Euro 394,140 thousand (Euro 383,411 thousand as of December 31st, 2017) and breaks down as illustrated in the interim condensed consolidated financial statements.
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 362,911 thousand, include:

- share premium reserve of Euro 335,549 thousand;
- legal reserve of Euro 2,890 thousand;
- fair value valuation reserve of Euro 6,062 thousand;
- other reserves of Euro 18,410 thousand.

The minority equity amounts to Euro 13,270 thousand (Euro 11,915 thousand as of December 31st, 2017), of which Euro 1,263 thousand is related to the minority interest for the period.

The line "adjustments" shows the main impacts on the opening balance at January 1st, 2018 deriving from the application of the new accounting standard IFRS 9, including:

- increase of Euro 748 thousand in the item "*retained earnings*" deriving from the renegotiation of the loan subscribed by CCFVI during 2017;
- reclassification of Euro 348 thousand from the item "*retained earnings*" to the item "*other reserves*" deriving from the valuation of derivative financial instruments;
- reclassification of Euro 13 thousand from the item "*valuation reserve*" to the item "*retained earnings*" deriving from the valuation of financial assets at fair value, net of tax effects.

For more details regarding the adjustment reported please refer to paragraph *2.4 – New accounting standards, interpretations and amendments adopted by the Company* and to related explanatory notes of interim condensed consolidated financial statements, respectively paragraph *24 – Bank borrowing and other lenders, paragraph 18 – Derivatives* and *paragraph 17 – Financial assets at fair value.*

24. Bank borrowings and other lenders

As of June 30th, 2018, the item "*bank borrowings and other non-current lenders*" amounts to Euro 239,912 thousand and includes the financial loans contracted by the Company, CCFVI (ex MHREC) and COIMA RES SIINQ I.

(in thousands Euro)	December 31th, 2017	Adoption of new standards effective from January 1st, 2018	Amortised costs	Reimbursement	June 30th, 2018
COIMA RES SIIQ	148,034	-	363	(280)	148,117
CCFVI (ex MHREC)	72,661	(748)	123	-	72,036
COIMA RES SIINQ I	19,725	-	34	-	19,759
Non current bank borrowings	**240,420**	**(748)**	**520**	**(280)**	**239,912**
COIMA RES SIIQ	22,720	-	-	(22,720)	-
Current bank borrowings	**22,720**	**-**	**-**	**(22,720)**	**-**

In accordance with the new accounting standard IFRS 9 effective from January 1st, 2018, loans subject to renegotiation or whose contractual terms are subject to significant amendment it is necessary to reflect the change in their value, recalculating the amortized cost and recognizing any differences in the income statement.
The value of the loan subscribed by CCFVI (ex MHREC), which was renegotiated on March 31st, 2017, was recalculated in accordance with the new approach defined by IFRS 9 described above and, in the opening balance at January 1st, 2018, the difference compared to the original value was adjusted to retained earnings for Euro 748 thousand.

On March 9th, 2018, the Company repaid a portion of the senior line outstanding loan for an amount of Euro 23,000 thousand, partially utilizing the cash collected from the disposal of 21 Deutsche Bank branches.

The table below summarises the financial details of the loans:

(in thousands Euro)	June 30th, 2018	Maturity date	Rate	% hedged
COIMA RES SIIQ – Senior line	148,117	June 29th, 2021	Eur 3M + 180 bps	70%
CCFVI (ex MHREC)	72,036	March 31st, 2022	Eur 3M + 150 bps	81%
COIMA RES SIINQ I	19,759	Jan. 16th, 2022	Eur 3M + 160 bps	81%

The entities signed derivative hedging contracts in the form of interest rate caps.

These transactions are designed to cover the financial flows of existing loans, for this reason fall into the category of hedge accounting, described in the section related to derivative financial instruments.

The table below show the compliance with covenants set in the loan agreements as of June 30th, 2018.

Covenant	Limit	Test result as of June 30th, 2018
LTV Consolidated	<60%	40,9%
DSCR Consolidated	>1,40x	4.4x

25. Provisions for risks and charges

The provision for risks and charges of Euro 127 thousand (Euro 123 thousand at December 31st, 2017) includes the discounted value of the *Long-Term Incentive* granted to one employee. The incentive stipulates that the employee should be paid if he still employed in the company on December 31st, 2018.

26. Trade and other non-current liabilities

Other non-current liabilities, amounting to Euro 623 thousand, (Euro 554 thousand as of December 31st, 2017), include the fair value of the financial instruments granted to some executive directors and key managers and cash deposits received from tenants.

The financial instrument recorded at fair value was issued by the Company and acquired by the management for a nominal value of Euro 1 thousand. As at June 30th, 2018 the instrument was revalued at Euro 246 thousand (Euro 243 thousand at December 31st, 2017) using the financial method, in line with the valuation made as of December 31st, 2017.

For the valuation at June 30th, 2018, the discount rate was estimated assuming a risk-free rate of 1.27%, a Beta coefficient of 0.59, an average unlevered Beta coefficient of 0.45 and an ERP of 6.22%. For more details on the valuation model adopted, refer to the description in the consolidated financial statements for the year ended December 31st, 2017.

27. Trade and other current payables

The breakdown of trade payables and other current payables, amounting to Euro 7,066 thousand, is given below:

(in thousands Euro)	June 30th, 2018	December 31th, 2017
Account payables	3,053	3,080
Deposits paid by buyers	-	4,363
Invoices to be received	1,719	1,200
Trade payables	**4,772**	**8,643**
Personnel payables	161	207
Security provider payables	71	54
Tax payables	46	92
Other payables	409	75
Accruals and deferred income	1,607	1,582
Other liabilities	**2,294**	**2,010**
Trade payables and other current liabilities	**7,066**	**10,653**

The decrease of Euro 3,587 thousand compared to the previous year is mainly attributable to the item *deposits paid by buyers*, which at December 31st, 2017 included the advances paid to CCFIV for the sale of the Deutsche Bank branches in January 2018.

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, taking into account 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) maximize 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, 2018 and December 31st, 2017 is given below.

(in thousands Euro)	June 30th, 2018		December 31st, 2017	
	Net book value	Fair Value	Net book value	Fair Value
Real estate investments	573,767	573,767	563,410	563,410
Other tangible assets	334	334	351	351
Intangible assets	49	49	24	24
Investments accounted for using the equity method	18,934	18,934	16,879	16,879
Financial assets at fair value	1,483	1,483	1,492	1,492
Non-current deferred tax assets	17	17	9	9
Derivatives	395	395	723	723
Long term financial assets	1,620	1,620	1,620	1,620
Inventories	11,850	11,850	12,140	12,140
Trade and other current receivables	14,040	14,040	8,194	8,194
Cash and cash equivalents	32,803	32,803	27,042	27,042
Non-current assets held for sale	-	-	38,000	38,000
Assets	**655,292**	**655,292**	**669,884**	**669,884**
Bank borrowings and other non-current lenders	239,912	241,631	240,420	243,842
Other liabilities	7,724	7,724	11,175	11,175
Financial instruments	246	246	243	243
Bank borrowings and other current lenders	-	-	22,720	22,916
Liabilities	**247,882**	**249,601**	**274,558**	**278,176**

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, 2018 and December 31st, 2017.

(in thousands Euro)	June 30th, 2018			
	Total amount	Quoted prices in active markets (Level 1)	Observable inputs (Level 2)	Unobservable inputs (Level 3)
Real estate investments	573,767	-	-	573,767
Other tangible assets	334	-	-	334
Intangible assets	49	-	-	49
Investments accounted for using the equity method	18,934	-	-	18,934
Financial assets at fair value	1,483	1,483	-	-
Non-current deferred tax assets	17	-	-	17
Derivatives	395	-	395	-
Long term financial assets	1,620	-	-	1,620
Inventories	11,850	-	-	11,850
Trade and other current receivables	14,040	-	-	14,040
Cash and cash equivalents	32,803	-	-	32,803
Assets	**655,292**	**1,483**	**395**	**653,414**
Bank borrowings and other non-current lenders	241,631	-	241,631	-
Other liabilities	7,724	-	-	7,724
Financial instruments	246	-	-	246
Assets	**249,601**	**-**	**241,631**	**7,970**

(in thousands Euro)	December 31st, 2017			
	Total amount	Quoted prices in active markets (Level 1)	Observable inputs (Level 2)	Unobservable inputs (Level 3)
Real estate investments	563,410	-	-	563,410
Other tangible assets	351	-	-	351
Intangible assets	24	-	-	24
Investments accounted for using the equity method	16,879	-	-	16,879
Financial assets at fair value	1,492	1,492	-	-
Non-current deferred tax assets	9	-	-	9
Derivatives	723	-	723	-
Long term financial assets	1,620	-	-	1,620
Inventories	12,140	-	-	12,140
Trade and other current receivables	8,194	-	-	8,194
Cash and cash equivalents	27,042	-	-	27,042
Non-current assets held for sale	38,000	38,000	-	-
Assets	**669,884**	**39,492**	**723**	**629,669**
Bank borrowings and other non-current lenders	243,842	-	243,842	-
Other liabilities	11,175	-	-	11,175
Financial instruments	243	-	-	243
Bank borrowings and other current lenders	22,916	-	22,916	-
Liabilities	**278,176**	**-**	**266,758**	**11,418**

30. Risks, guarantees and commitments

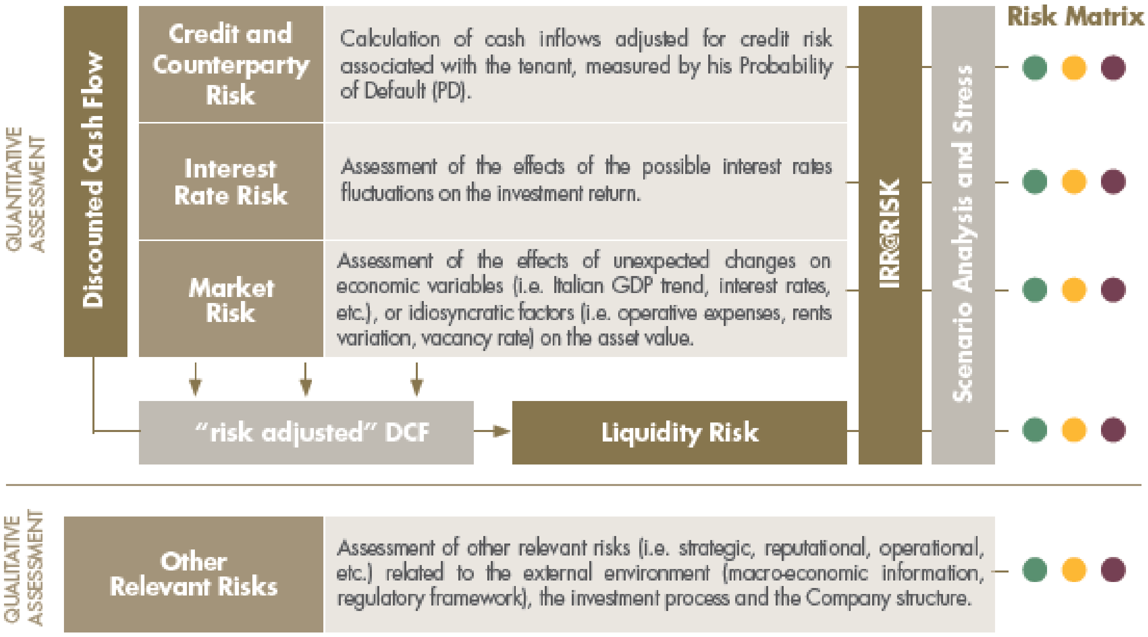
Risks

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

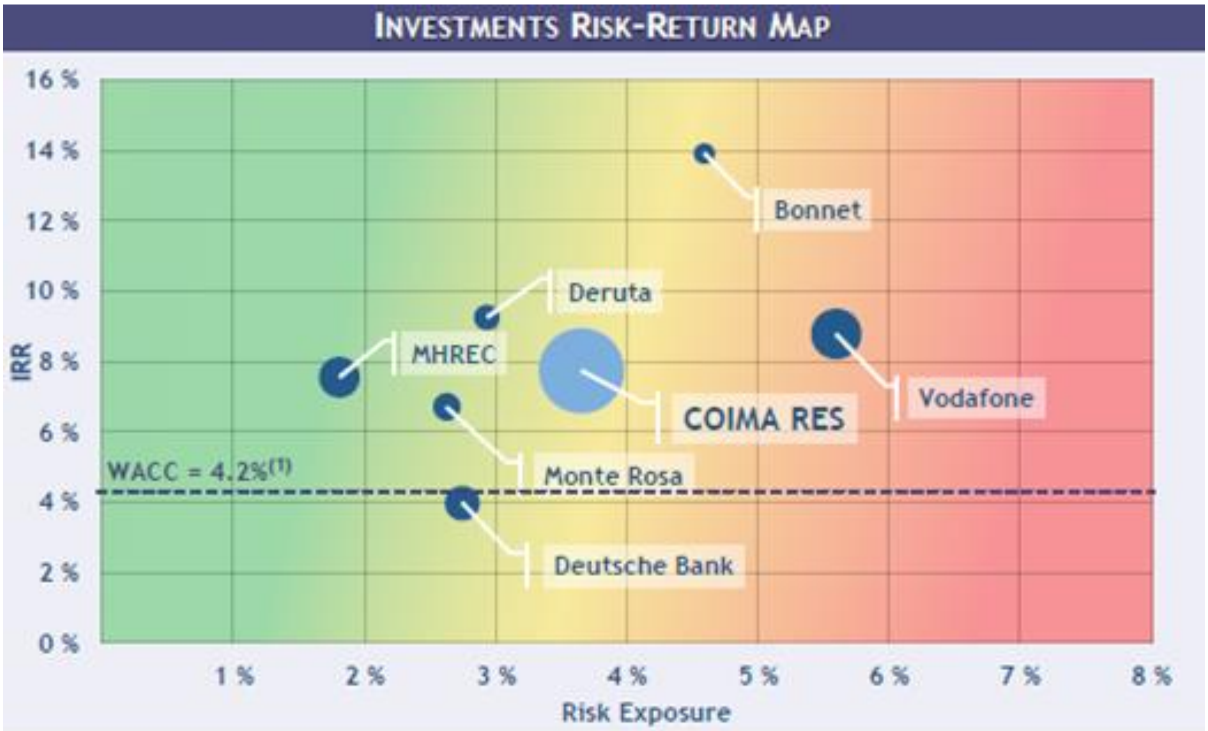
	Risks	COIMA RES mitigation
1	**Market risk** - the risk of losses related to the fluctuation in the prices of properties in the portfolio resulting from adverse changes of macroeconomic variables, the property market and/or the specific characteristics of the properties owned by the Company. This risk 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 limits financial leverage to 45% of the total value of assets.
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.



The last survey on the Company's portfolio, based on the model described above, outlined the risk profile shown in the chart below:



Guarantees and commitments

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

- first mortgage of Euro 432,550 thousand;
- pledge on the CCF IV units;
- pledge on operating bank accounts linked to the loan agreement, except for the account to which any amounts distributed as dividends will be paid;
- disposal of receivables related to Vodafone rents, insurance claims and any other receivables arising from disputes against consultants engaged for the due diligence on Vodafone.

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, except for 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 building.

CCFVI (ex "MHREC") 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	146,000,000	I	UBI Bank

Furthermore, CCFVI will contribute Euro 1,400 thousand for the modernisation and redevelopment works on Gioiaotto carried out by NH Hotel.

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. Note that as of March 31st, 2018 the Porta Nuova Bonnet Fund drew Euro 14,982 thousand and therefore has a residual claim of Euro 10,018 thousand on the Company.

31. Related parties

Related party transactions are listed below:

(in thousands Euro)	Receivables	Liabilities	Costs
COIMA SGR S.p.A.	-	2,031	2,176
COIMA S.r.l.	-	209	239
COIMA Image S.r.l.	-	2	-
Porta Nuova Garibaldi Fund	-	159	67
Co - Investment 2 SCS	1,620	-	-
Managers	-	39	95
Directors	46	249	309
Board of Statutory Auditors	-	62	62
Others	-	-	50

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, 2018

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 26th, 2018

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	Bonnet is the building 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 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.
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 building 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 building 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.
Initial Portfolio	The Deutsche Bank branches and the Vodafone properties.
Interest Coverage Ratios	Ratio between the EBITDA and interest expense.
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 building 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 building located in Roma, in Piazza Don Luigi Sturzo, held through COIMA CORE FUND VI (“ex MHREC”).
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.
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 buildings 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 or 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 2018. 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, 2018 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, 30 July 2018

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

EY S.p.A.
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Capitale Sociale Euro 2.525.000,00 i.v.
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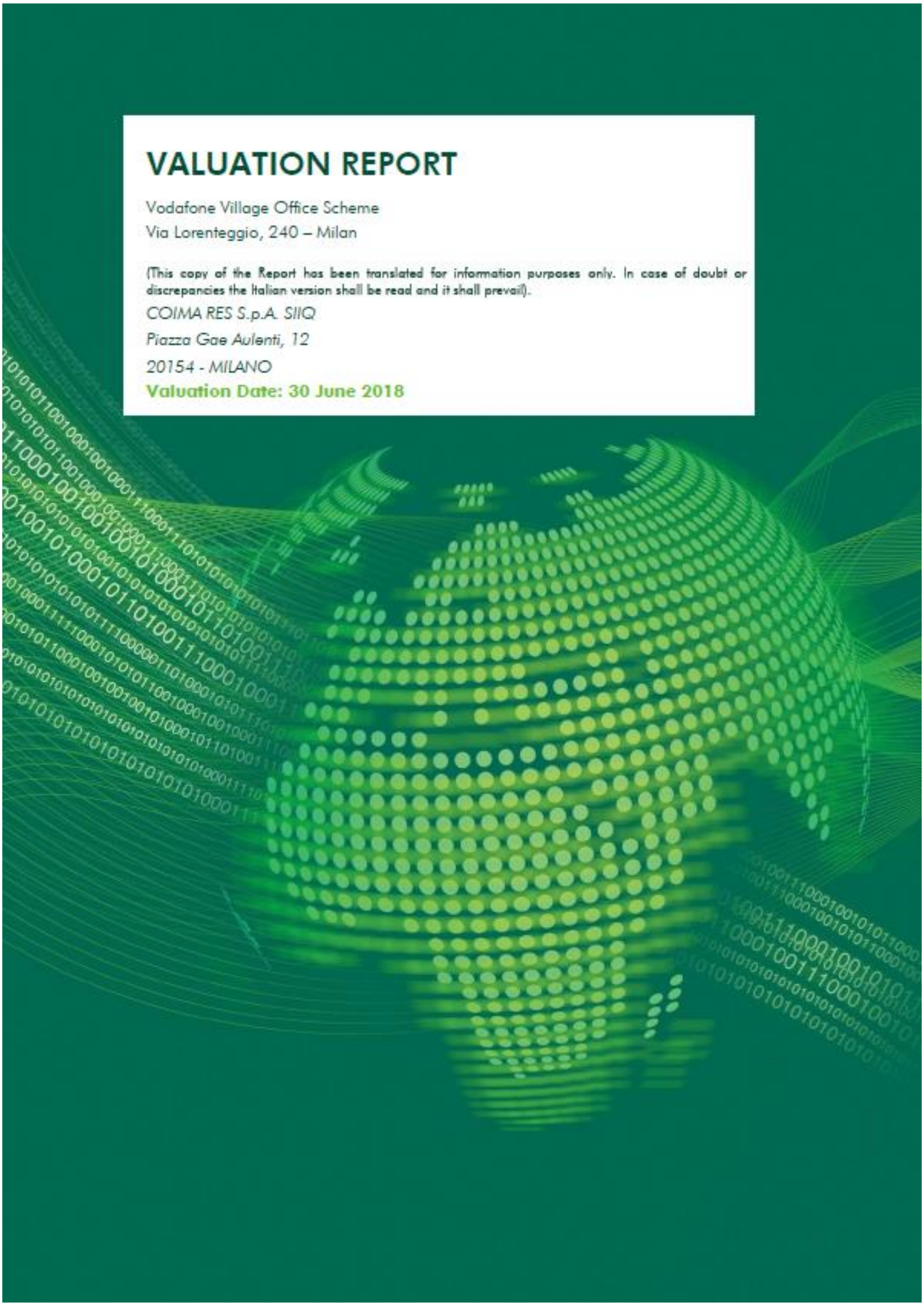

VALUATION REPORT

Vodafone Village Office Scheme

Via Lorenteggio, 240 – Milan

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

COIMA RES S.p.A. SIIQ

Piazza Gae Aulenti, 12

20154 - MILANO

Valuation Date: 30 June 2018

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. SIIQ (the "Client") in accordance with the terms of the instruction letter dated 25 July 2016. The Report is confidential and it must not be disclosed to any person other than the Client without CBRE's prior written consent. CBRE has provided this report on the understanding that it will only be seen and used by the Client and no other person is entitled to rely upon it, unless CBRE has expressly agreed in writing. Where CBRE has expressly agreed that a person other than the Client can rely upon the report then CBRE shall have no greater liability to any party relying on this report than it would have had if such party had been named as a joint client under the Instruction.

CBRE's maximum aggregate liability to all parties, howsoever arising under, in connection with or pursuant to reliance upon this Report, and 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 on the date of the Instruction; or

(ii) €10 Million (Ten Million Euro); and

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.

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EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

The Property

Address: Via Lorenteggio, 240 – 20147 Milano (MI) - Italy

Main Use: Offices

The subject property comprises 3 buildings within the recently built office scheme called "Vodafone Village", located in the western periphery of Milan. In details it comprises the buildings called "B", "C" and "C1", mainly used as office and ancillary spaces, together with a canteen, an auditorium and some 1,047 covered car/motorbike parking spaces located in the multi-storey car parking, which is shared between the entire scheme.

Tenure

We have 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. SIIQ".

Tenancies

The property is fully let to Vodafone Omnitel N.V. The lease contract in place has a duration of 15 years starting on 01/02/2012, and can be renewed for further 6 years upon first lease expiry date.

The tenant does not have the right to recede from the contract before the first expiry date; the penalty fee would be equal to the entire rental income for the period from the date of receding and the first expiry date (15th year).

Market Value

We are of the opinion that the Market Value of the freehold interest in the subject property as at 30 June 2018 is:

€ 209,100,000

(TWO HUNDRED NINE MILLION ONE HUNDRED THOUSAND EUROS)

exclusive of VAT and acquisition costs

Yield Profile

Net Initial Yield	6.16%
Net Exit Cap rate	5.70%
Gross Exit Yield	6.27%

Comments

Strengths

- Recently built scheme according to energy saving and space flexibility criteria;
- Very good availability of parking spaces;
- Very good letting status with long expiry terms, the lessee is a high standing international telecommunication company;
- Strategic asset for Vodafone, for which important built to suit fit out works have been carried out;
- Good space efficiency (high letting on external area ratio).

Weaknesses

- The micro-location is not ideal both from the context and accessibility by public transports point of view;
- Wide size for the reference market;

Opportunities

- The property benefits from energy-saving and efficiency solutions, which appears to be one of the main drivers as at today in the Real Estate investment market;
- Vodafone presence within the property act as an anchor for companies operating in the same economic sector;
- M4 new metro station should open in the future (last update informs within the first half of 2023) some 400 m from the subject property.

Threats

- Availability of vacant office spaces in the Vodafone Village complex, following the release of the A-Tower by Vodafone.

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- Large size asset fully let to a single tenant, which, in the event of vacancy, would bring to the reference market a wide amount of sq m, with a negative impact on the vacancy level in the area, and as a consequence on the achievable rental levels.
- Availability of Grade A office spaces supplied with competitive rents both in the Lorenteggio business district and within the buildings situated near the new metro stations of the Line 4.

CBRE

2

VALUATION REPORT

CBRE

VALUATION REPORT

CBRE

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Report Date	12th July 2018
Addressees	COIMA RES S.p.A. SIIQ Piazza Gae Aulenti, 12 20154 – Milano *To the kind attention of: The Board of Directors*
The Properties	Via Lorenteggio, 240 20147 Milano (MI)
Property Descriptions	The subject property comprises 3 buildings within the recently built office scheme called "Vodafone Village", located in the western periphery of Milan. In details it comprises the buildings called "B", "C" and "C1", mainly used as office and ancillary spaces, together with a canteen, an auditorium and some 1,047 covered car/motorbike parking spaces located in the multi-storey car parking, which is shared between the entire scheme. All of the properties are fully let to Vodafone Omnitel N.V.
Ownership Purpose	Investment.
Instruction	To value on the basis of Market Value the relevant interests in the Properties as at the Valuation Date in accordance with the letter of instruction and terms of engagement dated 14 June 2016. This present *condensed report* is the summary of the full valuation report, dated 10 January 2018.

Valuation Date	30 June 2018
Capacity of Valuer	External.
Purpose	Half-yearly valuation
Market Value	Market Value as at 30 June 2018 **€ 209,100,000** (TWO HUNDRED NINE MILLION ONE HUNDRED THOUSAND EUROS) exclusive of purchaser's costs and VAT. 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.
Compliance with Valuation Standards	The valuation has been prepared in accordance with The RICS Valuation – Global 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.
Special Assumptions	No.
Assumptions	The specific characteristics of the Property considered, used as a basis for the assessment, are those indicated in the Valuation Report. For the valuation we considered information provided by the Client about technical and rental aspects of the property. 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.

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Variation from Standard Assumptions

None

Market Conditions

The values stated in this report represent our objective opinion of Market Value in accordance with the definition set out above as of the date of valuation. Amongst other things, this assumes that the properties had been properly marketed and that exchange of contracts took place on this date.

At the same time, we cannot exclude that there may exist other market segments of demand and/or supply relative to the subject activities examined and as such, may implicate that the single unitary criteria selected and adopted within this report be modified.

Valuer

The Property has been valued by a valuer who is qualified for the purpose of the valuation in accordance with the RICS Valuation – Professional Standards (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 Italy) from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the total Italy revenues.

Conflicts of Interest

We confirm that we have had no previous material involvement with the property, and that copies of our conflict of interest checks have been retained within the working papers.

Reliance

This report is for the use only by 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 of the form and context in which it will appear.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Royal Institution of Chartered Surveyors Valuation – Professional Standards or the incorporation of the special assumptions referred to herein.

This report was prepared by:

- Fulvio Volpe

under the supervision of Laura Mauri MRICS.

Yours faithfully

Davide Cattarin

Managing Director

For and on behalf of

CBRE VALUATION S.p.A.

E: davide.cattarin@cbre.com

Yours faithfully

Laura Mauri MRICS

Executive Director

RICS Registered Valuer

For and on behalf of

CBRE VALUATION S.p.A.

E: laura.mauri@cbre.com

CBRE VALUATION S.P.A.

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Project Reference: 18-64VAL-0117

CBRE

SCOPE OF WORK & SOURCES OF INFORMATION

Sources of Information

The present analysis is an update of a previous valuation carried out by CBRE Valuation S.p.A. dated 31 December 2017; and considering new documentation provided by the Client, which we assumed to be complete and correct:

- Rent Roll.

Any other sources of information are specifically reported in the report.

The Properties

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

Revaluation Without Inspection

As instructed, we have not re-inspected all the properties for the purpose of this valuation. With regard to those properties which have not been subject to re-inspection, you have confirmed that you are not aware of any material changes to the physical attributes of the properties, or the nature of their location, since the last inspection. We have assumed this advice to be correct.

Areas

We have not measured the Properties but have relied upon the floor areas provided. We have not checked these on sites.

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.

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 not undertaken planning enquiries; relative information stated within our report has been provided by the Client.

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 they 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 Client's likely perceptions of the financial status of tenants.

VALUATION ASSUMPTIONS

Capital Values

Each valuation has been prepared on the basis of "Market Value" (RICS edition 2017), which is defined 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 wherein the parties had each acted knowledgeably, prudently and without compulsion".

No allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal. Acquisition costs have not been included in our valuation.

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

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

VAT

All rents and capital values stated in this report are exclusive of VAT.

Rental Values

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.

The Properties

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.

Environmental Matters

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

In the absence of any information to the contrary, we have assumed that the Property and activities carried out therein are aligned with current environmental regulations.

CBRE

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.

Energy Performance Certificates

We have assumed that the properties possess and / or will possess in the near future, in accordance with the provisions provided in relation to the national transfer and leasing of property, the Energy Performance Certificate (APE) or equivalent certification.

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 property;

(b) the Properties are free from rot, infestation, structural or latent defect;

(c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, 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.

Title, Tenure, Planning and Lettings

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

(a) the Properties possess a good and marketable title free from any onerous or hampering restrictions or conditions;

(b) all 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) all 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 each Property 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; and

(j) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy.

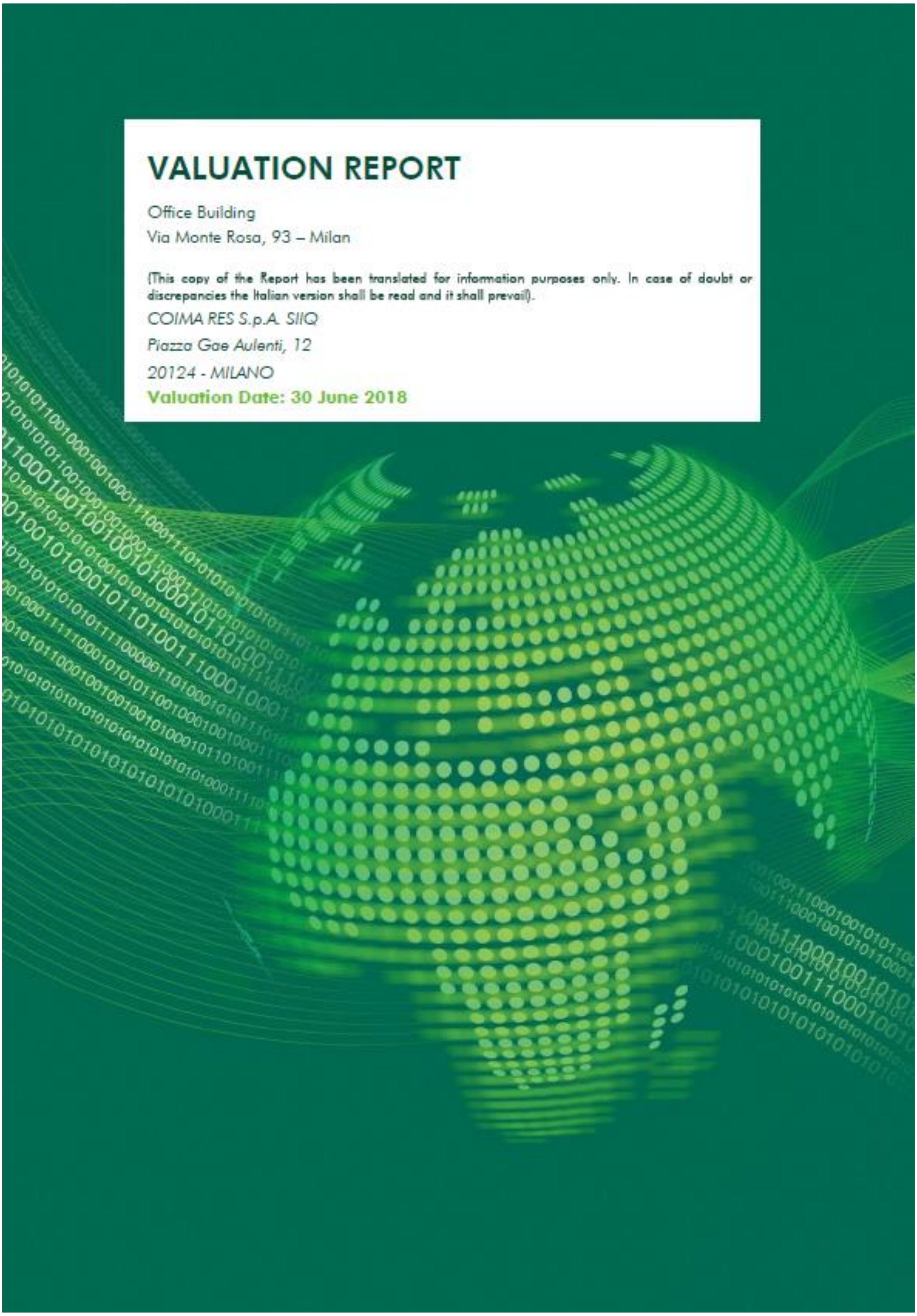
(k) in Italy, it is common and often advantageous from a fiscal standpoint for transfers of real estate to take place via transfers of the capital of real estate companies (so-called share deal as opposed to asset deal): the taxation level applied cannot be standardized, but must be evaluated on a case-by-case 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 VAT.

CBRE

Fiscal Aspects

No legal, fiscal or financing aspects have been taken into consideration unless specifically indicated within this following report.

In Italy the transaction costs are not normally considered for valuation purposes. For this reason our valuation does not consider any deductions related to costs such as taxes, legal fees, transaction fees, etc.



VALUATION REPORT

Office Building

Via Monte Rosa, 93 – Milan

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

COIMA RES S.p.A. SIIQ

Piazza Gae Aulenti, 12

20124 - MILANO

Valuation Date: 30 June 2018

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. SIIQ (the "Client") in accordance with the terms of the instruction letter dated 14 June 2016. The Report is confidential and it must not be disclosed to any person other than the Client without CBRE's prior written consent. CBRE has provided this report on the understanding that it will only be seen and used by the Client and no other person is entitled to rely upon it, unless CBRE has expressly agreed in writing. Where CBRE has expressly agreed that a person other than the Client can rely upon the report then CBRE shall have no greater liability to any party relying on this report than it would have had if such party had been named as a joint client under the Instruction.

CBRE's maximum aggregate liability to all parties, howsoever arising under, in connection with or pursuant to reliance upon this Report, and 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 on the date of the Instruction; or

(ii) €10 Million (Ten Million Euro); and

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

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EXECUTIVE SUMMARY

CBRE

EXECUTIVE SUMMARY

The Property

Address: Via Monte Rosa, 93 – 20149 Milano (MI) - Italy

Main Use: Offices

The subject property consists of an office building located in the north-western semi-central area of Milan.

The property, including 4 buildings constructed in different periods, occupies the entire block delimited by via Monterosa to the east, via Pietro Tempesta to the south east, via Giovanni Migliara to the west and Piazzale Lotto to the north.

The building complex has a gross area of some 28,300 sq m used as office and ancillary spaces, 143 car/moto parking spaces located in the courtyard (uncovered) or into the multi-storey car parking, which is shared between the entire scheme.

Tenure

We have 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. SIIQ".

Tenancies

The subject property as at the date of valuation is almost entirely leased with multi-tenant scheme. At the estimate date are vacant only one third of the areas in block G and a part of the basement of block M (equal to about 13% of the total building complex), 42 parking spaces in the underground garage and 4 uncovered parking spaces.

Market Value

We are of the opinion that the Market Value of the freehold interest in the subject property as at 30 June 2018 is:

€ 60,400,000

(SIXTY MILLION FOUR HUNDRED THOUSAND EUROS)

exclusive of VAT and acquisition costs

Yield Profile

Net Initial Yield	5.22%
Net Exit Cap rate	5.60%
Gross Exit Yield	6.53%

Comments

Strengths

- Excellent accessibility by private transport, given the presence of the external ring road, and by public transport, given the presence of the underground station "Lotto" (lines: 1 Red and 5 Lilac) and numerous bus stops;
- Potential split up, with the possibility to let each single floor or each building independently;
- Numerous parking spaces available;
- Excellent visibility.

Weaknesses

- Despite the property is located along an important communication axis with high visibility, the buildings present impersonal facades;
- Presumably sufficient state of maintenance and repair considering that last refurbishment took place 20 years ago.

Opportunities

- Possibility to let each building independently;
- The redevelopment of the external facades could increase the appeal of the spaces;
- The completion of the nearby "City Life" development, will benefit the entire surrounding area;
- The release of the portion occupied by PwC (after the relocation of the company in the third skyscraper of City Life in 2020) will enable the disposal of the property in a value-added perspective;

CBRE

- Redevelopment of the area for office use given the completion of two important projects (City Life and area Portello) and potential new real estate developments.

Threats

- High competition caused by the increasing supply of office buildings in the next years.

CBRE

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VALUATION REPORT

CBRE

VALUATION REPORT

CBRE VALUATION S.P.A.
Piazza Affari, 2
20123 Milano
T +39 02.9974 6000
F +39 02 9974.6950

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

Report Date	11th July 2018
Addressees	COIMA RES S.p.A. SIIQ Piazza Gae Aulenti, 12 20154 – Milano *To the kind attention of: The Board of Directors*
The Properties	Office building, Via Monte Rosa, 93 20149 Milan - Italy
Property Descriptions	The subject property consists of an office building located in the north-western semi-central area of Milan. The property, including 4 buildings constructed in different periods, occupies the entire block delimited by via Monterosa to the east, via Pietro Tempesta to the south east, via Giovanni Migliara to the west and Piazzale Lotto to the north. The buildings are almost entirely leased.
Ownership Purpose	Investment.
Instruction	To value on the basis of Market Value the relevant interests in the Properties as at the Valuation Date in accordance with the terms of engagement, that is the Framework Agreement (Offer N. 147/2016) signed on 14 June 2016.
Valuation Date	30 June 2018
Capacity of Valuer	External.

Purpose	Update previous valuation
Market Value	Market Value as at 30 June 2018: **€ 60,400,000** (SIXTY MILLION FOUR HUNDRED THOUSAND EUROS) exclusive of purchaser's costs and VAT. 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.
Compliance with Valuation Standards	The valuation has been prepared in accordance with The RICS Valuation – Global 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.
Special Assumptions	No.
Assumptions	The specific characteristics of the Property considered, used as a basis for the assessment, are those indicated in the Valuation Report. For the valuation we considered information provided by the Client about technical and rental aspects of the property. 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

CBRE

Market Conditions

The values stated in this report represent our objective opinion of Market Value in accordance with the definition set out above as of the date of valuation. Amongst other things, this assumes that the properties had been properly marketed and that exchange of contracts took place on this date.

At the same time, we cannot exclude that there may exist other market segments of demand and/or supply relative to the subject activities examined and as such, may implicate that the single unitary criteria selected and adopted within this report be modified.

Valuer

The Property has been valued by a valuer who is qualified for the purpose of the valuation in accordance with the RICS Valuation – Professional Standards (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 Italy) from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the total Italy revenues.

Conflicts of Interest

We confirm that we have had no previous material involvement with the property, and that copies of our conflict of interest checks have been retained within the working papers.

Reliance

This report is for the use only by 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 of the form and context in which it will appear.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Royal Institution of Chartered Surveyors Valuation – Professional Standards or the incorporation of the

CBRE

special assumptions referred to herein.

This report was prepared by:

- Fulvio Volpe

under the supervision of Laura Mauri MRICS.

Yours faithfully

Davide Cattarin

Managing Director

For and on behalf of

CBRE VALUATION S.p.A.

E: davide.cattarin@cbre.com

Yours faithfully

Laura Mauri MRICS

Executive Director

RICS Registered Valuer

For and on behalf of

CBRE VALUATION S.p.A.

E: laura.mauri@cbre.com

CBRE VALUATION S.P.A.

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Project Reference: 18-64VAL-0117

Report Version: ITA_Standard Valuation Report template updated 2018-03-08_ver1.1

SCOPE OF WORK & SOURCES OF INFORMATION

Sources of Information

The present analysis is an update of a previous valuation carried out by CBRE Valuation S.p.A. dated 31 December 2017; and considering new documentation provided by the Client, which we assumed to be complete and correct:

- Rent Roll.

Any other sources of information are specifically reported in the report.

The Properties

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

Revaluation Without Inspection

As instructed, we have not re-inspected all the properties for the purpose of this valuation. With regard to those properties which have not been subject to re-inspection, you have confirmed that you are not aware of any material changes to the physical attributes of the properties, or the nature of their location, since the last inspection. We have assumed this advice to be correct.

Areas

We have not measured the Properties but have relied upon the floor areas provided. We have not checked these on sites.

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.

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 not undertaken planning enquiries; relative information stated within our report has been provided by the Client.

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 they 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 Client's likely perceptions of the financial status of tenants.

CBRE

VALUATION ASSUMPTIONS

Capital Values

Each valuation has been prepared on the basis of "Market Value" (RICS edition 2017), which is defined 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 wherein the parties had each acted knowledgeably, prudently and without compulsion".

No allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal. Acquisition costs have not been included in our valuation.

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

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

VAT

All rents and capital values stated in this report are exclusive of VAT.

Rental Values

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.

The Properties

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.

Environmental Matters

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

In the absence of any information to the contrary, we have assumed that the Property and activities carried out therein are aligned with current environmental regulations.

CBRE

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.

Energy Performance Certificates

We have assumed that the properties possess and / or will possess in the near future, in accordance with the provisions provided in relation to the national transfer and leasing of property, the Energy Performance Certificate (APE) or equivalent certification.

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 property;

(b) the Properties are free from rot, infestation, structural or latent defect;

(c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, 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.

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 Property possesses a good and marketable title free from any onerous or hampering restrictions or conditions;

(b) all 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

CBRE

use;

(c) the Properties are not adversely affected by town planning or road proposals;

(d) all 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 each Property 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; and

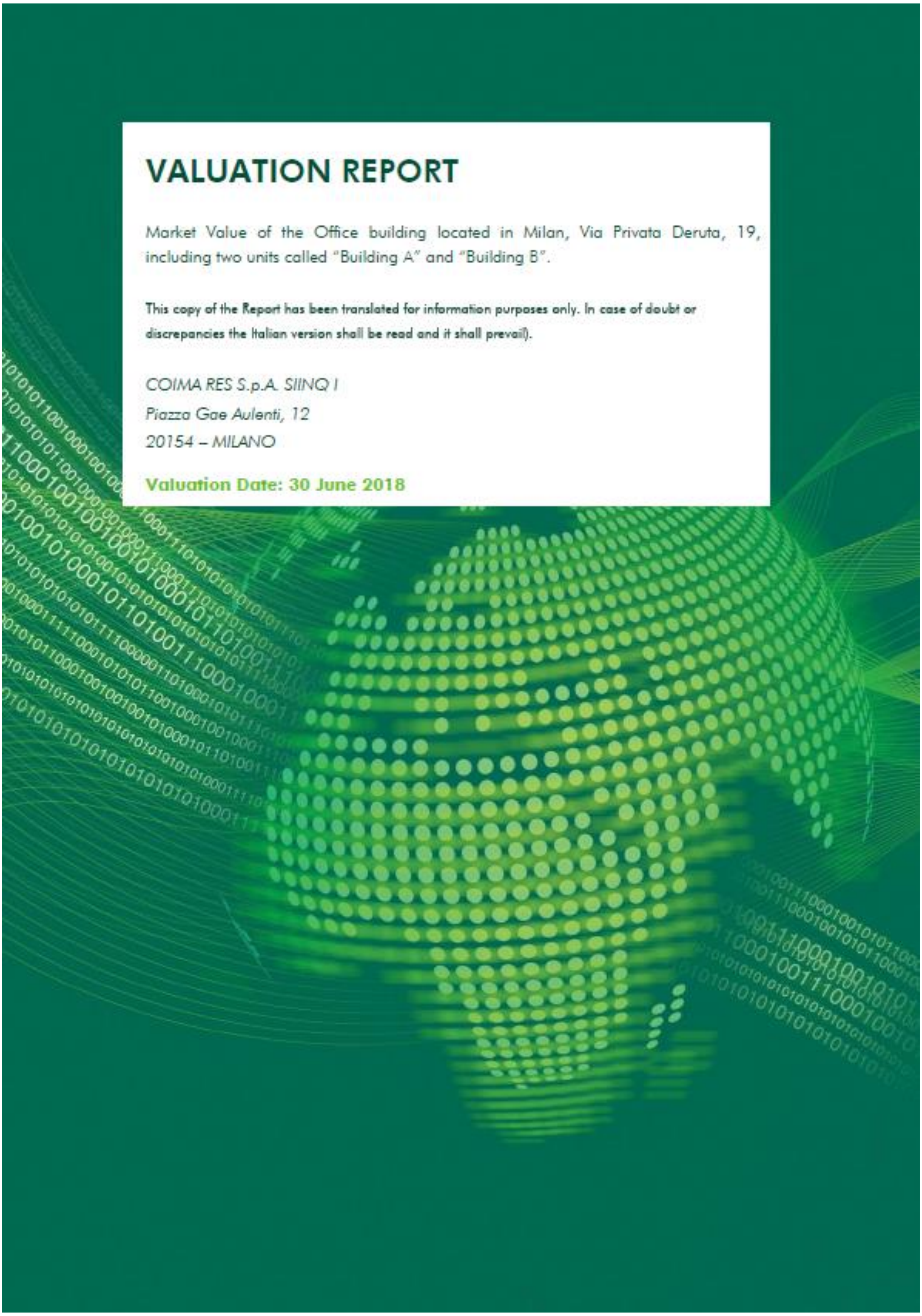
(j) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy.

(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 VAT.

Fiscal Aspects

No legal, fiscal or financing aspects have been taken into consideration unless specifically indicated within this following report.

In Italy the transaction costs are not normally considered for valuation purposes. For this reason our valuation does not consider any deductions related to costs such as taxes, legal fees, transaction fees, etc.



VALUATION REPORT

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

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

COIMA RES S.p.A. SIINQ I
Piazza Gae Aulenti, 12
20154 – MILANO

Valuation Date: 30 June 2018

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. SIIQ 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.

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.

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EXECUTIVE SUMMARY

CBRE

EXECUTIVE SUMMARY

The Property

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

Main use: Office

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, so by 31/12/2020.

Market Value

The Market Value as at 30 June 2018 is:

€ 51,900,000.00

(FIFTY ONE MILLION NINE HUNDRED THOUSAND EUROS)

exclusive of VAT and marketing

split up as follows:

Building A: € 23,900,000.00 (TWENTY THREE MILLION NINE HUNDRED THOUSAND EUROS) exclusive of VAT and marketing

Building B: € 28,000,000.00 (TWENTY EIGHT MILLION EUROS) exclusive of VAT and marketing

CBRE

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)	7.06%
Net Initial Yield (Building A)	6.20%
Gross Exit Yield (Building A)	6.44%
Gross Initial Yield (Building B)	6.89%
Net Initial Yield (Building B)	6.01%
Gross Exit yield (Building B)	6.42%

Comments

Strengths

- Grade A office building with flexible layout, open spaces, suspended flooring, suspended ceilings, lifts and good heating comfort;
- Recently built (2007);
- 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.

Weaknesses

- The micro location is a secondary business district;
- Wide size for the local market request.

Opportunities

- Surrounding area recently developed with the construction of numerous offices, see Metrocomplex;
- Office building easy to split up for more than one tenant;
- A new metro station (M4) will open some 400 m distance from the subject property;

Threats

- Should BNL release the spaces before the first expiry date, it would be necessary to consider a fractionised lease of the spaces.

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VALUATION REPORT

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VALUATION REPORT

CBRE VALUATION S.P.A.
Piazza degli Affari, 2
20123 Milano
Tel. 02.99746900
Fax 02.99746950

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

Report Date	11 July 2018
Addressees (Client)	COIMA RES S.p.A. SIINQ I Piazza Gae Aulenti, 12 20154 – Milano To the kind attention of Dott. Emiliano Mancuso
The Property	Office property including two buildings, A and B.
Property Description	Property including two separate 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 on the basis of Market Value the freehold interests in the Property as at the Valuation Date in accordance with the letter of instruction and terms of engagement dated 29 May 2017 (ref. Of. No. 118/17), confirmed on 21 June 2017.
Valuation Date	30 June 2018.

Capacity of valuer	Independent
Purpose	Half-yearly update
Market Value	Market Value as at 30 June 2018: € 51,900,000.00 (FIFTY ONE MILLION NINE HUNDRED THOUSAND EUROS) exclusive of VAT and marketing split up as follows: Building A: € 23,900,000.00 (TWENTY THREE MILLION NINE HUNDRED THOUSAND EUROS) exclusive of VAT and marketing Building B: € 28,000,000.00 (TWENTY EIGHT MILLION EUROS) exclusive of VAT and marketing 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.
Compliance with Valuation Standards	The valuation has been prepared in accordance with the RICS Valuation – Global Standards 2017 which includes 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.
Special Assumptions	No
Assumptions	Details on the subject Property, used as basis of valuation, are specified in the present Report. We have made various assumptions as to tenure, letting, and town planning as per information provided by the Client.

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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

Market Conditions

The values stated in this report represent our objective opinion of Market Value in accordance with the definition set out above as of the date of valuation. Amongst other things, this assumes that the properties had been properly marketed and that exchange of contracts took place on this date.

At the same time, we cannot exclude that there may exist other market segments of demand and/or supply relative to the subject activities examined and as such, may implicate that the single unitary criteria selected and adopted within this report be modified.

Valuer

The Property has been valued by a valuer who is qualified for the purpose of the valuation in accordance with the RICS Valuation – Professional Standards (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 Italy) from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the total Italy revenues.

Disclosure

The principal signatory of this report has 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

Conflicts of Interest

We confirm that we have had no previous material involvement with the property, and that copies of our conflict of interest checks have been retained within the working papers.

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Reliance

This report is for the use only by 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 of the form and context in which it will appear.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Royal Institution of Chartered Surveyors Valuation – Professional Standards or the incorporation of the special assumptions referred to herein.

CBRE

This report was prepared by:

- Laura Lenzi

under the supervision of Laura Mauri MRICS

Yours faithfully

Davide Cattarin

Managing Director

For and on behalf of

CBRE VALUATION S.p.A.

T: 0039 02 99746 933

E: davide.cattarin@cbre.com

Yours faithfully

Laura Mauri MRICS

Executive Director

RICS Registered Valuer

For and on behalf of

CBRE VALUATION S.p.A.

T: 0039 02 99746 928

E: laura.mauri@cbre.com

For and on behalf of

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Project Reference: 18-64VAL-0123

Report Version: ITA_Standard Valuation Report template updated 2018-03-08_ver1.1.dotm

SCHEDULE OF MARKET VALUES

Properties Held for Investment

Address	Freehold	Leasehold	Market Value TOTAL
Building A, Milan, Via Privata Deruta, 19	X		23,900,000.00
Building B, Milan, Via Privata Deruta, 19	X		28,000,000.00
TOTAL			51,900,000.00

SCOPE OF WORK & SOURCES OF INFORMATION

Sources of Information

We have carried out the valuations in accordance with the instruction letter received, and based on the documentation provided to us by the Client, listed below:

- DWG floor plans;
- Floor area split up by floor and use;
- Rent roll;
- Property taxes (I.M.U. e TA.S.I.);
- Global Insurance.

Other additional sources of information are specifically mentioned in the present report.

The Property

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

Inspection

As instructed, the present valuation has been carried out on a desktop basis, as the Client has confirmed that he is not aware of any material changes to the physical attributes of the property, or the nature of its use, since the last inspection (11 December 2017). We have assumed this advice to be correct.

Areas

We have not measured the Property, but as instructed we have relied upon the floor areas provided by the Client, considered compete and correct.

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 Property 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 Property, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.

Repair and Condition

We have not carried out building surveys, tested services, made independent site investigations,

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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 Property. We are unable, therefore, to give any assurance that the Property 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 they 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 Client's likely perceptions of the financial status of tenants.

VALUATION ASSUMPTIONS

Capital Values

The valuation has been prepared on the basis of "Market Value" which, in accordance with the "RICS Valuation – Global Standards 2017" of the Royal Institution of Chartered Surveyors, is defined 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 wherein the parties had each acted knowledgeably, prudently and without compulsion".

The valuation represents the value which would be stated within a potential deed of sale as at Valuation Date. No allowances have been made for any expenses of 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 charges.

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

Rental Values

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.

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 Property possesses current energy performance certificates as required under government directives.

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 property;

(b) the Properties are free from rot, infestation, structural or latent defect;

(c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, 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 Property. Comments made in the property details do not purport to express an opinion about, or advise 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

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

(a) the Property possesses a good and marketable title free from any onerous or hampering restrictions or

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requirements

conditions;

(b) all 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 Property is not adversely affected by town planning or road proposals;

(d) all 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 each Property 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; and

(j) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy.

(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). Our valuations do not take into account this possibility, where it exists.

It is common practice in Italy to carry out valuations of real estate gross of any disposal costs. Consequently, we have not deducted any cost that could emerge during the disposal phase, such as taxes (with the exclusion of Property Taxes and Register Tax), legal and agency fees, etc.

All rents and capital values, costs and other figures stated in this report are exclusive of VAT.

DUFF & PHELPS
Real Estate Advisory Group

COIMA SGR S.p.A.

30th June 2018

Institutional Closed-end
Investment Fund

COIMA CORE FUND IV

MARKET VALUE

EXECUTIVE SUMMARY

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

DUFF & PHELPS
Real Estate Advisory Group

Agrate Brianza, 30th June 2018
Ref. n° 21507.02

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, 2018 – 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 ,2018.

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: a member's opinion of the value of a specified interest or interest in a property, at the date of valuation, given in writing. 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, January 2014)

- **"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, January 2014).

- **"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. 35 properties in June 2018; 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 *"Rilevazioni 30.06.18 Fondo CORE IV"*;
- Considered IMU&TASI amount (2018) 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.

Based on the investigation and the premises outlined

it is our opinion that as of June 30th, 2018, 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 100.217.000,00

(Euro One hundred million two hundred seventeen 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:
Christian Cavenaghi
Associate Director Valuation & Investment

Supervision and control:
Francesco Varisco
Director Valuation & Investment

Simone Spreafico
Managing Director, Advisory & Valuation Dept.

Paola Ricciardi
Managing Director

Leopoldo Civell
Chief Executive Officer

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. 72 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.

Francesco Varisco - Director, Advisory & Valuation Dept.

and collaboration of:

Christian Cavenaghi – Associate Director, Valuation & Investment.

Centro Studi Reag – Analisi di Mercato

Micaela Beretta – Editing.

Site inspections were carried out by:

Federica Riva, Luca Caroleo, Ermanno Benati, Domenico Ciraci, Rosina Boccuti, Michele Folino, Diana Testoni, Marco Lari, Giulia Sattin, Roberta De Pava, Mascia Martina, Carlo Repele, Matteo Lavagna.

ATTACHMENT A

SUMMARY OF VALUES

ASSET CODE	ADDRESS	TOWN	PROVINCE	OMV 31st JUNE 2018
1	Via Larga, 16	Milano	MI	3.000.000
2	Piazza De Angeli	Milano	MI	3.600.000
3	Corso Sempione, 77	Milano	MI	1.600.000
5	Viale Famagosta, 7	Milano	MI	580.000
7	Largo Gramsci, 1	Melzo	MI	900.000
10	Viale Cavallotti, 3/A	Como	CO	9.800.000
14	Via Volta, 2	Erba	CO	950.000
18	Via Roma, 23	Lurago d'Erba	CO	1.150.000
22	CASTELLO - Piazza G. Carducci, 8	Lecco	LC	1.030.000
23	MAGGIANICO - Corso E. Filiberto, 108/110	Lecco	LC	470.000
25	Viale Turati, 48 - Via Petrarca, 4	Lecco	LC	1.050.000
30	Via Cavour, 10/12	Casatenovo	LC	990.000
33	Via Nazionale, 126 - Via Baronia, 1	Colico	LC	1.200.000
35	Piazza Don Gnocchi, 12 - Via Crocefisso	Galbiate	LC	620.000
36	P.Za Del Sagrato 9/10	Introbio	LC	450.000
39	Via Manzoni, 21	Mandello del lario	LC	1.200.000
40	Via C. Basini, 6 - Via Trento, 29	Merate	LC	1.700.000
41	Via Marco D'oggiono, 15	Oggiono	LC	1.080.000
42	Via Canova, 39	Olgiate Molgora	LC	770.000
43	Via Redaelli, 24	Olginate	LC	650.000
46	Via Stoppani, 2	Valmadrera	LC	680.000
47	Via IV Novembre, 4	Varenna	LC	315.000
49	V.Le Lombardia, 179	Brugherio	MB	2.100.000
51	Viale C. Battisti, 42/B	Vedano al lambro	MB	2.050.000
52	Corso Matteotti, 19-19A	Castellanza	VA	1.010.000
54	Via Losana, 22	Biella	BI	800.000
60b	Via Locatelli, 6	Verona	VR	110.000
60	Corso Porta Nuova, 135	Verona	VR	4.500.000
61	Riviera XX Settembre, 13/15/17	Mestre	VE	3.360.000
64	Via Emilia Levante, 113	Bologna	BO	800.000
71	Piazza Ss Apostoli 70/a7b7c/73	Roma	RM	9.000.000
6	Via Del Martinitt, 3	Milano	MI	2.650.000
19b	Via Prov. Novedratese, 8	Novedrate	CO	490.000
19	Via Prov. Novedratese, 8	Novedrate	CO	750.000
50	Corso Italia, 65/67	Desio	MB	1.050.000
53	Via Arcivescovado, 7	Torino	TO	6.200.000
55	V.Garibaldi,5 - PIAZZA PORTELLO 6	Genova	GE	5.100.000
62	Piazza Alcide De Gasperi, 34/35/45a	Padova	PD	590.000
62b	Piazza Alcide De Gasperi, 34/35/45a	Padova	PD	2.040.000
66	Via Carabinieri, 30	Livorno	LI	1.920.000
67	Via F. Ferrucci, 41	Prato	PO	3.260.000
4	Via Pierluigi Da Palestrina, 2	Milano	MI	2.140.000
8	Viale C. Colombo, 23 - Viale Fermi	Trezzano S/N	MI	1.140.000
9	Via V. Veneto, 28/b - 36d	Capriate	BG	580.000
15	Via Statale Dei Giovi, 11/B	Grandate	CO	630.000
63	Piazza Cesare Battisti, 5	Thiene	VI	900.000
56	Largo S. Franc. Da Paola. , 20/D	Genova	GE	550.000
57	Piazza Garibaldi, 1/R	Cicagna	GE	110.000

Duff & Phelps REAG S.p.A. | COIMA SGR SpA 9
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ASSET CODE	ADDRESS	TOWN	PROVINCE	OMV 31st JUNE 2018
58	Via Nuova Italia, 89/91	Lavagna	GE	1.180.000
59	Via Martiri Della Liberta', 72	Albenga	SV	1.200.000
65	Via Pascoli, 23/25/27	Barga	LU	195.000
68	Via Provinciale. Scarpettini, 413	Montemurlo	PO	840.000
69	Via Bonaini 115 - Via Puccini	Pisa	PI	500.000
70	Via Lucchese, 2/4/R - PONTE A GIOGOLI 1	Sesto Fiorentino	FI	430.000
11	Piazza Mons. Ratti, 5	Asso	CO	440.000
12	Via Mazzini, 12/14	Canzo	CO	320.000
13	Via Provinciale, 52	Civenna	CO	97.000
17b	Via Belvedere, 1	Lipomo	CO	780.000
17	Via Belvedere, 1	Lipomo	CO	650.000
20	Via Vittorio Veneto, 9/11	Valbrona	CO	220.000
21	ACQUATE - Via Belfiore, 15/A	Lecco	LC	600.000
26	Via Nazionale, 42	Abbadia Lariana	LC	360.000
27	Via Roma, 47/49	Barzio	LC	450.000
28	Piazza Della Vittoria, 3/4/5	Brivio	LC	490.000
31	Piazza Visconti, 10	Cassago Brianza	LC	440.000
32	Via Manzoni, 1	Civate	LC	420.000
34	Via Diaz, 62	Dervio	LC	280.000
37	Via Roma, 124/126	Lierna	LC	500.000
38	Via San Leonardo, 14/B-C	Malgrate	LC	380.000
44	Via Volta, 10/12	Paderno d'Adda	LC	820.000
45	Via Vittorio Veneto, 8	Rovagnate	LC	560.000
48	Via Roma, 66	Vercurago	LC	450.000
			TOTAL	100.217.000

Duff & Phelps REAG S.p.A. | COIMA SGR SpA 10
Ref. N. 21507.02 – 30th June 2018 EXECUTIVE SUMMARY

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.

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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.

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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.

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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:

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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.

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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.

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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

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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.

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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
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RICS

QUALITY SYSTEM CERTIFICATION
DNV-GL
ISO 9001

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 2018

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

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DUFF & PHELPS
Real Estate Advisory Group

Agrate B.za, June 30th,2018
Rif. n. 21926

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, 2018 – 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, 2018.

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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R.E.A. Milano 1047058.
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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, intended for retail and office use, located in Roma, EUR;
- ✓ 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.

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: a member's opinion of the value of a specified interest or interest in a property, at the date of valuation, given in writing. 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, January 2014)

"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, January 2014).

"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.

The Development Approach in this method the property is analysed and evaluated on the basis of the proposed development, the value of the land is determined by discounting the cash-flow generated by the project to the appraisal 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:

- carried out an external and internal site inspection (full) of the Properties 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);
- considered the rental status of the assets, as supplied by the Client;
- 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;
- site inspections;
- carrying out appropriate market surveys;
- technical-financial work-ups;

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, 2018, 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	OMV (Euro) 30/06/2018
1	MILANO VIA M. GIOIA 6/8 OFFICE	51.000.000,00
2	MILANO VIA M. GIOIA 6/8 NH HOTEL VERDI	26.000.000,00
3	ROMA P.ZLE DON STURZO	86.100.000,00
4	ROMA P.ZLE DON STURZO ADDITION	900.000,00
	TOTAL	164.000.000,00

Duff & Phelps REAG S.p.A.

Performed by:
Christian Cavenaghi
Associate Director, Valuation & Investment

Supervision and control:
Francesco Varisco
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:

Francesco Varisco – *Director, Valuation & Investment*

Andrea Putzu – *Director, Valuation & Investment*

Federica Minnella – *Director, Hotel&Leisure Division*

and collaboration of:

Christian Cavenaghi – *Associate Director, Valuation & Investment*

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

Alessia Pasqua – *Senior Associate, Valuation & Investment*

Alessandro Cipolla - *Senior Associate, Valuation & Investment*

Riccardo Boccaccini – *Sopralluogo e analisi tecniche*

R&D Office – *Market Analysis*

Micaela Beretta – *Editing*

Alessandro Cipolla and Davide Vergani carried out the site inspections in Milano on May 2018; Riccardo Boccaccini carried out the site inspections in Roma on June 2018.

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.

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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.

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