Real Estate SIIQ

COIMA RES

COIMA RES
Interim condensed consolidated financial statements as of June 30th, 2020

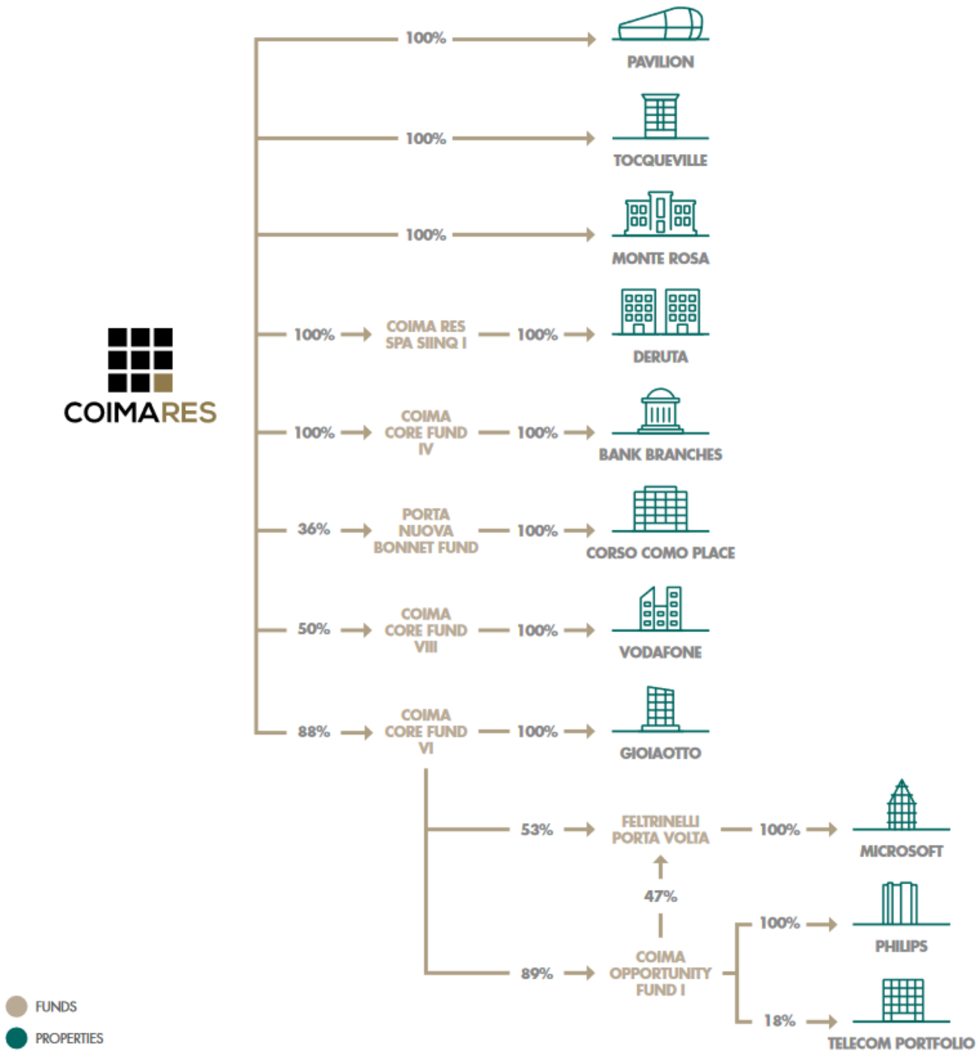
INDEX

CORPORATE INFORMATION

COIMA RES S.p.A. SIIQ (following also the "**Company**" or "**COIMA RES**"), with legal incorporation in Milan, Piazza Gae Aulenti 12, with Tax Code, Register of Company and VAT No. 09126500967 is a Real Estate Investment Trust (REIT) founded in 2015 and listed on the Italian Stock Exchange since 2016. COIMA RES' strategy is focussed on the development and active management of a high-quality real estate portfolio with a high sustainability content that is positioned to meet the current and future demand from tenants. At present, COIMA RES owns and manages a real estate portfolio mainly concentrated on the Milan office segment. COIMA RES aims to offer to its shareholders a balanced risk-return profile characterized by a stable and sustainable dividend and by the potential for appreciation of the real estate portfolio over time.

CORPORATE STRUCTURE

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



GOVERNANCE

Board of Directors [1]

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

Investment Committee

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

Control and Risk Committee

Alessandra Stabilini	Chairwoman
Luciano Gabriel	Member
Paola Bruno	Member

Internal Audit and Compliance

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

[1] In charge from June 11th, 2020 until the approval of the financial statements as of December 31st, 2020.
[2] In charge from April 12th, 2018 until the approval of the financial statements as of December 31st, 2020.

Risk Manager

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

External Auditors

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

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

Fulvio Di Gilio	Chief Financial Officer

BOARD OF DIRECTORS' REPORT

The financials as of June 30th, 2020 are summarized in the table below.

(in million Euro)	June 30th, 2020	per share	December 31st, 2019	per share	Δ	Δ%
Total property value	761.1		767.7		(6.6)	(0.9%)
EPRA Net Reinstatement Value	458.8	12.71	463.1	12.82	(4.3)	(0.9%)
EPRA Net Tangible Assets	440.1	12.19	443.7	12.29	(3.6)	(0.8%)
EPRA Net Disposal Value	434.2	12.03	437.8	12.12	(3.6)	(0.8%)
NAV IAS/IFRS	436.7	12.09	440.1	12.19	(3.4)	(0.8%)
Debt position	345.9		356.4		(10.5)	(2.9%)
Cash position	42.5		42.7		(0.2)	(0.4%)
Net Loan to Value	39.0%		38.8%		0.2 p.p.	n.m.
EPRA Net Initial Yield	5.1%		4.6%		0.5 p.p.	n.m.
EPRA "topped-up" NIY	5.3%		5.3%		0.0 p.p.	n.m.
EPRA vacancy rate	2.1%		2.0%		0.1 p.p.	n.m.

(in million Euro)	June 30th, 2020	per share	June 30th, 2019	per share	Δ	Δ%
Rents	22.2		17.8		4.4	24.8%
NOI	20.2		16.0		4.2	26.8%
EBITDA	15.5		11.2		4.3	39.4%
EBIT	7.6		17.2		(9.6)	(55.6%)
Recurring FFO	12.1	0.33	8.0	0.22	4.1	50.4%
Net profit	3.6	0.10	13.6	0.38	(10.0)	(73.7%)
EPRA Earnings	8.8	0.24	7.3	0.20	1.5	21.2%
EPRA costs (including direct vacancy costs)	30.7%		37.8%		(7.1 p.p.)	n.m.
EPRA cost ratio (excluded direct vacancy costs)	28.7%		36.8%		(8.1 p.p.)	n.m.
Like for like rental growth [3]	3.4%		0.9%		2.5 p.p.	n.m
WALT (years)	4.9		5.7		(0.8)	n.m

The NAV IFRS at June 30th, 2020 is Euro 436.7 milion, with a decrease during the first half-year 2020 of 0.8%.

The key factors affecting the NAV increasing are:

- EPRA Earnings for the period of Euro 8.8 million;
- downward *fair value* adjustment related to the real estate portfolio, net of minorities of Euro 4.8 million;
- dividend payment for Euro 7.2 million;

EPRA Cost Ratio decreases from 37.8% as of June 30th, 2019 to 30.7%, to June 30th, 2020, mainly due to the reduction of the asset management fee.

[3] The like for like rental growth is calculated on rents accounted in line with the accounting principle IFRS 16.

The EPRA Earning Group at June 30th, 2020 is of Euro 8.8 million as summarized in table here below.

(in million Euro)	June 30th, 2020	June 30th, 2019	Δ	Δ%
Rents	22.2	17.8	4.4	24.8%
Net real estate operating expenses	(2.0)	(1.8)	(0.2)	7.2%
NOI	**20.2**	**16.0**	**4.2**	**26.8%**
Other revenues	(0.1)	0.0	(0.1)	100.0%
G&A	(4.2)	(4.4)	0.2	(5.1%)
Other expenses	(0.1)	(0.1)	(0.0)	51.6%
Non-recurring general expenses	(0.3)	(0.4)	0.1	(11.0%)
EBITDA	**15.5**	**11.2**	**4.3**	**39.4%**
Net depreciation	(0.2)	(0.1)	(0.1)	>100.0%
Net movement in *fair value*	(7.7)	6.1	(13.8)	-100.0%
EBIT	**7.6**	**17.2**	**(9.6)**	**(55.6%)**
Financial income	0.2	0.0	0.2	>100.0%
Income from investments	1.7	1.5	0.2	10.6%
Financial expenses	(4.0)	(3.5)	(0.5)	13.8%
Non-recurring Financial expenses	(0.3)	(2.5)	2.2	(87.6%)
Profit before taxation	**5.3**	**12.7**	**(7.4)**	**(58.3%)**
Income tax	0.0	0.0	0.0	0.0%
Profit	**5.3**	**12.7**	**(7.4)**	**(58.3%)**
Minorities	(1.7)	0.9	(2.6)	-100.0%
Profit attributable to COIMA RES	**3.6**	**13.6**	**(10.0)**	**(73.7%)**
EPRA Adjustments[4]	5.3	(6.3)	11.5	-100.0%
EPRA Earnings	**8.8**	**7.3**	**1.5**	**21.2%**
EPRA Earnings per share	0.24	0.20	0.04	20.8%
FFO	**11.6**	**5.1**	**6.5**	**>100.0%**
FFO Adjustments[5]	0.5	2.9	(2.4)	(83.3%)
Recurring FFO	**12.1**	**8.0**	**4.1**	**50.4%**
Recurring FFO per share	0.33	0.22	0.11	50.0%

The NOI margin includes rents generated by the assets in portfolio, net of direct real estate operating costs (such as property taxes, property management, utilities and maintenance expenses).
The NOI margin at June 30th, 2020 is 91.0% and the l'EPRA net initial yield is 5.1%.

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

It should be noted that, on March 31st, 2020, the new Asset Management agreement was signed which resulted in a saving of approximately 30% on the fees to be paid to COIMA SGR S.p.A.. For more information, please refer to the Significant Events section.

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

Net depreciation, amounting to Euro 0.2 million, mainly includes the write-downs of the other tangible and intangible assets for the period, the value adjustments of inventories, financial assets to the *fair value* and receivables.

The adjustment in *fair value*, amounting to Euro 7.7 million, is referred to the evaluations made on June 30th, 2020 by independents experts.

Income from investments, amounting to Euro 1.7 million, is related to the profit of the investments on Porta Nuova Bonnet e Co – Investment, recorded following the equity method, including the derivatives effects of the real estate evaluations in portfolio.

The financial incomes, amounting to 0.2 million, are mainly referred to dividends distributed from the Italian copper Fund, classified among the financial assets at fair value.

The financial expenses are mainly related to existing loans. The amount classified in the item "non-recurring financial expenses" is related to the economic results deriving from the financial reimbursement and the partial closure of the related derivatives agreements connected to the selling of Deutsche Bank branches ended in January 2020.

The Group profit for share amounts to Euro 0.10 and is calculated according to the international accounting standard IAS/IFRS, considering the average number of shares outstanding during the period.

The following table summarizes the Company's reclassified balance sheet including the reclassification of the investment in Porta Nuova Bonnet Fund on proportional consolidation basis, to obtain the total value of the property investments of the COIMA RES Group at June 30th, 2020.

(in million Euro)	June 30th, 2020	December 31st, 2019	Δ	Δ%	June 30th, 2020 Look-Through adjusted
Investment properties	761.1	767.7	(6.6)	(0.9%)	827.0
Other assets	5.7	8.1	(2.4)	(29.6%)	5.7
Investments accounted for using the equity method	38.1	33.7	4.5	13.2%	1.6
Total LT assets	**805.0**	**809.5**	**(4.6)**	**(0.6%)**	**834.3**
Trade receivables	14.3	10.0	4.3	43.3%	14.7
Other assets	1.6	0.0	1.6	0.0%	1.6
Cash	42.5	42.7	(0.2)	(0.4%)	43.6
Total current assets	**58.4**	**52.7**	**5.8**	**10.9%**	**59.9**
Held for sale assets	10.4	23.5	(13.1)	(55.7%)	10.4
Total assets	**873.8**	**885.7**	**(11.9)**	**(1.3%)**	**904.6**
Debt	316.5	340.2	(23.8)	(7.0%)	344.0
Provisions	0.5	0.4	0.0	5.7%	0.5
Other liabilities	4.2	4.2	(0.0)	(0.5%)	4.2
Trade payables	14.7	13.4	1.3	9.7%	18.0
Current Financial Debt	29.4	16.1	13.3	82.2%	29.4
Total liabilities	**365.2**	**374.4**	**(9.2)**	**(2.5%)**	**396.0**
Minorities	71.9	71.2	0.7	1.0%	71.9
NAV	**436.7**	**440.1**	**(3.4)**	**(0.8%)**	**436.7**
NAV per share	12.09	12.19	(0.10)	(0.8%)	12.09
Net Loan to Value	*39.0%*	*38.8%*			*39.1%*

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

Investment properties, amounting to Euro 761.1 million, include Euro 211 million related to Vodafone, Euro 192.4 million related to Monte Rosa, Tocqueville and Pavilion, Euro 67.8 million related to Deutsche Bank portfolio, Euro 45.8 million related to Deruta, Euro 82.6 million related to Gioiaotto, Euro 62.5 million related to Philips and Euro 99.0 million related to Microsoft.

The other assets are mainly composed by the values of the investments in the ITALIAN COPPER FUND for Euro 3.9 million, acquired during the COIMA OPPORTUNITY FUND I transaction, from the derivatives amounting to Euro 0.1 million and from fixed assets for an amount of Euro 1.7 million.
In application of the IFRS 16 accounting standard, the Group has accounted in the tangible assets rights of use amounting to Euro 1.2 million, which mainly represent the right to use the activities covered by the rental contracts at the date.

The investments in subsidiaries are increasing for an amount of Euro 4.5 million compared to the previous financial statement, mainly thanks to the result of the period amounting to Euro 1.7 million and to the references made by the Bonnet fund amounting to Euro 2.8 million.

Trade receivables refer to the core-business of the Company. The item includes Euro 3.5 million related to anticipated invoicing of rents about the second half-year 2020. It should be noted that as of the date of this report, Euro 1.5 million has already been collected.

The other current assets are related to a financial payable for investments allowed from the participated MHREC Sarl to the connected company Co-Investment 2SCS, amounting to Euro 1.6 million, re-classified among the current assets ate June 30th, 2020.

Non-current assets held for sales, amounting to Euro 10.4 million, are related to the remaining Deutsche Bank branches to be sold. The sale of the branch located in Verona was completed on July 13rd, 2020, while the sale of the remaining two branches is expected in January 2021. It should be noted that the fair value is in line with the value recorded.

The net consolidated financial debt amounts to Euro 304.6 million as at June 30th, 2020, showing a decrease of Euro 10.8 million compared to December 31st, 2019 mainly due to the reduction of the debt deriving from the disposal of 8 Deutsche Bank branches, closed in January 2020.

(Euro million)	**June 30th, 2020**	**December 31st, 2019**
(A) Cash	42.5	42.7
(B) Cash equivalent	-	-
(C) Trading securities	-	-
(D) Liquidity (A)+(B)+ (C)	**42.5**	**42.7**
(E) Current financial receivables		
(F) Current bank debt	(29.4)	(16.1)
(G) Current portion of non-current debt	-	-
(H) Other current financial debt	-	-
(I) Current financial debt (F)+(G)+(H)	**(29.4)**	**(16.1)**
(J) Net current liquidity (I)+(E)+(D)	**13.1**	**26.1**
(K) Non-current bank loans	(316.5)	(340.2)
(L) Bonds issued	-	-
(M) Other non-current loans	(1.2)	(1.3)
(N) Non-current financial indebtedness (K)+(L)+(M)	**(317.7)**	**(341.5)**
(O) Net liquidity (J)+(N)	**(304.6)**	**(315.4)**

At June 30th, 2020, the Net LTV is 39.0%.

The *other liabilities* include (i) the *fair value* of the financial instruments, mainly due to market rates changes, amounting to Euro 1.1 million, which have suffered a slightly increase compared to December 31st, 2019, (ii) the value of interest rate swap for Euro 1.9 million and (iii) the loan related to the right to use in application of the IFRS 16 accounting standard for Euro 1.2 million.

The trade payables mainly include liabilities and suppliers invoices to be received for a total amount of Euro 4.3 million (Euro 5.1 million ate December 31st, 2019), liabilities for possible future vendors for Euro 1.6 million, deferred incomes related to the anticipated invoicing of rents for a total amount of Euro 5.0 million (Euro 1.6 million at December 31st, 2019), guarantee deposits for an amount of Euro 0.9 million (Euro 0.8 million at December 31st, 2019), tax liabilities for Euro 0.2 million (Euro 0.1 million at December 31st, 2019).

The item *current financial liabilities* amounting to Euro 29.4 million is mainly related to the loan in place on the Microsoft property for Euro 22.6 million with maturity date December 2020 and to the amount of the debt allocated to the Deutsche Bank branches being sold, the repayment of which is expected to take place within 12 months, for Euro 6.5 million.

As of June 30th, 2020, the weighted average debt maturity is 2.9 years and the weighted average cost of debt is estimated for about 2.0% (about the 87% of the loans are hedged by derivative contracts).

Implications of the COVID-19 on the interim condensed consolidated financial statements

The sudden spread of the COVID-19 pandemic has plunged the entire world economy into a profound crisis, which is believed to be the worst in the last 100 years.
The restrictive measures imposed by national and international authorities have resulted in an interruption of real estate transactions as well as problems for tenants, in particular for some asset classes (hospitality, retail and leisure), for the payment of rents in consideration of the prolonged closure of activities economic. These problems contributed to uncertainty about the valuation of the properties by the Independent Experts, risks of bad debt of the tenants and possible requests for concessions from the tenants themselves.

As already highlighted, the Company's portfolio is mainly composed of offices, a more resilient asset class, with a limited percentage, around 5%, of the portfolio concentrated on hospitality and retail.
As of the date of this report, COIMA RES has collected 98% of the fees due in the first half of 2020 and the remaining amount to be collected is mainly attributable to some payment extensions granted to some of the most affected tenants and which, in almost all cases , will close in the current year.

It should be noted that, at present, the Company is not the beneficiary of any of the initiatives put in place by the national authorities in order to face the serious economic crisis. Some tenants of the Company are recipients of these measures which could allow them to have the necessary liquidity for their activities and to meet their obligations.

In evaluation terms, the Independent Experts express some uncertainties in formulating their opinions as they have faced an unprecedented series of circumstances, also as it is not possible to imagine the impact that COVID-19 could have on the real estate market in the future and therefore highlight the need to constantly monitor property values.
The correction of the real estate values (see paragraph 13 - *Real estate investments*) did not cause any problems regarding a possible non-compliance with financial covenants. It should be noted that the calculated values of the financial covenants at the date of the Half-Year Financial Report (please refer to paragraph 23 - *Non-current bank borrowings*) have high margins compared to the levels provided for in the loan agreements and this would allow for the absorption of further critical situations that should occur during the second half of the year. Furthermore, almost all loans are provided with mechanisms for the treatment of possible overruns of the covenants that would allow the Company, in consideration of the significant cash position, to avoid the loss of the benefit of the term. For further information on financial covenants, please refer to paragraph 23 - *Non-current bank borrowings*.

In terms of liquidity, the Group has a solid financial position with an overall liquidity of over Euro 40 million and with a single loan, for an amount equal to about Euro 22 million (equal to 7% of total debt), at maturity in December 2020 for which talks have already started to extend the deadline.

As regards profitability, on the basis of the current situation, the Company is expected to be able to generate positive operating results for the next 12 months, even if new restrictive measures are implemented and therefore the assumption continues to exist business continuity in the preparation of the half-yearly financial report.

With regard to the financial impacts on the interim condensed consolidated financial statements, the amount recorded is equal to Euro 7,685 thousand, of which Euro 7,662 thousand for the adjustment of the fair value of the properties.

PORTFOLIO AS OF JUNE 30th, 2020

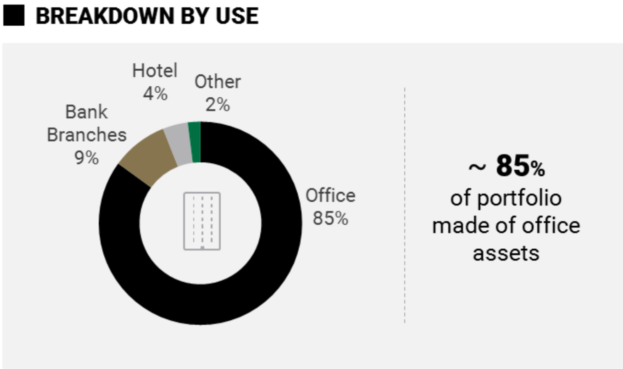
At June 30th, 2020, the portfolio of COIMA RES amounting to approximately Euro 689.7 million (market value accounted on pro-rata basis).

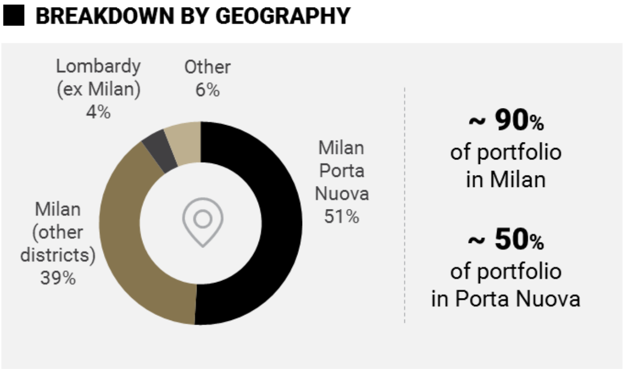
The initial overall WALT of the portfolio is approximately 4.9 years and the EPRA net initial yield is 5.1%.

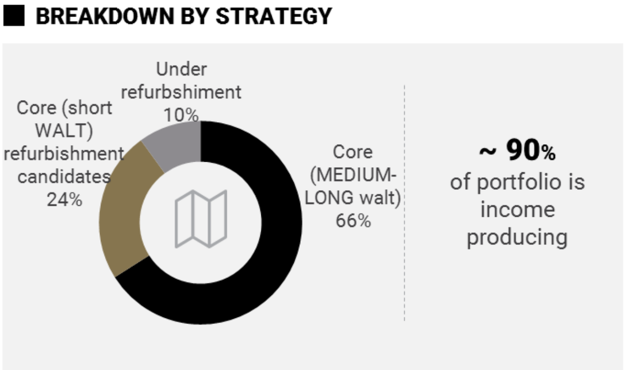
The acquisition plan executed to date is in line with our investment strategy focused on the development of a portfolio focused on:

- office use;
- Italy's most attractive markets (Milan ~90%);
- primarily income-producing assets;
- Grade A buildings or buildings to be converted to Grade A.

Portfolio breakdown as of June 30th, 2020







Note: Breakdown of Gross Asset Value on a pro-quota basis

Evolution on annual gross initial rents

Gross rents increased by 24.8% to Euro 22.2 million, mainly due to the indirect acquisition of the Philips and Microsoft properties.

On a like for like basis, gross rents increased by 4.1% compared to the previous period.

Main figures of real estate portfolio as at June 30th, 2020.

	Milan Porta Nuova					Milan Other Districts				Non-office assets		
Data as of June 30th, 2020	MICROSOFT	GIOIAOTTO	PAVILION	TOCQUE-VILLE	CORSO COMO PLACE	VODAFONE COMPLEX	MONTE ROSA	PHILIPS	DERUTA	DEUTSCHE BANK[1]	TELECOM PORTFOLIO	TOTAL
Location	Milan P, Nuova	Milan P, Nuova	Milan P, Nuova	Milan P, Nuova	Milan P, Nuova	Milan Lorenteggio	Milan CityLife	Milan Bicocca	Milan Lambrate	North & Centre of Italy	North & Centre of Italy	-
Asset class	Office	Office, Hotel	Office	Office	Office, Retail	Office	Office	Office	Office	Bank Branches	Telecom Assets	-
Product type	Core	Core	Core	Core + / Value-add	Value-add	Core	Core +	Core	Core +	Core	Core	-
Ownership (look-through)	83.5%	88.2%	100.0%	100.0%	35.7%	50.0%	100.0%	78.3%	100.0%	100.0%	13.7%	-
Gross Asset Value (100% of asset)	**€99.0m**	**€82.6m**	**€72.7m**	**€59.1m**	**€184.5m**	**€211.0m**	**€60.6m**	**€62.5m**	**€45.8m**	**€67.8m**	**€57.2m**	
Gross Asset Value (look-through ownership)	**€82.6m**	**€72.8m**	**€72.7m**	**€59.1m**	**€65.9m**	**€105.5m**	**€60.6m**	**€48.9m**	**€45.8m**	**€67.8m**	**€7.9m**	**€689.7m**
WALT (years)	3.5	4.4	7.6	1.8	n.m.	6.6	3.4	6.2	1.5	6.6	12.4	4.9
Occupancy rate	100%	100%	100%	100%	n.m.	100%	90%	100%	100%	93%	100%	97.9%
EPRA Net Initial Yield	4.2%	4.7%	4.6%	3.6%	n.m.	6.2%	5.0%	5.6%	7.2%	4.7%	6.4%	5.1%
EPRA Topped-up NIY	4.2%	4.7%	4.6%	5.2%	n.m.	6.2%	5.0%	5.8%	7.2%	5.3%	6.4%	5.3%

Notes:
1) Pro-forma for Deutsche Bank branches disposals announced in November 2019 and not yet closed as of June 30th, 2020

SIGNIFICANT EVENTS OF THE PERIOD

Contract with COIMA SGR and CEO remuneration

On March 19th, 2020, the Board of Directors approved a new asset management agreement between COIMA RES and COIMA SGR containing few modifications with respect to the previous agreement in place, amongst which an extension of the first period and an improvement of the economic conditions in favour of COIMA RES.
The end of the first period of the contract was postponed from May 13th, 2021, to January 1st, 2025, and the asset management fee was reduced by 30 bps from 1.10% of NAV to 0.80% of NAV (i.e. a 27% reduction) effective from January 1st, 2020.

In addition, Manfredi Catella, founder and CEO of COIMA RES, unless certain conditions are met, has expressed his will to forego the emoluments related to his role as Chief Executive Officer, for the first period, as extended until January the 1st, 2025, in line with the conduct held since IPO.

Dividend at Euro 0.30 per share for 2019

On June 11th, 2020 COIMA RES Shareholders' Meeting approved the distribution of a dividend for the fiscal year 2019 of Euro 10,831,967.40 (Euro 0.30 per share). An interim dividend of Euro 3,610,655.80 (Euro 0.10 per share) was paid on November 20th, 2019 and the final dividend of Euro 7,221,311.60 (Euro 0.20 per share) was paid on June 17th, 2020.

Renewal of the Board of Directors

On June 11th, 2020 the Shareholders' Meeting in its ordinary session confirmed in 9 the number of members of the Board of Directors and appointed, for the 2020 financial year and, therefore, until the approval of the financial statements for the year ended December 31st, 2020 the new Board of Directors in the persons of Feras Abdulaziz Al Naama, Manfredi Catella, Caio Massimo Capuano, Olivier Elamine, Luciano Gabriel, Alessandra Stabilini, Ariela Caglio, Antonella Centra and Paola Bruno. The Shareholders' Meeting in its ordinary session confirmed Caio Massimo Capuano as Chairman of the Board of Directors and the Board of Directors of June 11th, 2020 confirmed Manfredi Catella as Chief Executive Officer.

Real estate portfolio overview

As of June 30th, 2020, the COIMA RES portfolio consists of 9 real estate properties mainly for office use located in Milan and 58 bank branches located in the North and Centre of Italy. The portfolio is valued at Euro 689.7 million (on a pro-quota basis), 90% of which is in Milan, 50% in Milan Porta Nuova and 85% is for office use.
COIMA RES' portfolio has a high sustainability profile: approximately 56% of the portfolio is currently LEED certified, increasing to 65% including the Corso Como Place project where the aim is to achieve a LEED Gold certification.
COIMA RES' portfolio of tenants is mostly made of mid to large sized multinational corporations: the list of the ten largest tenants (representing 85% of the current rent roll on a pro-quota basis) includes Vodafone, Deutsche Bank, Microsoft, BNP Paribas, IBM, Sisal, PwC, Techint, NH Hotels and Philips.
COIMA RES' lease agreements generally provide for fixed rents, not directly related to the underlying operational performance of the tenants. Office tenants represent more than 80% of rents, the hotel exposure (related to NH Hotels) represents 4% of rents, and the retail exposure is less than 2% of rents. The bank branches leased to Deutsche Bank represent 11% of rents.

Acquisitions

Gioia 22: On June 11th, 2020, COIMA RES signed a binding agreement for the acquisition of a 10-25% stake in the Porta Nuova Gioia real estate fund, which owns a property currently being developed called Gioia 22, situated in Via Melchiorre Gioia 22 in the Milan Porta Nuova district. The stake will be sold by UBI Banca, which recently acquired the property to use it as its own headquarter in Milan. UBI Banca plans to occupy 75% of the surfaces of the property under a leasing agreement which has a 15-years duration. The closing of the transaction is expected by the end of 2021 or the beginning of 2022. The stake that will be acquired by COIMA RES, in the Porta Nuova Gioia real estate fund, will be determined by COIMA RES, at its discretion within the aforementioned range, near to the closing. The purchase price of the units of the fund being purchased will be calculated attributing a conventional value of Euro 442.1 million to the property. The entire purchase price will be paid to UBI at the closing of the transaction which will be financed by COIMA RES through its own financial resources.
The Gioia 22 property is a 35,800 sqm building with 26 above ground floors and that has been realised on the back of the demolition of the ex-INPS property, which was built in 1961 and that has been vacant since 2012, after a clean-up process which saw the removal of 200 tons of asbestos. The building, designed by the Pelli Clarke Pelli Architects, is the largest in Italy to achieve the Nearly Zero Energy Building (NZEB) certification in addition of being a candidate for the LEED, WELL and Cradle to Cradle certifications. The Gioia 22 property will be equipped with more than 6,000 sqm of photovoltaic panels which, together with the deployment of ground water, will allow for a reduction in energy consumption of 75% compared to traditional buildings.

Disposals

Bank branches: On January 15th, 2020, COIMA RES completed the disposal of the first tranche of bank branches related to transaction announced on November 8th, 2019 (disposal of 11 bank branches for a total value of Euro 23.5 million). The first tranche concerns the disposal a portfolio of 8 bank branches located in Milan, Verona, Como, Trezzano sul Naviglio and in Liguria for a value of Euro 13.1 million (56% of the total value of the portfolio being sold).

Development

Corso Como Place: in light of the COVID-19 crisis, the construction site has been halted from March 13th, 2020, to May 3rd, 2020. Between May 4th, 2020, and May 18th, 2020, the construction site underwent an adaptation period where some of the features of the site have been rearranged to ensure the health and safety of people working on the site vis a vis the COVID-19 risk. After the adaptation period the works resumed, albeit at a marginally slower pace. Two shifts have been put in place (compared to one pre COVID-19) to de-densify the building site. Despite the delay, the project is still on track for completion in 2020 within the overall budgeted cost of approx. Euro 169 million (including the initial Euro 89 million acquisition price, capex and other capitalised costs of approx. Euro 71 million and other costs (including tenant incentives) of approx. Euro 9 million), a budget which might increase by approx. Euro 1 million in relation to the costs of the health and safety adaptation of the building site. As of June 30th, 2020, the project advancement rate was approx. 85%.

Outlook

The COVID-19 crisis has resulted in social and economic challenges on a global scale and it will most likely remain an aspect to consider for the remainder of 2020. The Italian economy will experience a sharp recession in 2020 and the pace of recovery will depend, amongst other things, on how the health crisis evolves on the back of the lifting of the lock-down restrictions.

A possible slow-down in the real estate investment and leasing markets in the coming months can be anticipated although it can be expected that high-quality office assets in Milan will prove relatively resilient.
In addition, the potential increase in the adoption of the "working from home" practice will influence future tenant demand for office space from both a qualitative and quantitative point of view. COIMA RES is intensifying the dialogue with its tenants to be able to anticipate potential changes in demand for the office product and, at the same time, COIMA RES is accelerating on the product innovation front to be able to position its offering to best meet tenant demand.
As far as the current portfolio is concerned, COIMA RES will consider further disposals of mature, non-strategic and non-core assets as well as refurbishment and repositioning of selected assets in the medium term.

RELATED PARTY TRANSACTIONS

The related party transactions that occurred during the first half year are disclosed in the financial statements and in the paragraph 32.

SUBSEQUENT EVENTS

On July 13rd, 2020 the closing of the bank branch located in Verona was completed for an amount of Euro 4.1 million.
The sale of the remaining part of the portfolio, consisting of 2 bank branches located in Milan, for a value of Euro 6,3 million, will be completed in January 2021.

ITALY: ECONOMIC AND REAL ESTATE MARKET CONDITIONS

The first half of 2020 was characterized by the explosion of the COVID-19 pandemic in Italy and subsequently in other European and non-European countries.

Italy was the first European country to be affected by the pandemic, and the Italian government immediately took extraordinary measures to counter the spread of the virus.

The "lock-down" began in Italy as early as March 9th, 2020, and made it possible to progressively reduce the growth rate in the number of infected people. The Government announced the exit from lock-down through a gradual process which begun on May 4th, 2020, with the relaxation of few constraints and the subsequent reopening of the mobility across regions. The impact of the global COVID-19 pandemic will lead to a global recession in 2020 which is likely to be followed by a recovery in 2021. According to estimates published in June 2020 by the International Monetary Fund, Italian GDP will contract by 12.8% in 2020 and then return to growth at a rate of 6.3% in 2021. Faced with the crisis, both the European Central Bank, the various European governments and the European Union have announced strong measures to support the economic system, in order to limit the negative impacts of the "lock-down" on businesses and workers and ensure the flow of financing to businesses.

In the first half of 2020, the Italian real estate market saw investment volumes of Euro 3.9 billion, a decrease of 25% compared to the volumes recorded in the first half of 2019. In the first half of 2020 the office segment in Italy remained relatively resilient, with investment volumes equal to Euro 1.8 billion, a level substantially in line with the same period last year. The office segment in Milan in particular remained fairly active recording investment volumes of Euro 1.3 billion, up 7% compared to the first half of 2019. The prime yield for the office segment in Milan remains stable at 3.3% as well as the yield for offices in good secondary locations which remains stable at 4.8%. The level of take-up by the tenants for the office segment in Milan in the first half of 2020 stood at 161,000 sqm, down 32% compared to the first half of 2019. The vacancy level drops in the first half of 2020 to 9.9% compared to a value equal to 10.1% at the end of 2019. The vacancy level for Grade A properties remains very low (1.7%) due to the structural scarcity of this type of produced in the city of Milan. The prime rent for office buildings in Milan remains stable at Euro 600 / sqm. It should be noted that the effects of the COVID-19 pandemic are only partially reflected in the numbers reported in the first half of 2020 as a number of transactions closed during this period had been originated in 2019. The impact of the COVID-19 pandemic will likely be more evident in the second half of 2020, with a possible recovery in the level of activity towards the end of 2020 and the beginning of 2021.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT AS OF JUNE 30th, 2020

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT/LOSS

(in thousands Euro)	Notes	June 30th, 2020	*of which related parties*	June 30th, 2019	*of which related parties*
Income statements					
Rents	4	22,230	-	17,816	-
Net real estate operating expenses	5	(1,996)	(365)	(1,993)	(317)
Net rents		**20,234**	**(365)**	**15,823**	**(317)**
Income / (losses) from real estate disposal		(100)	-	10	-
Net revenues from disposal		**(100)**	**-**	**10**	**-**
G&A expenses	6	(4,303)	(2,711)	(4,569)	(2,961)
Other operating expenses	7	(285)	(66)	(113)	-
Gross operating income		**15,546**	**(3,142)**	**11,151**	**(3,279)**
Net depreciation	8	(286)	(41)	(152)	-
Net movement in fair value	9	(7,612)	-	6,210	-
Net operating income		**7,648**	**(3,183)**	**17,209**	**(3,279)**
Net income attributable to non-controlling interests	10	1,659	-	1,499	-
Financial income	11	241	-	-	-
Financial expenses	11	(4,271)	(4)	(6,046)	(3)
Profit before tax		**5,277**	**(3,187)**	**12,662**	**(3,282)**
Income tax		-	-	-	-
Profit after tax		**5,277**	**(3,187)**	**12,662**	**(3,282)**
Minorities		(1,711)	-	902	-
Profit for the Group		**3,566**	**(3,187)**	**13,564**	**(3,282)**

EARNINGS PER SHARE

(Euro)	Notes	June 30th, 2020	June 30th, 2019
Earnings per share			
Basic, net income attributable to ordinary shareholders	12	0.10	0.38
Diluted, net income attributable to ordinary shareholders	12	0.10	0.38

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER ITEMS IN THE COMPREHENSIVE INCOME STATEMENTS

(in thousands Euro)	Notes	June 30th, 2020	June 30th, 2019
Profit for the period		**5,277**	**12,662**
Other comprehensive income to be reclassified to profit or loss in subsequent periods	22	236	(1,085)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income		**5,513**	**11,577**
Referable to:			
Group shareholders		3,788	12,479
Minorities		1,725	(902)
Total amount		5,513	11,577

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands Euro)	Notes	June 30th, 2020	*of which related parties*	December 31st, 2019	*of which related parties*
Assets					
Real estate investments	13	758,363	-	764,924	-
Other tangible assets	14	1,482	731	1,582	771
Intangible assets	14	218	-	188	-
Investments accounted for using the equity method	15	38,136	-	33,675	-
Financial assets at fair value	16	3,933	-	4,593	-
Non-current deferred tax assets		14	-	10	-
Derivatives	17	98	-	158	-
Non-current financial receivables	19	-	-	1,620	1,620
Total non - current assets		**802,244**	**731**	**806,750**	**2,391**
Inventories	18	2,730	-	2,780	-
Current financial receivables	19	1,620	1,620	-	-
Trade and other current receivables	20	14,274	277	9,958	100
Cash and cash equivalents	21	42,509	-	42,693	-
Total current assets		**61,133**	**1,897**	**55,431**	**100**
Non-current assets held for sales	13	10,400		23,500	-
Total assets		**873,777**	**2,628**	**885,681**	**2,491**
Liabilities					
Capital stock		14,482	-	14,482	-
Share premium reserve		336,273	-	336,273	-
Valuations reserve		(1,633)	-	(1,677)	-
Interim dividend		-	-	(3,611)	-
Other reserves		83,988	-	62,670	-
Profit / (loss) for the period		3,566	-	31,973	-
Group shareholders' equity	**22**	**436,676**	**-**	**440,110**	**-**
Minorities	**22**	**71,900**	**-**	**71,175**	**-**
Shareholders' equity		**508,576**	**-**	**511,285**	**-**
Non-current bank borrowings	23	316,476	-	340,233	-
Non-current financial liabilities	24	1,221	742	1,301	779
Payables for post-employment benefits		88	-	71	-
Provisions for risks and charges	25	381	381	373	373
Derivatives	26	1,878	-	1,888	-
Trade payables and other non-current liabilities	27	1,956	1,064	1,833	998
Total non-current liabilities		**322,000**	**2,187**	**345,699**	**2,150**
Current bank borrowings	23	29,399	-	16,140	-
Trade payables and other current liabilities	28	13,777	1,330	12,536	1,952
Current tax payables		25	-	21	-
Total current liabilities		**43,201**	**1,330**	**28,697**	**1,952**
Total liabilities		**365,201**	**3,517**	**374,396**	**4,102**
Total liabilities and shareholders' equity		**873,777**	**3,517**	**885,681**	**4,102**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands Euro)	Capital stock	Share premium reserve	Valuation reserve	Other reserve	Profit / (loss) carried forward	Profit for the period	Group shareholders' equity	Minorities	Shareholders' equity
Balance as of January 1st, 2019	**14,451**	**335,549**	**(957)**	**20,395**	**3,043**	**46,267**	**418,748**	**13,492**	**432,240**
Partial allocation of the profit of 2018	-	-	-	39,067	-	(39,067)	-	-	-
Dividend distribution on 2018 results [6]	-	-	-	-	-	(7,200)	(7,200)	-	(7,200)
Derivatives valuation	-	-	(1,331)	246	-	-	(1,085)	-	(1,085)
Future share capital increase reserve	-	-	-	787	-	-	787	-	787
Changes in interests in subsidiaries	-	-	-	-	-	-	-	43,550	43,550
Profit for the period	-	-	-	-	-	13,564	13,564	(902)	12,662
Balance as of June 30th, 2019	**14,451**	**335,549**	**(2,288)**	**60,495**	**3,043**	**13,564**	**424,813**	**56,140**	**480,953**

(in thousands Euro)	Capital stock	Share premium reserve	Valuation reserve	Other reserve	Profit / (loss) carried forward	Profit for the period	Group shareholders' equity	Minorities	Shareholders' equity
Balance as of January 1st, 2020	**14,482**	**336,273**	**(1,677)**	**55,801**	**3,258**	**31,973**	**440,110**	**71,175**	**511,285**
Partial allocation of the profit 2019	-	-	-	24,752	-	(24,752)	-	-	-
Dividend distribution on 2019 results [7]	-	-	-	-	-	(7,221)	(7,221)	-	(7,221)
Derivatives valuation	-	-	44	160	-	-	204	14	218
Future share capital increase reserve	-	-	-	17	-	-	17	-	17
Partial reimbursement of equity	-	-	-	-	-	-	-	(1,000)	(1,000)
Profit for the period	-	-	-	-	-	3,566	3,566	1,711	5,277
Balance as of June 30th, 2020	**14,482**	**336,273**	**(1,633)**	**80,730**	**3,258**	**3,566**	**436,676**	**71,900**	**508,576**

[6] Excluding the interim dividend on 2018 results amounting to Euro 3,601 thousand, paid in November 2018.
[7] Excluding the interim dividend on 2019 results amounting to Euro 3,611 thousand, paid in November 2019.

INTERIM CONDENSED CONSOLIDATED CASH FLOWS STATEMENT

(in thousands Euro)	June 30th, 2020	June 30th, 2019
Profit for the period	5,277	12,662
Adjustments to reconcile the profit to net cash flow:		
Net depreciation	201	152
Severance pay	61	40
Net movement in fair value property	7,612	(6,210)
Net income attributable to non-controlling interests	(1,659)	(1,499)
Financial expenses	1,008	1,089
Net movement in fair value financial instruments	66	-
Taxes	-	-
Changes in working capital:		
(Increase) / decrease in trade and other current receivables	(4,379)	374
(Increase) / decrease in deferred tax assets	-	-
Increase / (decrease) in trade payables and other current liabilities	1,195	(2,649)
Increase / (decrease) in current tax payables	-	-
Increase / (decrease) in trade payables and other current liabilities	57	(139)
Net cash flows generated (absorbed) from operating activities	**9,439**	**3,820**
Investment activities		
(Acquisition) / disposal of real estate property	12,049	150
(Acquisition) / disposal of other tangible and intangible assets	(54)	(94)
(Acquisition) / disposal of other non-current receivables	612	-
Purchase of associated companies	(2,786)	(1,250)
Net cash flow generated (absorbed) from investment activities	**9,821**	**(1,194)**
Financing activities		
Shareholders' contribution / (dividends paid)	(7,196)	(7,200)
Dividends paid to minorities	(1,000)	-
Change in interests in subsidiaries	-	43,550
(Acquisition) / closing of derivatives	(148)	70
Increase / (decrease) in bank borrowings and other non-current lenders	-	127,800
Repayment of borrowings	(11,100)	(132,080)
Net cash flows generated (absorbed) from financing activities	**(19,444)**	**32,140**
Net increase / (decrease) in cash and cash equivalents	(184)	34,766
Cash and cash equivalents at the beginning of the period	42,693	82,221
Cash and cash equivalents at the end of the period	**42,509**	**116,987**

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, 2020 was authorised by the Board of Directors on July 30th, 2020.
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, 2020 have been subject to a limited review by the audit firm EY S.p.A..

2. Principles of preparation and changes in accounting standards

2.1 Principles of preparation

The interim condensed consolidated financial statements at June 30th, 2020 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, 2020 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, 2019.

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, 2020, prepared by the consolidated companies and adjusted, where necessary, to align them with the IFRS-compliant accounting and classification policies.
The scope of consolidation includes COIMA RES S.p.A. SIIQ, as Parent Company, and the entities summarised in the table below.

Entity	Direct participation	% owned	Consolidation method
COIMA CORE FUND IV	COIMA RES S.p.A. SIIQ	100.0%	Full consolidation
COIMA CORE FUND VI	COIMA RES S.p.A. SIIQ	88.2%	Full consolidation
MHREC REAL ESTATE SARL	COIMA CORE FUND VI	100.0%	Full consolidation
COIMA RES SIINQ I	COIMA RES S.p.A. SIIQ	100.0%	Full consolidation
COIMA CORE FUND VIII	COIMA RES S.p.A. SIIQ	50.0%	Full consolidation
LORENTEGGIO CONSORTIUM	COIMA CORE FUND VIII	69.2%	Full consolidation
COIMA OPPORTUNITY FUND I	COIMA CORE FUND VI	88.8%	Full consolidation
FELTRINELLI PORTA VOLTA	COIMA CORE FUND VI COIMA OPPORTUNITY FUND I	52.9% 47.1%	Full consolidation
CO-INVESTMENT 2 SCS	MHREC REAL ESTATE SARL	33.3%	Equity method
BONNET	COIMA RES S.p.A. SIIQ	35.7%	Equity method
P. N. GARIBALDI CONSORTIUM	COIMA RES S.p.A. SIIQ	4.0%	Equity method
IN. G. RE. SCRL	COIMA RES S.p.A. SIIQ	1.9%	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 consolidated financial statements include the financial statements of the Company and its subsidiaries as at June 30th, 2020. The financial statements have been prepared using the same accounting principles as those used by the Company for each accounting period.

The main consolidation methods used to prepare the 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.

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

2.3 Main balance sheet items

Real estate investments

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

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

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

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

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

IFRS 13 defines the fair value as the price (*exit price)* that would be received for the sale of an asset, or that would be paid for transfer of a liability in a regular transaction between market participants at the valuation date.
In particular, in measuring the *fair value* of investment property, as required by IFRS 13, the company must ensure that the fair value reflects, among others, rental income from current leases, and other reasonable and supportable assumptions that market participants would use to price real estate properties under current conditions.

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

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

Investment property is valued with the support of an external independent valuation company, duly recognized in terms of professional qualification and recent experience in the leasing and characteristics of the property evaluated. The Company has adopted an internal procedure for the selection and appointment of independent experts as well as for the valuation of investment properties. On the selection and appointment of the independent experts, the procedure requires specific operational binding instructions to verify, through appropriate written statements or acquiring specific certifications. that independent experts respond to business needs and with local regulations.

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

The remuneration provided for assessments at June 30th, 2020 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 13 – Real estate investments.

Real estate initiatives in progress

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

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

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

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

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

Inventories

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

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

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

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

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

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

Cash and cash equivalents

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

Non-current assets held for sale and discontinued operations

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

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

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

Net Equity

Capital stock

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

Valuation reserve

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

Cash dividend and interim dividend

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

Severance pay

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

Provision for risks and charges

The provisions for risks and charges relate to costs and charges of a determined nature and of certain or probable existence which at the closing date of the period are undetermined in the amount or date of occurrence. Provisions are recognized when: (i) the existence of a current obligation, legal or implicit, deriving from a past event is probable; (ii) it is probable that the fulfilment of the obligation will be expensive; (iii) the amount of the obligation can be estimated reliably. The provisions are entered at the value representative of the best estimate of the amount that the Company would rationally pay to extinguish the obligation or to transfer it to third parties on the closing date of the period. When the financial effect of time is significant and the payment dates of the obligations can be estimated reliably, the provision is subject to discounting; the increase in the provision connected with the passage of time is charged to the income statement under "financial charges". When the liability relates to tangible assets (e.g. area reclamation), the provision is recognized as a contra-entry to the asset to which it refers; the income statement is entered through the amortization process. The provisions are periodically updated to reflect changes in cost estimates, implementation times and discount rates; the estimate revisions of the funds are recognized in the same income statement item that previously accepted the provision or, when the liability relates to tangible assets (e.g. area reclamation), as a contra-entry to the asset to which it refers .
The notes to the financial statements illustrate the potential liabilities represented by possible (but not probable) obligations, deriving from events the existence of which will be confirmed only if one or more assumptions are found that are not totally under the control of the Company. For more details, see the description in paragraph 6 – G&A expenses.

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) 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.

Financial liabilities - Initial recognition and measurement

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

Loans and borrowings

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

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

IFRS 9 - Derivatives financial instruments

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

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

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

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

Impairment

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

Hedge accounting

The Company resorts to the application of hedge accounting regarding the subscribed interest cap rate instruments. Considering the foregoing, the Company has established that all existing hedging relationships that are currently designated as effective hedges continue to qualify for hedge accounting in accordance with IFRS 9. However, the new standard concerning these instruments provides, 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.

Recording of revenues, income and expenses in the income statement

Revenues

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

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

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

IFRS 15 Revenue from contracts with customers

IFRS 15 replaces IAS 11 - Customs work, IAS 18 - Revenues and related interpretations and applies to all revenues from contracts with customers, unless these contracts fall within the scope of other principles such as for example leases, for which the reference principle is IFRS 16. The standard introduces a new five-phase model that will apply to revenues from contracts with customers. IFRS 15 provides for the recognition of revenues for an amount that reflects the consideration to which the entity believes it is entitled in exchange for the transfer of goods or services to the customer.
The principle involves the exercise of a judgment by the Company, which takes into consideration all the relevant facts and circumstances in the application of each phase of the model to the contracts with its customers. The standard also specifies the accounting of incremental costs associated with obtaining a contract and costs directly linked to the completion of a contract.
However, since the revenues of the group are mainly leased, adoption did not have any impact on the consolidated financial statements.

Leases

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

Real estate disposals

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

IFRS 16 leases

As of 1st January 2019, the new accounting standard IFRS 16, which defines the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases in the financial statements on the basis of a single model similar to that used to account for finance leases in accordance with the previous IAS 17, became applicable. The standard provides two exemptions for recognition by lessees - leases relating to 'low-value' assets (e.g. personal computers) and short-term leases (e.g. contracts due within 12 months or less). At the start date of the lease contract, the lessee recognises a liability against lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset for the term of the contract (i.e. the right to use the asset). Lessees shall account separately for interest expense on the lease liability and depreciation of the right to use the asset. Lessees shall also remeasure the lease liability on the occurrence of certain events (for example, a change in the terms of the lease agreement, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee generally recognises the amount of the remeasurement of the lease liability as an adjustment to the right to use the asset.

The accounting for lessors in accordance with IFRS 16 is substantially unchanged from the previous accounting in accordance with IAS 17. Lessors continue to classify all leases using the same classification principle as in IAS 17 and distinguishing between two types of lease: operating leases and finance leases. IFRS 16 requires lessees and lessors to provide more extensive disclosures than IAS 17.

It should be noted that as of today the Company has leasing contracts in place for computer equipment, which do not fall within the scope of the principle, and three rental contracts, one of which relates to the registered office:

- on July 21st, 2017 COIMA RES signed a lease agreement for the new registered office in Milan, Piazza Gae Aulenti n.12. The agreement provides for a duration of six years renewable twice with an annual rent of approximately Euro 94 thousand. In consideration of the fact that COIMA RES has invested a significant amount of money in the fitting out of the new headquarters, it is appropriate to consider the duration of the lease agreement in twelve years;
- on January 26th, 2018 the Lorenteggio Village Consortium signed a lease contract for the control room of the Vodafone property complex located in Milan, Via Lorenteggio 240, expiring on January 31st, 2027 and with an annual rent of Euro 15 thousand;
- on December 4th, 2015 COIMA OPPORTUNITY FUND I stipulated a lease contract for a garage belonging to a building located in Milan, Viale Fulvio Testi 282, expiring on June 30th, 2025 and tacitly renewable for a further nine years, at an annual rent of Euro 80 thousand. On April 11th, 2017 the fund subleased the area in question to the tenant Philips S.p.A. under the same contractual conditions stipulated with the lessor.

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 expenses

Financial income and expenses are recognized on an accrual basis according to the interest accrued on the net value of the related financial assets and liabilities using the effective interest method.
Borrowing costs directly attributable to the acquisition and construction of investment property are capitalized in

the carrying amount of the pertinent property. Capitalization of interest is carried out on condition that the increase in the carrying value of the asset does not ascribe to the same value higher than its fair value.

Taxes

Current taxes

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

Deferred tax

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

Earnings Per Share

Earnings Per Share - basic

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

Earnings Per Share - diluted

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

Use of estimates

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

Actual results could differ from these estimates due to the uncertainty surrounding the assumptions and conditions on which the estimates are based. Therefore, changes in the conditions underlying the opinions, assumptions and estimates adopted may have a significant impact on future results.
Estimates are used to determine the fair value of investment properties, of financial instruments and derivatives.
Estimates and assumptions are reviewed periodically by management and, when deemed necessary, are seconded by opinions and studies of independent external consultants of leading standing (for example, real estate appraisals), and the effects of any changes are reflected in the income statement.

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

- investment property: is initially recognised at cost including incidental expenses and acquisition, in according to IAS 40, and subsequently measured at fair value, recognising in the income statement the effects of changes in fair value of investment property in the year such occur. The fair value at the closing date of the period is determined by valuation of the real estate assets performed by independent experts; this valuation is subject to hypotheses. assumptions and estimates; therefore, a valuation by different experts might not result in an identical opinion;

- financial instrument: financial instruments are initially valued at fair value, recording the effects deriving from the change in fair value in the period in which they occur in the income statement. Fair value is determined through estimates made by management, also through the support of independent experts; this valuation is subject to estimation processes, which implies the forecast of cash flows based on variables that depend on expectations of the performance of the real estate and financial markets as well as the general market conditions;
- derivative financial instruments: derivative financial instruments are measured at fair value, recognizing the effects deriving from the change in fair value in the period in which they occur. The fair value is determined through estimates made by management based on market prices at the reference date;
- taxes: income taxes, related to the non-exempt income, are estimated based on the prediction of the actual amount that will be paid to the Inland Revenue Office based on the income tax declaration; recognition of deferred tax assets is based on expectations of taxable income in future years, and pre-paid and deferred taxes are determined at the tax rates expected to be applied during the years in which temporary differences will be reversed.

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

The accounting standards adopted in the preparation of the consolidated financial statements are consistent with those in effect at the balance sheet date inclusive of new standards, amendments and interpretations effective from December 31st, 2019, except for the adoption of new standards effective as of January 1st, 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several other amendments and interpretations apply for the first time in 2020, but do not have an impact on the consolidate financial statements of the Group.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8: Definition of Material

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements.
A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.
The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.
These amendments had no impact on the consolidated financial statements of the Group.

Public statement ESMA: Implications of Covid-19 outbreak on the half-yearly financial reports

As of May 20th, 2020 the ESMA European Security Market Authority published some suggestions for the report of the half-year financial statements and for the other interim financial reports related to COVID-19 disclosure effects.
In particular ESMA ha underlined the importance of:

- update the information of the last financial statements, in order to properly inform all the stakeholders about the impact of COVID-19 with a particular focus on the significant risks and uncertainties, on the Company continuity, on the write-down of non-financial assets and on the profit/ (loss) forecast;
- ensure the publication of detailed information related to the impact of COVID-19, the strategies, the aims, the operations and performances on the report about management, as well as any possible mitigation action made to the deal with pandemic effects;
- give right and clear information, which should be communicate without delay, following on time the deadlines of the current legislation.

With reference to the first point, please refer to the paragraph *Implications of the COVID-19 on the interim condensed consolidated financial statements* in the directors' report and to what is described in the risks section.

With reference to the second point, please refer to the paragraph *Overview on the real estate portfolio* and *Outlook* in the section Significant events of the period.

With reference to the third point, it should be noted that the Company is roactive in communicating information to the market through appropriate periodic press releases.

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 15% of the total property.
An income statement showing information about the Company's income and results for the six months ended June 30th, 2020 is given below:

(in thousands Euro)	Offices	Bank branches	Others	Unallocated amounts	Sector results
Rents	19,319	2,109	802	-	22,230
Net income of non-controlling interests	1,629	-	-	30	1,659
Financial income	-	-	-	241	241
Total income	**20,948**	**2,109**	**802**	**271**	**24,130**
Net real estate operating expenses	(1,479)	(364)	(153)	-	(1,996)
Profit / (loss) from real estate disposals	-	(100)	-	-	(100)
G&A expenses	(3,513)	(465)	(313)	(12)	(4,303)
Other operating expenses	(223)	(33)	(24)	(5)	(285)
Net depreciation	-	(50)	-	(236)	(286)
Adjustment to *fair value*	(5,551)	(1,091)	(970)	-	(7,612)
Financial expenses	(3,440)	(586)	(233)	(12)	(4,271)
Income tax	-	-	-	-	-
Sector results	**6,742**	**(580)**	**(891)**	**6**	**5,277**

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	698,172	65,132	37,368	1,572	802,244
Current assets	46,683	10,070	2,567	1,813	61,133
Non-current assets held for sales	-	10,400	-	-	10,400
Total assets	**744,855**	**85,602**	**39,935**	**3,385**	**873,777**
Non-current liabilities	276,657	26,972	18,371	-	322,000
Current liabilities	31,627	9,604	1,910	60	43,201
Total liabilities	**308,284**	**36,576**	**20,281**	**60**	**365,201**

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, financial asset and investments in CO – Investments 2;
- 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	20,331	200	1,699	-	22,230
Net income of non-controlling interests	1,629	-	-	30	1,659
Financial income	-	-	-	241	241
Total income	**21,960**	**200**	**1,699**	**271**	**24,130**
Net real estate operating expenses	(1,687)	(42)	(267)	-	(1,996)
Profit / (loss) from real estate disposals	-		(100)	-	(100)
G&A expenses	(3,913)	(54)	(324)	(12)	(4,303)
Other operating expenses	(253)	(4)	(23)	(5)	(285)
Net depreciation	(151)	-	(50)	(85)	(286)
Adjustment to *fair value*	(6,581)	(100)	(931)	-	(7,612)
Financial expenses	(3,732)	(78)	(449)	(12)	(4,271)
Income tax	-	-	-	-	-
Sector results	**5,643**	**(78)**	**(445)**	**157**	**5,277**

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

(in thousands Euro)	Milan	Rome	Others	Unallocated amounts	Sector results
Non-current assets	738,215	9,017	53,440	1,572	802,244
Current assets	41,570	1,910	15,840	1,813	61,133
Non-current assets held for sales	6,300	-	4,100	-	10,400
Total assets	**786,085**	**10,927**	**73,380**	**3,385**	**873,777**
Non-current liabilities	297,693	3,578	20,729	-	322,000
Current liabilities	35,538	1,033	6,570	60	43,201
Total liabilities	**333,231**	**4,611**	**27,299**	**60**	**365,201**

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

4. Rents

The revenues amounting to Euro 22,230 thousand as of June 30th, 2020 and include rents accrued on the real estate portfolio.

(in thousands Euro)	Investments	June 30st, 2020	June 30st, 2019
COIMA RES SIIQ	Vodafone	-	6,863
	Monte Rosa	1,813	1,881
	Tocqueville	1,426	1,202
	Pavilion	1,633	1,344
COIMA CORE FUND IV	Deutsche Bank branches	2,109	2,643
COIMA CORE FUND VI	Gioiaotto	2,079	1,923
COIMA RES SIINQ I	Deruta	1,816	1,807
COIMA CORE FUND VIII	Vodafone	7,047	153
COIMA OPPORTUNITY FUND I	Philips	2,017	-
FELTRINELLI PORTA VOLTA	Microsoft	2,290	-
Rents		**22,230**	**17,816**

The increase of Euro 4,414 thousand compared to June 30th, 2019 is mainly due to acquisition of Philips and Microsoft properties, indirectly acquired through the purchase of units of the funds COIMA OPPORTUNITY FUND I and Feltrinelli Porta Volta, which were closed during the second half of 2019.

The increase related to Tocqueville rent of Euro 224 thousands is due to a change of the Sisal lease agreement, the main tenant of the property, who extended the expiry of the lease to December 31st, 2021 in exchange for an increase in the gross rent due in 2021.

The revenues related to the Pavilion show an increase of Euro 289 thousand because of the rent contract with IBM has generated rents only starting from February 2019.

Related to the lease agreements of COIMA CORE FUND IV, the reduction of Euro 534 thousand is mainly linked to disposal of 8 Deutsche Bank branches closed in January 2020.

5. Net real estate operating expenses

The net real estate operating expenses amount to Euro 1,996 thousand as of June 30th, 2020. The detail of the amount is:

(in thousands Euro)	Vodafone Complex*	Tocqueville Monte Rosa Pavilion	Deutsche Bank branches	Gioiaotto	Deruta	June 30th, 2020	June 30th, 2019
Recovery of costs from tenants	1,196	660	27	901	9	2,793	2,353
Property management fee	(155)	(59)	(21)	(99)	(18)	(352)	(290)
Maintenance charges	(433)	(380)	(23)	(409)	(1)	(1,246)	(1,387)
Utilities	(607)	(202)	(3)	(236)	-	(1,048)	(895)
Insurance	(49)	(32)	(24)	(54)	(13)	(172)	(111)
Property taxes	(370)	(422)	(295)	(467)	(123)	(1,677)	(1,428)
Stamp duties	(95)	(46)	(25)	(59)	(18)	(243)	(162)
Other real estate costs	(1)	(47)	-	(3)	-	(51)	(73)
Net real estate expenses	**(514)**	**(528)**	**(364)**	**(426)**	**(164)**	**(1,996)**	**(1,993)**

* Includes the Consorzio Lorenteggio Village

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

Property management fees 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 to protect the asset value and ownership of the buildings.

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

G&A costs amounting to Euro 4,303 thousand as at June 30th, 2020, are listed below:

(in thousands Euro)	**COIMA RES**	**CORE IV SIINQ I**	**CORE VI COF I FPV**	**CORE VIII**	**Others**	**June 30th, 2020**	**June 30th, 2019**
Asset management fee	(448)	(163)	(973)	(521)		(2,105)	(2,331)
Personnel costs	(940)	-	-	-	-	(940)	(910)
Consulting costs	(238)	(44)	(137)	(10)	(16)	(445)	(509)
Control functions	(158)	(16)	(8)	-	-	(182)	(178)
Audit	(81)	(22)	(57)	(9)	(6)	(175)	(156)
Marketing	(137)	-	-	-	-	(137)	(152)
IT service	(85)	-	-	-	-	(85)	(89)
Independent appraisers	(14)	(17)	(19)	(7)	-	(57)	(68)
Other operating expenses	(169)	-	(2)	(1)	(5)	(177)	(176)
G&A expenses	**(2,270)**	**(262)**	**(1,196)**	**(548)**	**(27)**	**(4,303)**	**(4,569)**

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

It should be noted that the decrease of Euro 266 thousand compared to June 30th, 2019 is related to the Asset Management agreement approved during the Board of Directors of March 19th, 2020, which included a reduction of managements fee of 30 basis points (from 1.10% to 0.80% of NAV) effective from January 1st, 2020.

Based on the NAV as of March 31st, 2020 the reduction of the fee is equivalent to a saving for COIMA RES of Euro 331 thousand for the second quarter of 2020. Considering the first half-year 2020, the total saving is of Euro 659 thousand.

Personnel costs include:

- wages, salaries and similar expenses, amounting to Euro 390 thousand, related to wages for the Company's employees;
- social security contributions, amounting to Euro 182 thousand, paid by the Company to social security funds.
- other personnel costs, amounting to Euro 368 thousand, include mainly the Board of Directors' remuneration.

It should be noted that on March 16th, 2020 the Chief Executive Officer, in order to limit the corporate costs of the Company in light of the current market capitalization and to be aligned with the interests of COIMA RES shareholders, has confirmed to accept the suspension of the recalculation of the fixed emolument and the payment of variable compensation, starting from 2020 financial year until January 1st, 2025.
The suspension of the recalculation of the annual fixed emolument and the variable compensation can be interrupted by Manfredi Catella only and exclusively if, by December 31st, 2030:

- the existing Asset Management Agreement is modified and / or terminated for any reason; and / or
- Manfredi Catella does stop hold the office of Chief Executive Officer (even in the event of death); and / or
- the majority of the directors of the Company are not designated by Manfredi Catella as envisaged by the Shareholders Agreement currently in force.

As of today, none of the conditions has failed and it is considered remote that even one of them may occur within the approval of the interim condensed consolidated financial statements as at June 30th, 2020.

The best current estimate of this potential liability as of June 30th, 2020, considering the above, is approximately Euro 3.6 million.

The waiver of the fees for the years 2017, 2018 and 2019 remains subject to the terms and conditions set out in the communication of Manfredi Catella of February 19th, 2019.

The CEO has reserved the right to stop the suspension of the restatement of the annual fixed emolument and the variable compensation if the market capitalization of COIMA RES should reach a level higher than that recorded in the IPO (equal to Euro 360 million), only from this trigger event onwards would the relative remuneration be determined, without therefore impacting the previous periods.

Regarding the risk of death, considering the existing agreement with the Chief Executive Officer and the reports described above, the Company made a provision of approximately Euro 381 thousand based on the mortality tables prepared by ISTAT, according to IAS 19 provisions.

The existing agreement with the Chief Executive Officer also provides that, in the event of Manfredi Catella's termination from the position held in the Company for one of the reasons provided for by the agreement in force and described in the Remuneration Report ("***Good Leaver***"), the Company is obliged to pay Manfredi Catella by way of compensation for the damage or, in any case, by way of compensation for the termination of the administration relationship, the greater amount between: (a) Euro 5 million and, (b) three times the total annual remuneration (fixed and variable amount). As of today, the Company considers the realisation of one of the Good Leaver scenarios envisaged in the existing agreement as remote.

The item *consulting costs* mainly includes expenses for support activities carried out by professionals for the ordinary management of the Company; in particular:

- legal, tax and notarial consulting for *corporate* services;
- technical consulting on real estate properties.

Governance and other control functions costs are mainly related to the Board of Statutory Auditors, amounting to Euro 62 thousand, Risk Management, amounting to Euro 41 thousand and other control functions, amount to Euro 78 thousand.

The audit costs also include the fees related to the audit firm KPMG S.p.A. in charge of the legal audit of the real estate funds held by COIMA RES.

Marketing costs are mainly related to digital and media relations expenses (Euro 46 thousand), related to website maintenance (Euro 75 thousand) and other marketing costs related to corporate events and conferences for Euro 16 thousand.

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

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

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

7. Other operating expenses

The other operating expenses, amounting to Euro 285 thousand (Euro 113 thousand as at June 30th, 2019), include the the fair value change of the financial instrument allowed to the Board of Directors and to the *key managers* of the Company, corporate taxes and fees, non-recurring liabilities and other operating costs.
At June 30th, 2020 this item includes all the donations made by the Company to the Luigi Sacco hospital, to the Fondo di Mutuo Soccorso of Comune di Milano and to Fondazione Buzzi in order to fight the helth crisis COVID-19, spread out in Italy at the end of February 2020. Please note that all the financial resources related to the donations, amounting to Euro 236 thousand, result in part from the waived of Manfredi Catella's right as member of the Board of Directors, amounting to Euro 90 thousand, and the waived of some others directors and key managers' compensations, amounting to Euro 45 thousand.

8. Net depreciation

Net depreciation, amounting to Euro 286 thousand (Euro 152 thousand as at June 30th, 2019), mainly refer exclusively to the trade receivables write-downs amounting to Euro 65 thousand, for the period relating to tangible and intangible fixed assets for an amount of Euro 124 thousand and to the decrease in value of the Deutsche Bank branches, classified in the item *inventories* for an amount of Euro 50 thousand. This adjustment was made on the valuations prepared by the independent experts as at June 30th, 2020.

9. Net movement in fair value

This item, negative for Euro 7,612 thousand (positive for Euro 6,210 thousand as at June 30th, 2019) refers to the revaluation recorded on the value of real estate investments, based on the evaluation reports prepared by independent experts.
For more details, please refer to note 13 - Real estate investments.

10. Net income attributable to non-controlling interests

Net income attributable to non-controlling interests, amounting to Euro 1,659 thousand (Euro 1,499 thousand as at June 30th, 2019), 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 15 – Investments accounted for using the equity method.

11. Financial income and expenses

The item financial incomes, amounting to Euro 241 thousand (zero balance at June 30th, 2019), includes the dividends distributed from ITALIAN COPPER FUND.

Financial charges amount to Euro 4,271 thousand (Euros 6,046 thousand at June 30th, 2019) mainly include interest expense accrued on outstanding loans and the non-recurring financial expenses related to the prepayment of the loans made during the period.
The decrease of Euro 1,775 thousand compared to the previous period is partly due to the non-recurring costs incurred during the first half-year 2019 for the closure of loans and hedges, made during the Vodafone building contribution transaction.

Nevertheless, this decrease is partially offset by the increase of the interests expenses related to the rent contracts of Philips and Microsoft real estates, indirectly acquired by the Company during the selling operations of COIMA OPPORTUNITY FUND I and Feltrinelli Porta Nuova allowances, ended during the fourth quarter 2019.

12. Earnings per share

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

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

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

Earnings per share	**June 30th, 2020**	**June 30th, 2019**
Profit attributable to ordinary shareholders (in thousands Euro)	3,566	13,564
Weighted average number of ordinary shares outstanding	36,106,558	36,007,000
Earnings per share (Euro)	**0.10**	**0.38**
Earnings per share diluted (Euro)	**0.10**	**0.38**

13. Real estate investments

The changes in property investments at June 30th, 2020, are listed below:

(in thousands Euro)	Investments	December 31st, 2019	Capex	Revaluations (write-downs)	June 30th, 2020
COIMA RES SIIQ	Monte Rosa	61,100	9	(509)	60,600
	Tocqueville	59,600	48	(548)	59,100
	Pavilion	73,200	-	(500)	72,700
COIMA CORE FUND IV	DB branches	66,204	-	(1,091)	65,113
COIMA CORE FUND VI	Gioiaotto	83,700	-	(1,100)	82,600
COIMA RES SIINQ I	Deruta	47,100	-	(1,300)	45,800
COIMA CORE FUND VIII	Vodafone	213,000	-	(2,000)	211,000
COIMA OPPORTUNITY FUND I	Philips	62,790	186	(476)	62,500
FELTRINELLI PORTA VOLTA	Microsoft	98,230	808	(88)	98,950
Real estate investments		**764,924**	**1.051**	**(7,612)**	**758,363**

The total amounts reported as of June 30th, 2020 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. With reference to the effects deriving from the Covid-19 pandemic, please refer to the paragraph *Implications of the COVID-19 on the interim condensed consolidated financial statements* in the directors' report.

The columns "*capex*" shows interventions and improvements made on the real estates in portfolio during the first half-year 2020, including the construction of public spaces next to the Microsoft building for Euro 808 thousand and improvements on Philips for Euro 186 thousand.

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 decrease is mainly due to the impact deriving from the reduction of the inflation rate forecasted and the reduced growth of market rents related to the COVID-19 emergency.

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

Independent experts	Property	Discounted rate	Discounted rate retraining	Gross cap out rate	Expected inflation rate	Year plan
CBRE Valuation	Monte Rosa	5.40%	7.10%	5.20%	1.20%	9.3
	Tocqueville	5.50%	7.45%	3.65%	1.20%	7.3
	Pavilion	4.50%	7.30%	3.40%	1.20%	15.6
	Deruta	5.50%	7.70%	5.40%	1.38%	5
Duff & Phelps REAG	DB branches (let)	m.5.9%	m.5.9%	m.4.6%	1.5%	10-12
	DB branches (vacant)	m.6.4%	m.6.5%	m.5.2%	1.5%	10
	Gioiaotto (office)	5.75%	5.75%	4.19%	1.5%	16
	Gioiaotto (hotel)	6.30%	6.80%	4.73%	1.5%	18
	Vodafone	6.10%	6.10%	4.63%	1.50%	11
Praxi	Philips	6.72%	6.72%	5.03%	1.65%	15
	Microsoft	5.22%	5.22%	3.88%	1.65%	15

The following table shows the market values of investment property as at December 31st, 2019 gross and net of transaction costs respectively:

Independent expert	Investments	Gross market value at June 30th, 2020	Net market value at June 30th, 2020
CBRE Valuation	Monte Rosa	62,721	60,600
	Tocqueville	61,169	59,100
	Pavilion	75,245	72,700
	Deruta	47,461	45,800
Duff & Phelps REAG [8]	Deutsche Bank branches	69,539	67,843
	Gioiaotto (office)	54,940	53,600
	Gioiaotto (tur./ric.)	29,725	29,000
	Vodafone	216,275	211,000
Praxi	Philips	64,380	62,500
	Microsoft	101,920	98,950

The item *non-current assets held for sale* amounting to Euro 10,400 thousand (Euro 23,500 thousand at December 31st, 2019) includes the remaining 3 bank branches to be sold, two located in Milan and one in Verona. As for the latter, the sale was completed on July 13rd, 2020, while the remaining two are expected in January 2021.

14. Other tangible assets and intangible fixed assets

Other tangible fixed assets, equal to Euro 1,482 thousand (Euro 1,582 thousand as at December 31st, 2019), mainly include the right to use space located by the Group for the whole duration of the agreement (i.e. *right of use*), forniture and fixtures related to the HQ.

(in thousands Euro)	December 31st, 2019	Increases / (write-downs)	June 30th, 2020
Furniture and fixtures	72	-	72
Installations	284	-	284
Other tangible assets	7	-	7
Rights of use	1,405	1	1,406
Original costs	**1,768**	**1**	**1,769**
Furniture and fixtures	(15)	(3)	(18)
Installations	(55)	(11)	(66)
Other tangible assets	(4)	(1)	(5)
Rights of use	(112)	(86)	(198)
Depreciation fund	**(186)**	**(101)**	**(287)**
Net book value	**1,582**	**(100)**	**1,482**

Today, the Group has mainly 3 lease agreements, net of the amortizations, whose right of use amounts to Euro 1,208 thousand (Euro 1,293 thousand at December 31st, 2019).

Intangible assets, equal to Euro 218 thousand (Euro 188 thousand as of December 31st, 2019), include administrative and accounting software in implementation. The increase of Euro 30 thousand compared to the previous year is mainly due to the development of the implementation activities carried out during the period.

[8] In the evaluation reports prepared by Duff & Phelps, the gross market value is not reported but only the percentage range relating to the transaction costs to be taken into consideration. The value shown in the table was calculated by applying 2.5% of transaction costs.

15. Investments accounted for using the equity method

The item, amounting to Euro 38,136 thousand (Euro 33,675 thousand as of December 31st, 2019), includes Porta Nuova Bonnet investment, for an amount of Euro 36,578 thousand, and Co – Investment 2 SCS investment, for an amount of Euro 1,558 thousand, owned indirectly through MHREC Sarl.

The increase of Euro 4,461 thousand compared to the previous year is due to the recalls made by Porta Nuova Bonnet Fund during this half-year, amounted to Euro 2,786 thousand, and the profit for the period amounting to Euro 1,659 thousand.

16. Financial assets at fair value

The financial assets at fair value, amounting to Euro 3,933 thousand (Euro 4,539 thousand at December 31st, 2019) refer to the participation of about 13% in ITALIAN COPPER FUND, acquired during the operation of COIMA OPPORTUNITY FUND I acquisition allowances, ended during the fourth quarter of 2019. The decrease of Euros 660 thousand compared with the previous year is due by the adjustment to NAV of the period, as the fai value of the instrument.

17. Derivatives

Derivative financial instruments, amounting to Euro 98 thousand (Euro 158 thousand at December 31, 2019) have decreased by Euro 60 thousand compared to the previous year due to the negative change in the fair value of the period and to the partial closure of the interest rate cap agreement concerning the loan repaid.

In June 30th, 2020 the Company, after the reimbursement of the loans for an amount of Euro 11,100 thousand, has partially closed the related contract of *interest rate cap* in order to align the notional of the derivatives to the nominal value.

The Company has accounted for hedging transactions based on *hedge accounting*, according to IFRS 9, verifying the efficiency of the hedging relationship.

18. Inventories

Inventories, amounting to Euro 2,730 thousand (Euro 2,780 thousand as of December 31st, 2019), includes the remaining vacant Deutsche Bank branches.
The change of Euro 50 thousand compared to the previous year is due to the reclassification of the value made accordingly with the independent expert evaluation.
For more details on the benchmarks used during the evaluation, please refer to paragraph 13 – Real estate investments.

19. Financial receivables

The current financial receivables, amounting to Euro 1,620 thousand, are related to loans granted by MHREC Sàrl to Co-Investment 2 SCS.
This amount was originally classified in the item non-current financial receivables and it was re-classified in the current assets because they will be cash within 12 months.

20. Trade and other current receivables

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

(in thousands Euro)	June 30th, 2020	December 31st, 2019
Receivables from tenants	11,323	5,387
Receivables from buyers	-	800
Trade receivables	**11,323**	**6,187**
Tax receivables	649	1,753
Other receivables	571	320
Accrued income and prepaid expenses	1,731	1,698
Other current receivables	**2,951**	**3,771**
Trade and other current receivables	**14,274**	**9,958**

The item "*receivables from tenants*", amounting to Euro 5,387 thousand at December 31st, 2019 has undergone an increase of Euro 5,936 thousand related to an anticipated invoicing of rents related to the second half-year of 2020, amounting to Euro 3,501 thousand.
The remaining part of the amount mainly refers to the normalization of rents, recorded in accordance with the IFRS 16, for Euro 4,040 thousand, amounts to be invoiced for Euro 1,257 thousand and receivables to be cash-in for Euro 2,525 thousand.
In June 30th, 2020 trade receivables are showed net of eventually write-downs related to uncollectible cash in.

Tax receivables consist mainly of the Group's VAT receivables. The decrease of Euro 1,104 thousand compared to the previous year is largely due to the offsetting with other taxes and duties.

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

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

21. Cash and cash equivalents

The Group's cash and cash equivalents amount to Euro 42,509 thousand.

(in thousands Euro)	June 30th, 2020	December 31st, 2019
BNP Paribas	11,885	15,051
UBI Banca	10,020	-
DepoBank	8,765	11,175
ING Bank N.V.	2,533	3,752
Unicredit	2,452	7,252
Intesa San Paolo	2,283	3,308
Banca Passadore	2,248	1,515
Banca Popolare di Milano	2,156	453
Société Générale Group	166	186
Cash	1	1
Cash and cash equivalents	**42,509**	**42,693**

For more details on the operation, please refer to the cash flow statements.

22. Shareholders' equity

Shareholders' equity as at June 30th, 2020 amounts to Euro 436,676 thousand (Euro 440,110 thousand as of December 31st, 2019).
The share capital, amounting to Euro 14,482 thousand, is represented by 36,106,558 shares with a nominal value.

Reserves, which amounted to Euro 418,628 thousand, include:
- share premium reserve of Euro 336,273 thousand;
- legal reserve of Euro 2,896 thousand;
- *cash flow* reserve for hedging derivatives of Euro 1,633 thousand (negative);
- *fair value* reserve related to investment property of Euro 36,405 thousand;
- other reserves of Euro 44,687 thousand.

Minorities amounts to Euro 71,900 thousand (Euro 71,175 thousand as of December 31st, 2019), of which Euro 1,711 thousand is related to the minority interest for the period.

23. Non-current bank borrowings

As of June 30th, 2020, the item "*non-current bank borrowings*" amounts to Euro 316,476 thousand and includes the financial loans of the contracted by the Company and by the controlled entities. The changes in loans are shown below.

(in thousands Euro)	December 31st, 2019	Amortised costs	Reimbursement	June 30th, 2020
COIMA RES SIIQ	99,132	288	(1,610)	97,810
COIMA CORE FUND VI	47,640	94	-	47,734
COIMA RES SIINQ I	19,859	34	-	19,893
COIMA CORE FUND VIII	125,841	186	-	126,027
COIMA OPPORTUNITY FUND I	25,016	(4)	-	25,012
FELTRINELLI PORTA VOLTA	22,745	(169)	(22,576)	-
Non-current bank borrowings	**340,233**	**429**	**(24,186)**	**316,476**

Current bank borrowings, amounting to Euro 29,399 thousand (Euro 16,140 thousand at December 31st, 2019) mainly include:
- the amount of the Deutsche Bank loan which will be reimbursed, reasonably within 12 months, after the cash in deriving from the disposal of the three bank branches, already object of preliminary sale, for Euro 6,537 thousand;
- the amount of the loan related to Feltrinelli with maturity date December 21st, 2020 for Euro 22,576 thousand, which is being renegotiated.

On June 30th, 2020, the Company repaid part of the outstanding loan for a total amount of Euro 11,100 thousand (of which Euro 6,337 thousand related to Tocqueville and Monte Rosa financing and Euro 4,763 thousand related to the Vodafone financing). This repayment was partially made using the liquidity collected from the transfer of the related Deutsche Bank branches.

The table below summarises the financial details of the loans:

(in thousands Euro)	June 30th, 2020	Maturity date	Rate	% hedged
Deutsche Bank branches	33,278	July 16th, 2023	Eur 3M + 180 bps	100%
Monte Rosa, Tocqueville	44,351	July 16th, 2023	Eur 3M + 160 bps	100%
Pavilion	26,718	October 31st, 2023	Eur 6M + 150 bps	93%
Gioiaotto	47,734	March 31st, 2022	Eur 3M + 150 bps	80%
Deruta	19,893	January 16th, 2022	Eur 3M + 160 bps	80%
Vodafone	126,027	June 27th, 2024	Eur 3M + 180 bps	80%
Philips	25,012	November 1st, 2022	Eur 3M + 175 bps	80%
Microsoft	22,576	December 21st, 2020	Eur 6M + 205 bps	100%

To hedge the loans outstanding, the entities entered derivative hedging contracts in the form of an *Interest Rate Cap* and *an Interest Rate Swap*. These transactions are used to hedge cash flows of existing loans, falling within the scope of the so-called hedge accounting.
For more details on derivative financial instruments, refer to paragraphs 17 and 26 - Derivative financial instruments.

It should be noted that the verification of the financial covenants is held every quarter and/or half-year, as provided for in the contract. The following are the indicators for each entity as at June 30th, 2020.

Properties	Covenant	Threshold	Test result as of June 30th, 2020
Monte Rosa Tocqueville	LTV Consolidated ICR Portfolio ICR/DSCR Consolidated	<60% >1.8x >1.4x	42.82% 4.6x 4.0x
Pavilion	LTV ICR	<65% >1.75x	36.8% 4.5x
Vodafone	LTV ICR-BL ICR-FL	<65% >2.25x >2.25x	60.6% 5.1x 4.3x
Gioiaotto	LTV ICR	<65% >1.75x	58.2% 3.5x
Philips	LTV ICR	<55% >2x	40.0% 5.3x
Microsoft	LTV	<60%	22.7%
Deruta	LTV ICR-BL ICR-FL	<55% >3.0x >3.0x	43.4% 9.8x 10.2x

24. Non-current financial liabilities

In accordance with the international accounting standard IFRS 16 in force on January 1st, 2019, the Company has recognized a liability in respect of the payment of lease rents relating to existing lease agreements. This liability, amounting to Euro 1,221 thousand (Euro 1,301 thousand at December 31st, 2019), is the current value of the expected future cash flows for the duration of the agreements. For more details please refer to paragraph 14 – Other tangible assets and intangible assets.

25. Provision risks and charges

The amount of Euro 381 thousand (Euro 373 thousand at December 31st, 2019) refers to the payment to cover the risks relating to the contracts in place with the CEO.
In addition, Manfredi Catella has expressed his will to forego until January 1st, 2025 the emoluments related to his role as CEO in line with the conduct held since IPO. Such renunciation is based on certain conditions, which are currently satisfied. For further information, please read the personnel costs details described in paragraph 6 – *G&A expenses*.

26. Derivatives

Derivative financial instruments classified as liabilities, amounting to Euro 1,878 thousand (Euro 1,888 thousand as at December 31st, 2019), refer to *interest rate swap* contracts entered to hedge the cash flows relating to the financing of the Monte Rosa, Tocqueville and Pavilion properties.

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

It should be noted that the increase of Euro 10 thousand compared to the previous year is exclusively due to the change in the *fair value* of derivatives as at June 30th, 2020.

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

27. Trade and other non-current liabilities

Other non-current liabilities, amounting to Euro 1,956 thousand, (Euro 1,833 thousand as of December 31st, 2019), include the *fair value* of the financial instruments granted to the CEO and *key managers* and cash deposits received from tenants.

As at June 30th, 2020 the financial instrument amounts to Euro 1,064 thousand. The valuation was carried out in application of the financial criterion. It estimates the value of an asset as the sum of expected cash flows, discounted at a rate that expresses the systematic risk of the investment.
Due to the analysis made by the management, the instrument has suffered an increase for an amount of Euro 66 thousand compared with the value at December 31st, 2019.

28. Trade and other current payables

The breakdown of trade payables and other current payables, amounting to Euro 13,777 thousand, is given below:

(in thousands Euro)	June 30th, 2020	December 31th, 2019
Accounts payables	2,033	2,128
Deposits paid by buyers	1,628	3,502
Invoices to be received	2,265	2,970
Trade payables	**5,926**	**8,600**
Personnel payables	200	261
Security provider payables	96	148
Tax payables	94	70
Other payables	2,476	1,812
Accruals and deferred income	4,985	1,645
Other liabilities	**7,851**	**3,936**
Trade payables and other current liabilities	**13,777**	**12,536**

The decrease amount to Euro 2,674 thousand compared to the previous financial year is mainly due to the item *Account promised payables*, which includes deposit paid to COIMA CORE FUND IV for the sale of 11 branches of Deutsche Bank, partially ended in January 2020.

The other payables increased of Euro 3,915 thousand compared to the previous financial year, mainly due to more deferred income for an amount of Euro 3,340 thousand connected to the anticipated invoicing of rents related to the second half-year of 2020.

29. Information on transfers of financial asset portfolio

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

30. Information on fair value

IFRS 13 provides that:

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

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

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

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

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

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

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

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

The comparison between the book value and the fair value of the Company's assets and liabilities as at June 30th, 2020 is given below:

(in thousands Euro)	June 30th, 2020		December 31st, 2019	
	Net book value	Fair Value	Net book value	Fair Value
Real estate investments	758,363	758,363	764,924	764,924
Other tangible assets	1,482	1,482	1,582	1,582
Intangible assets	218	218	188	188
Investments accounted for using the equity method	38,136	38,136	33,675	33,675
Financial asset at *fair value*	3,933	3,933	4,593	4,593
Non-current deferred tax assets	14	14	10	10
Derivatives	98	98	158	158
Long term financial assets	-	-	1,620	1,620
Inventories	2,730	2,730	2,780	2,780
Current financial receivables	1,620	1,620	-	-
Trade and other current receivables	14,274	14,274	9,958	9,958
Cash and cash equivalents	42,509	42,509	42,693	42,693
Non-current assets held for sale	10,400	10,400	23,500	23,500
Assets	**873,777**	**873,777**	**885,681**	**885,681**
Non-current bank borrowings	316,476	320,118	340,233	342,371
Other liabilities	16,384	16,384	15,137	15,137
Derivatives	1,878	1,878	1,888	1,888
Financial instruments	1,064	1,064	998	998
Bank borrowings and other current lenders	29,399	29,399	16,140	16,355
Liabilities	**365,201**	**368,843**	**374,396**	**376,749**

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, 2020 and December 31st, 2019.

(in thousands Euro)	June 30th, 2020			
	Total amount	Quoted prices in active markets (Level 1)	Observable inputs (Level 2)	Unobservable inputs (Level 3)
Real estate investments	758,363	-	-	758,363
Other tangible assets	1,482	-	-	1,482
Intangible assets	218	-	-	218
Investments accounted for using the equity method	38,136	-	-	38,136
Financial assets at *fair value*	3,933	-	-	3,933
Non-current deferred tax assets	14	-	-	14
Derivatives	98	-	98	-
Inventories	2,730	-	-	2,730
Current financial receivables	1,620	-	-	1,620
Trade and other current receivables	14,274	-	-	14,274
Cash and cash equivalents	42,509	-	-	42,509
Non-current assets held for sale	10,400	-	-	10,400
Assets	**873,777**	**-**	**98**	**873,679**
Non-current bank borrowings	320,118	-	320,118	-
Other liabilities	16,384	-	-	16,384
Derivatives	1,878	-	1,878	-
Financial instruments	1,064	-	-	1,064
Bank borrowings and other current lenders	29,399	-	29,113	286
Liabilities	**368,843**	**-**	**351,109**	**17,734**

(in thousands Euro)	December 31st, 2019			
	Total amount	Quoted prices in active markets (Level 1)	Observable inputs (Level 2)	Unobservable inputs (Level 3)
Real estate investments	764,924	-	-	764,924
Other tangible assets	1,582	-	-	1,582
Intangible assets	188	-	-	188
Investments accounted for using the equity method	33,675	-	-	33,675
Financial assets at *fair value*	4,593	-	-	4,593
Non-current deferred tax assets	10	-	-	10
Derivatives	158	-	158	-
Long term financial assets	1,620	-	-	1,620
Inventories	2,780	-	-	2,780
Trade and other current receivables	9,958	-	-	9,958
Cash and cash equivalents	42,693	-	-	42,693
Non-current assets held for sale	23,500	-	-	23,500
Assets	**885,681**	**-**	**158**	**885,523**
Non-current bank borrowings	342,371	-	342,371	-
Other liabilities	15,137	-	-	15,137
Derivatives	1,888	-	1,888	-
Financial instruments	998	-	-	998
Bank borrowings and other current lenders	16,355	-	16,242	113
Liabilities	**376,749**	**-**	**360,501**	**16,248**

31. Risks, guarantees and commitments

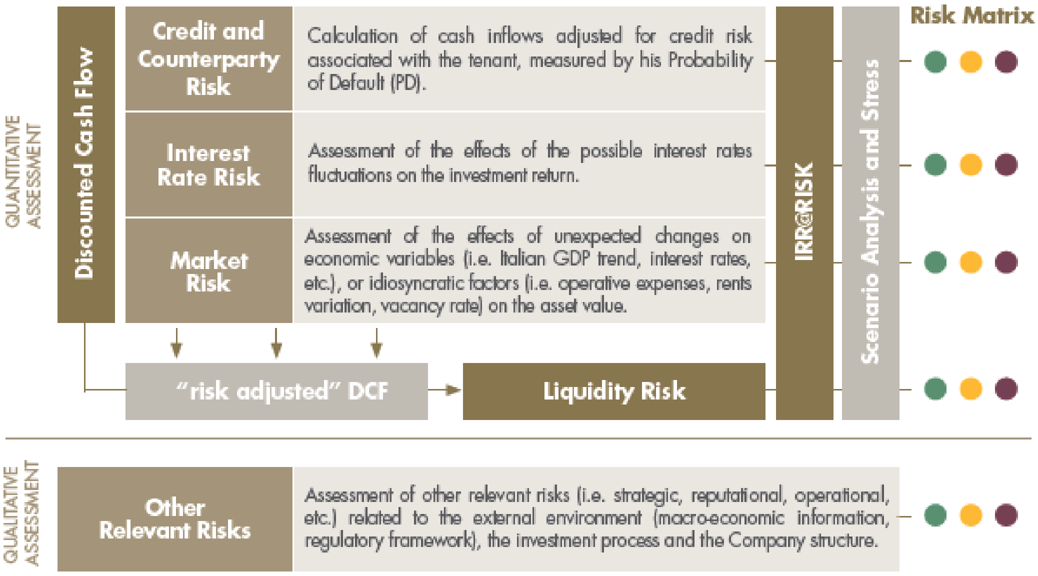
Risks

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 or in rental values resulting from adverse changes of macroeconomic variables, the local and international political context, the property market, the specific characteristics of the properties owned by the Company and/or structural changes in tenant habits. 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. Considering the health emergency resulting from the spread of the Covid-19, the Company carefully assesses and monitors the impacts on property values by conducting targeted stress tests, with particular reference to the most exposed tourist-accommodation and retail assets, which however, they constitute a very limited portion of the Company's portfolio. Based on the results of the analyses, the Company adjusts, where appropriate, the management and enhancement strategies of the properties to contain the impacts and mitigate the 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. Considering the aforementioned high profile of tenants and the limited volume of fees from tourist-accommodation and retail assets most exposed to the impacts of the Covid-19 emergency (6% of the total), the credit risk is contained and in any case subject to careful analysis and monitoring. This is in order to prepare, where necessary, timely actions to protect and mitigate the risk of default, taking into account existing contractual safeguards.
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 and generate adequate operating cash flows (funding liquidity risk); - the inability to monetise one's assets (market liquidity risk).	The Company continuously monitors the level of its liquidity based on detailed cash-flow analyses and projections as well as through cash flow and ALM risk management activities, utilizing among other tools scenario analyses and stress tests. From the perspective of optimising the financial and capital structure, the Company's objective is to achieve a stabilized leverage of less than 40% (LTV) in the medium term. As part of the impact analyzes of the Covid-19 emergency, the Company conducts stress tests to assess the full compliance with the financial covenants, and the ability to meet current financial commitments and those

		deriving from the expected capex plans. On the basis of the results of the sensitivity analyzes, the Company prepares, where appropriate, interventions to optimize and strengthen the financial structure.
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 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. In order to contain the operational impacts of the Covid-19 emergency, the Company has prepared timely interventions to ensure the safety of personnel and work environments, and to prepare the carrying out of activities in smart working mode. These interventions are aimed at limiting the risks of contagion without compromising the efficiency and effectiveness of the activities since the entry into force of the first restrictive containment measures (Prime Ministerial Decree of March 8th, 2020). Furthermore, protocols for the prevention of contagion risk have been introduced in the buildings managed by the Company and in the work sites, and interventions to implement the requests of the tenants and adapt, where appropriate and permitted, the property insurance policies.
8	**Legal and compliance risk** - the risk of changes in performance due to changes in the legislative framework or violations of the regulations to which the Company is subject.	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, internal resources or the Regulatory Authorities. These risks also refer to potential value losses for shareholders deriving from inadequate management and control of environmental, social and governance standards (so-called "ESG factors") connected to the activities carried out by the Company.	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). The Company pays particular attention to full and continuous compliance with the ESG Standards and considers sustainability as an integral part of its business by aiming to create a high quality real estate asset, with sustainable long-term growth, preferring properties with potential for appreciation in the time. In this context, during 2017, the Company contributed to the creation of a "Think Tank" in collaboration with 5 of the most important listed real estate companies operating in Europe, whose activities are concentrated on the discussion of issues related to sustainability and innovation. The environmental performance of the asset portfolio, and the social and governance performance of the Company are subject to stable monitoring and adequate disclosure to stakeholders.
10	**Strategic risk** - Pure risk and business risk; this consists of the current or prospective risk of a fall in profits or capital, resulting from changes in the operating environment or from incorrect corporate decisions, inadequate implementation of decisions, poor reaction to changes in the competitive environment, customer behaviour or technological developments.	In addition to a comprehensive strategic planning and evaluation process for analysis of investments, strategic risk is mitigated by the high level of experience and professionalism of Company management, with regard to the real estate market, operational/financial management, and internal controls.

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



Guarantees and commitments

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

As for the loan related to Deutsche Bank portfolio:

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

As for the loan related to Monte Rosa and Tocqueville:

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

As for the loan related to Pavilion:

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

Regarding the loan of our 100% owned subsidiary COIMA RES SIINQ I, the Company has agreed with the lending banks on the following *security package*:

- first mortgage of Euro 40,000 thousand;
- pledge on the subsidiary shares;
- pledge on operating bank accounts linked to the loan agreement, excluding the ordinary account;
- disposal of receivables related to Deruta rents, insurance claims and any other receivables arising from disputes against consultants engaged for the *due diligence* on the property.

COIMA CORE FUND VI, has granted the following guarantees to banks in relation to the loan it has taken on:

- pledge on bank accounts held at State Street Bank;
- disposal of receivables, in favour of the bank, related to rents, insurance contracts and warranties issued to the fund, to guarantee the proper fulfilment of obligations of tenants.

Mortgage debt encumbering on Gioiaotto, after the selling of Eurcenter and the partial reimbursement made, is the following:

Date	Amount	Grade	Bank
June 24th, 2016	156,000,000	I	UBI Bank / Credit Agricole / ING

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

For the loan relating to the Vodafone building held through COIMA CORE FUND VIII:

- first degree mortgage for Euro 255,600 thousand;
- ledge on operating current accounts linked to the loan agreement;
- assignment of receivables deriving from the Vodafone lease agreement, insurance claims and any receivables deriving from disputes with consultants employed for due diligence on Vodafone.

As for COF I, the entity has agreed the following guarantees to the bank:

- first mortgage of Euro 50,000 thousand.
- pledge on operating bank accounts linked to the loan agreement.
- disposal of receivables related to rents, insurance claims and guarantees issued in favour of the fund.

Finally, regarding the financing of Feltrinelli Porta Volta, the guarantees granted are as follows:

- first mortgage for Euro 80,800 thousand.
- pledge on operating current accounts linked to the loan agreement.
- assignment of receivables arising from insurance and guarantees issued in favour of the fund

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, with maturity date on August 7th, 2020.

The Company has a commitment of Euro 25,000 thousand to the Porta Nuova Bonnet Fund. Please note that as of June 30th, 2020 Porta Nuova Bonnet Fund drew Euro 22,304 thousand and therefore has a residual claim of Euro 2,696 thousand on the Company.

In June 11th, 2020, COIMA RES has signed a binding agreement for the acquisition of a stake in the real estate fund "Porta Nuova Gioia", manged by COIMA SGR, which owns the property currently being developed called Gioia 22 situated in Via Melchiorre Gioia 22 in Milan. In particular, on the back of the designation of COIMA SGR, COIMA RES will enter into a preliminary co-investment contract with UBI Banca S.p.A. ("**UBI**") related to the purchase from the latter of a stake between 10% and 25% of the units of the Fund (the "Co-investment Contract"). The closing of the transaction related to the purchase of the units of the Fund is subject to the verification of certain transaction conditions, amongst which the acceptance of delivery of the Property by UBI and the payment by UBI of the first lease instalment in line with the abovementioned contract, all taking place on the back of the completion of the building works and of the fit-out of the Property, the completion of which is expected by the end of 2021. The purchase price of the units of the Fund being purchased as indicated in the Co-investment Contract will be calculated on the basis of the value of the Fund resulting from the last report available at the date of the transfer of the units being purchased. Today the estimate purchase price is between Euro 22 million and Euro 56 million.

32. Related parties

Related party transactions are listed below:

(in thousands Euro)	Receivables	Liabilities	Costs
COIMA SGR S.p.A.	232	954	2,115
COIMA S.r.l.	-	136	314
Porta Nuova Garibaldi Fund	731	807	61
Consorzio Porta Nuova Garibaldi	-	25	60
Co - Investment 2 SCS	1,620	-	-
Infrastrutture Garibaldi - Repubblica	-	1	2
Senior managers	-	45	133
Directors and key managers	45	1,473	440
Board of Statutory Auditors	-	76	62
Total amount	2,628	3,517	3,187

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..

CERTIFICATION BY THE CEO AND BY THE MANAGING DIRECTOR RESPONSIBLE FOR THE PREPARATION OF THE CORPORATE ACCOUNTING DOCUMENTS RELATING TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30th, 2020

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 30th, 2020

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

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

GLOSSARY

	Definition
Accounting Period	Accounting period means each successive period of 12 calendar months each of which starts on 1 January and ends at midnight on December 31st in each year.
ALM	Asset Liabilities Management is the practice of managing risks stemming from mismatches between assets and liabilities. The process is a mix between risk management and strategic planning.
Asset Management Agreement	The agreement entered into on October 15th, 2015, by and between COIMA RES and COIMA SGR and modified on November 15th, 2015.
Bonnet or Corso Como Place	Bonnet is the property located in Milan, in via Bonnet, held through the Porta Nuova Bonnet investment (35.7%).
Break Option	The right of the tenant to withdraw from the lease agreement.
CBD	Central Business District, which is the area where the prime office market is mainly located.
CBRE	CBRE Valuation S.p.A., with registered office in Milan, Via del Lauro, 5/6.
CO - Investment 2SCS	A subsidiary owned indirectly via MHREC Real Estate S.à.r.l., which owns 33.33% of the units.
COIMA CORE FUND IV	Fund in which the Company owns 100% of the shares.
COIMA CORE FUND VI (ex “MHREC”)	Fund of which the Company owns about 88.2% of the shares.
COIMA CORE FUND VIII	COIMA CORE FUND VIII, set up in May 29th, 2019, of which the company owns 50% of the capital stock.
COIMA OPPORTUNITY FUND I or COF I	Fund of which COIMA CORE FUND VI acquired 88.8% of the shares on September 30th, 2019.
COIMA RES SIINQ I	COIMA RES S.p.A. SIINQ I, of which COIMA RES owns 100% of the capital stock.
COIMA S.r.l.	COIMA S.r.l., with registered office in Milan, Piazza Gae Aulenti no.12.
COIMA SGR	COIMA SGR S.p.A., with registered office in Milan, Piazza Gae Aulenti no.12.
Company or COIMA RES	COIMA RES S.p.A. SIIQ, with registered office in Milan, Piazza Gae Aulenti no.12.
Consortium Lorenteggio Village	Consortium Lorenteggio Village, established on January 25th, 2018, of which COIMA RES owns 69.21% of the shares.
Consortium Porta Nuova Garibaldi	Consortium Porta Nuova Garibaldi, of which COIMA RES owns about 4%.
Core	The *core* assets are characterized mainly by high liquidity and low risk. This type of property is located in strategic areas and is intended to be held in the portfolio on a long-term basis so as to fortify the company’s risk-return profile.
Core plus	The *core plus* assets are similar to the *core* category, except that some investments may exhibit enhancement potential (such as partially vacant areas or tenancies with short term expiries). For this type of risk, the profile is considered medium-low.
Coupon	The value accrued on the Financial Instrument.
Deruta 19 or Deruta	Deruta is the property complex located in Milan, Via Deruta 19, acquired on January 16th, 2017, by COIMA RES SIINQ I.
Deutsche Bank Portfolio	The bank branches of COIMA CORE FUND IV, leased to Deutsche Bank
EBITDA	Earnings before Interest, Taxes, Depreciation & Amortisation, is the most widely used measure of a company's operating performance as it isolates operating earnings, excluding the effects of capital structure, taxes or depreciation regime. EBITDA is a proxy for the operating cash flow that the company is able to generate.
EPRA Cost Ratio	Calculated as administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.
EPRA Earnings	Recurring earnings from core operational activities. EPRA Earnings is a key measure of a company’s operational performance and represents the net income generated from the operational activities.
EPRA Net Reinstatement Value	The objective of this measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing

	structure, related costs such as real estate transfer taxes should be included.
EPRA Net Tangible Asset	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.
EPRA Net Disposal Value	Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, including tax exposure not reflected in the balance sheet, net of any resulting tax.
EPRA Net Initial Yield	Calculated as Net Initial Rent divided by the gross market value of the property.
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.
Feltrinelli Porta Volta	Fund in which the Company indirectly owns about 83.5% of the shares.
FFO	Funds From Operations calculated as Core Business EBITDA less net interest expense.
Gioiaotto	Gioiaotto is the property located in Milan, in Melchiorre Gioia 6-8, held through the MHREC Fund.
Good Secondary location	High quality properties located in central or peripheral areas of primary cities.
Gross Expected Stabilised Yield	Calculated as Expected Gross Stabilised Rent divided by the gross market value of the property.
Gross Initial Rent	Annualised rents being received as at a certain date considering lease incentives such as rent-free periods, discounted rent periods and step rents.
Gross Initial Yield	Calculated as Gross Initial Rent divided by the gross market value of the property.
Gross Stabilised Rent	Annualised rents being received as at a certain date adjusted for unexpired lease incentives. The adjustment includes the annualised cash rent that will apply at the expiry of the lease incentive.
Gross Stabilised Yield	Calculated as Gross Stabilised Rent divided by the gross market value of the property.
Infrastrutture Garibaldi - Repubblica	Infrastrutture Garibaldi – Repubblica, of which the Company owns about 2%.
Interest Coverage Ratios	Ratio between the NOI and interest expense.
Italian Copper Fund	Fund in which COF I owns about 17% of the shares.
Key managers	Manfredi Catella, Matteo Ravà and Gabriele Bonfiglioli
LEED Certification	Certification of building efficiency issued by the U.S. Green Building Council.
MHREC S.à.r.l.	MHREC Real Estate S.à.r.l., subsidiary of COIMA CORE FUND VI (ex "MHREC").
Microsoft	Microsoft is the building located in Milan, Viale Pasubio 21 owned by Feltrinelli Porta Volta.
Monte Rosa	Monte Rosa is the property complex located in Milan, Via Monte Rosa 93, acquired on October 24th, 2017 by COIMA RES.
Net Expected Stabilised Rent	Corresponds to Expected Gross Stabilised Rent for the period less, service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Net Expected Stabilised Yield	Calculated as Expected Net Stabilised Rent divided by the gross market value of the property.
Net Initial Rent	Corresponds to gross initial rent for the period less service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Net Liquidity	Net Liquidity or Net Financial Position is the effective Net Debt of the Company.
Net Stabilised Rent	Corresponds to Gross Stabilised Rent for the period less service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Pavilion	Pavilion is the property complex located in Milan, Piazza Gae Aulenti 10, acquired on November 23rd, 2018 by COIMA RES.
Porta Nuova Bonnet	Fund established on October 20th, 2016, of which COIMA RES owns 35.7%.

Promote Fee	Performance fee payable by COIMA RES to SGR, related to the Asset Management Agreement.
Qatar Holding	Qatar Holding LLC, a company with principal offices in Doha, Qatar, Q-Tel Tower, PO Box 23224, wholly owned by Qatar Investment Authority, sovereign fund of the State of Qatar.
Recurring FFO	Calculated as FFO adjusted to exclude non-recurring income and expenses.
Sarca (o Philips)	Sarca is the building located in Milan, Viale Sarca 235 owned by COF I.
Shareholder Return	Shareholder Return means, in respect of each Accounting Period, the sum of (a) the change in the EPRA NAV of the Company during such year less the net proceeds of any issues of ordinary shares during such year; and (b) the total dividends (or any other form of remuneration or distribution to the shareholders) that are paid in such year.
Shareholder Return Outperformance	Shareholder Return Outperformance means, in respect of each Accounting Period, the amount in Euro by which the Shareholder Return for the year exceeds the Shareholder Return that would have produced a determined Shareholder Return.
SIINQ	Unlisted real estate investment company regulated by article 1, paragraph 125 of the Finance Act 2007.
SIIQ	Listed real estate investment company regulated by article 1, paragraphs 119-141-bis of the Finance Act 2007.
Tocqueville	Tocqueville is the property located in Milan, Via A. Tocqueville, acquired on July 27th, 2018, by COIMA RES.
Weighted Average Debt Maturity	It is the length of time the principal of a debt issue is expected to be outstanding. The average life is an average period before a debt is repaid through amortisation or sinking fund payments.
Value-add	This type of assets includes properties undergoing redevelopment and refurbishment, usually vacant or with high rate of vacancy. Compared to the core category, value added real estate has a medium-high risk profile and is expected to generate returns through real estate value appreciation over time.

INDEPENDENT AUDITOR'S REPORT

EY
Building a better working world

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

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

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the interim condensed consolidated statement of financial position, the interim condensed consolidated statement of profit/(loss), the interim condensed consolidated statement of other items in the comprehensive income statement, the interim condensed consolidated statement of changes in shareholder's equity, the interim condensed consolidated cash flows statement and the related explanatory notes of COIMA RES S.p.A. SIIQ and its subsidiaries (the "COIMA RES Group") as of 30 June 2020. 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, 2020 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, August 3, 2020

EY S.p.A.
Signed by: Aldo Alberto Amorese, Auditor

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

EY S.p.A.
Sede Legale: Via Lombardia, 31 - 00187 Roma
Capitale Sociale Euro 2.525.000,00 i.v.
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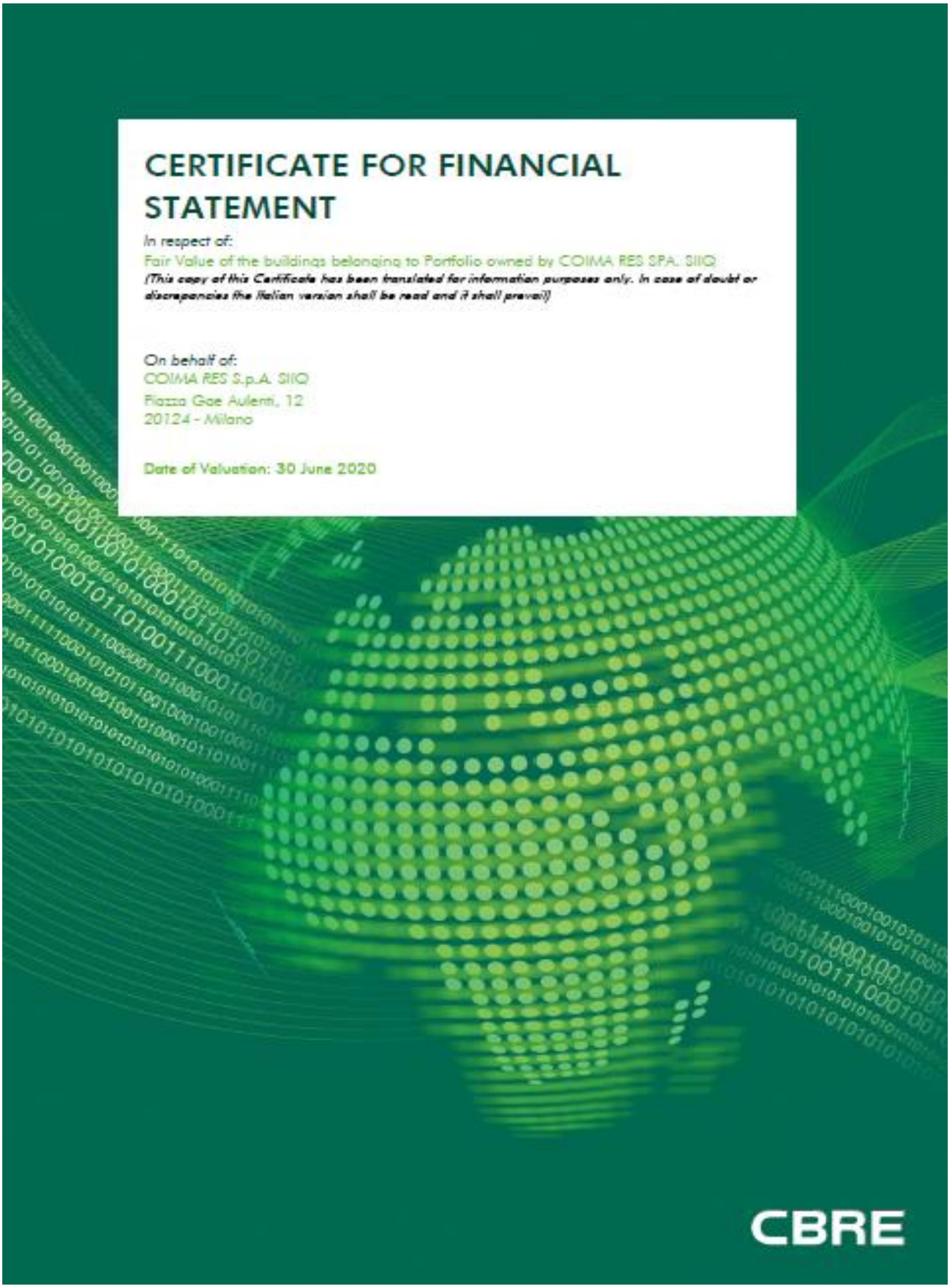
INDEPENDENT APPRAISERS' REPORTS



CERTIFICATE FOR FINANCIAL STATEMENT

In respect of:

Fair Value of the buildings belonging to Portfolio owned by COIMA RES SPA. SIIQ

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

On *behalf* of:

COIMA RES S.p.A. SIIQ

Piazza Gae Aulenti, 12

20124 - Milano

Date of Valuation: 30 June 2020

CBRE

Legal Notice and Disclaimer

This valuation report (the "Report") has been prepared by CBRE Valuation S.p.A. ("CBRE") exclusively for COIMA RES SPA SIIQ (the "Client") in accordance with the terms of engagement entered into between CBRE and the client dated 28 April 2020 ("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.

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

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

CBRE

CONTENTS

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

PART I

CERTIFICATE FOR FINANCIAL STATEMENT

CBRE

CBRE VALUATION S.P.A. con unico socio
Piazza degli Affari 2
20123 Milan

Switchboard +39 02 9974 6000
Fax +39 02 9974 6950

CERTIFICATE FOR FINANCIAL STATEMENT

Report Date	16 July 2020
Addressee (or Client)	COIMA RES S.p.A. SIIQ Piazza Gae Aulenti, 12 20124 Milano (MI) – Italy For the attention of: **Mr Emiliano Mancuso**
The Properties	No. 3 real estate properties owned by COIMA RES S.p.A. SIIQ, as reported in the attached schedule.
Property Description	The portfolio includes 2 office properties and a building used as auditorium/event space; the assets are located in the central and semi-central area of Milano. For the details see the attached table.
Ownership Purpose	Investment
Instruction	To value the unencumbered Freehold interest in the Properties on the basis of Fair Value (corresponding to the Market Value in accordance with IFRS 13) as at the valuation date in accordance with the terms of engagement entered into between CBRE and the addressee dated 28 April 2020 (ref. Of. n.100/20).
Valuation Date	30 June 2020
Capacity of Valuer	External Valuer, as defined in the current RICS Valuation.
Purpose	Financial document [to be included in the balance sheet of the company].
Fair Value	Fair Value as at 30 June 2020: **€ 192,400,000.00 (Euro One Hundred Ninety-Two Million Four Hundred Thousand/00) exclusive of V.A.T.**
Service Agreement	Our opinion of value is based upon the Scope of Work and Valuation Assumptions attached.
Material Valuation Uncertainty	The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

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

RICS Regulated by RICS

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value.

Indeed, the current response to COVID 19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown impact that COVID-19 might have on the real estate market in the future, we recommend that you keep the valuation of [this property] under frequent review.

For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

In Italy since the 23rd February 2020, the Government took immediate actions (ref. DPCM 23rd February 2020 and subsequent) to tackle the spread of Coronavirus, including home quarantine and other restrictions.

Special Assumptions

None

Compliance with Valuation Standards

The Valuation has been prepared in accordance with the RICS Valuation – Global Standards 2017 which incorporate the International Valuation Standards ["the Red Book"].

We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the Valuation competently.

Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property. Other valuers may reach different conclusions as to the value of the subject property. This Valuation is for the sole purpose of providing the intended user with the Valuer's independent professional opinion of the value of the subject property as at the Valuation date.

Assumptions

The Property details on which each Valuation are based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.

If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figures may also be incorrect and should be reconsidered.

Variation from Standard Assumptions None.

Valuer The Properties have been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book.

Independence The total fees, including the fee for this assignment, earned by CBRE Valuation S.p.A. [or other companies forming part of the same group of companies in Italy] from the Addressee [or other companies forming part of the same group of companies] is less than 5.0% of the total Italy revenues.

Previous Involvement & Conflict of Interests We confirm that we have previously valued on your behalf, until 31/12/2019, all properties on a half-yearly basis and that the present Instruction is a renewal of the previous engagement with you.

We confirm that other CBRE business lines have not had any previous, nor current, material involvement with the Properties or the parties involved (the Client or the current Owner) and have no personal interest in the outcome of the valuation – nor are we aware of any conflicts of interest that would prevent us from exercising the required levels of independency and objectivity.

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

Reliance This report is for the use only of the following parties:

(i) the addressee of the Report; and

(ii) the Parties which have received the written consent by CBRE through a reliance letter;

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.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of the special assumptions referred to herein.

Yours faithfully

Davide Cattarin
Managing Director

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

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

Yours faithfully

Laura Mauri MRICS
Executive Director
RICS Registered Valuer

For and on behalf of
CBRE Valuation S.p.A.
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CBRE Valuation S.p.A.
Valuation Advisory Services
Piazza degli Affari 2
20123 Milan
Project reference: 20-64VAL-0194

SCHEDULE OF VALUES

TOWN	ADDRESS	USE	FAIR VALUE 30.06.2020
Milano	Via Monte Rosa, 93	Office	60.600.000 €
Milano	Via Tocqueville, 13	Office	59.100.000 €
Milano	Piazza Gae Aulenti, 10	Auditorium	72.700.000 €
TOTAL			192.400.000 €

Starting from the Fair Value, corresponding to the 'Market Value' in accordance with IFRS 13, the Client has requested to determine the relative transaction price.

According to the International Valuation Standards (IVS) and the Red Book, the Market Value represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, at the valuation date (Red Book VPS4.4.1).

Investors could require at the outset an indication of the purchase costs in order to figure out the total cost and appreciate the yield profile of the operation. Should details relative to the purchase modalities and an appropriate fiscal opinion not be present, the price stated in this report shall be considered just indicative.

However, it should be noted that the determination of these costs, as % on the fair value, is not uniquely defined during the valuation, as it depends from a series of variables which cannot be standardized at the outset; the transaction costs change according to the purchaser (Italian Fund, Foreign Fund, private, etc..), building typology and acquisition typology ('asset deal' or 'share deal').

Based on the information and benchmark received, we summarize below the acquisition costs and their % on the Market Value, according to the assumed real estate operation:

Stamp Duty (% of the Fair Value)

- 2% (in case of "asset deal" with Italian Fund)
- 4% (in case of "asset deal" with Foreign Fund)
- 0.14% (in case of "share deal")
- other (based on the scope)

Legal Fees (EDD, TDD, LDD, etc.)

- 0.5% of the Fair Value (indicative but it could be higher)

Agent Fees (Broker)

- between 0.5% and 1.0% of the Market Value (but it could be higher)

Registration tax (sometimes considered, but negligible)

- €200 (one-off).

So, without precise indication of operation typology and without a fiscal opinion, it is impossible to define uniquely the transaction price.

In summary, if we consider a transaction per 'asset deal', the purchase costs vary normally between 3.5% and 5.5% on the Fair Value (corresponding to the 'Market Value' in accordance with IFRS 13), without excluding cases which differ from this practice.

It is clear that, without further details, it is necessary to refer to an hypothetic transaction where the involved subjects use all possible processes to minimize the fiscal impact on the final price: in this specific case of transactions where it is not possible to apply a 'share deal' model, this reflects a percentage of 3.5% ('asset deal').

In conclusion, assuming an 'asset deal' for the subject property, a transaction price would be equal to:

TOWN	ADDRESS	USE	ASSUMED TRANSACTION PRICE ("asset deal")
Milano	Via Monte Rosa, 93	Office	62.721.000 €
Milano	Via Tocqueville, 13	Office	61.169.000 €
Milano	Piazza Gae Aulenti, 10	Auditorium	75.245.000 €
TOTAL			199.135.000 €

SOURCES OF INFORMATION AND SCOPE OF WORKS

Sources of Information

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

- updated Rent roll;
- copy of the lease contract IBM and PwC (additional spaces of the building situated in Milano, via Monte Rosa);
- Expected capex;
- Costs to be paid by the Owner.

The Property

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

Inspection

The Properties are subject to internal re-inspection on an annual basis. A schedule of the most recent inspection dates is maintained within our working papers and can be made available if required. Where the Properties 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 Property, or the nature of its location, since the last inspection. We have assumed this advice to be correct.

Areas

We have not measured the Property but have relied upon the floor areas provided to us by the Client, as set out in this report], which we have assumed to be correct and comprehensive, and which you have advised us have been calculated using Italian market practice measurement methodology as set out below.

In Italy the market practice uses the Gross Leasable Area [GLA].

The Gross Leasable Area [GLA] is defined as the total, typically un-weighted, amount of floor space, with the exception of parking areas, capable of producing income within a commercial property. It does not include portions that do not produce income for the Property owner. Therefore, areas such as the following are typically, but not always, excluded: vertical connections [stairwells, lifts and landings], technical spaces, shafts, common spaces [lobby, meeting rooms], etc.

Should a building be let to a single tenant having exclusive use of the common areas or should the common areas of a multi-tenant property be particularly prestigious, for example, these areas may be included within the calculation of GLA. It is to note that parking areas, excluded from GLA, are included within the potential rent build-up of a property on a unitary basis [total number of covered and uncovered units].

Environmental Matters

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

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

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

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

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

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

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

VALUATION ASSUMPTIONS

Capital Values

The Valuation has been prepared on the basis of "Fair Value" [in accordance with the International Financial Reporting Standard [IFRS] 13], which defined as:

"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

"Fair Value", for the purpose of financial reporting under IFRS 13, is effectively the same as "Market Value", 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 and where the parties had each acted knowledgeably, prudently and without compulsion."

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

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

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

Rental Values

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

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

The Property

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

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

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

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

Environmental Matters

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

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

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

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

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

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

Repair and Condition

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

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

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

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

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

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

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

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

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

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

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

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

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

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

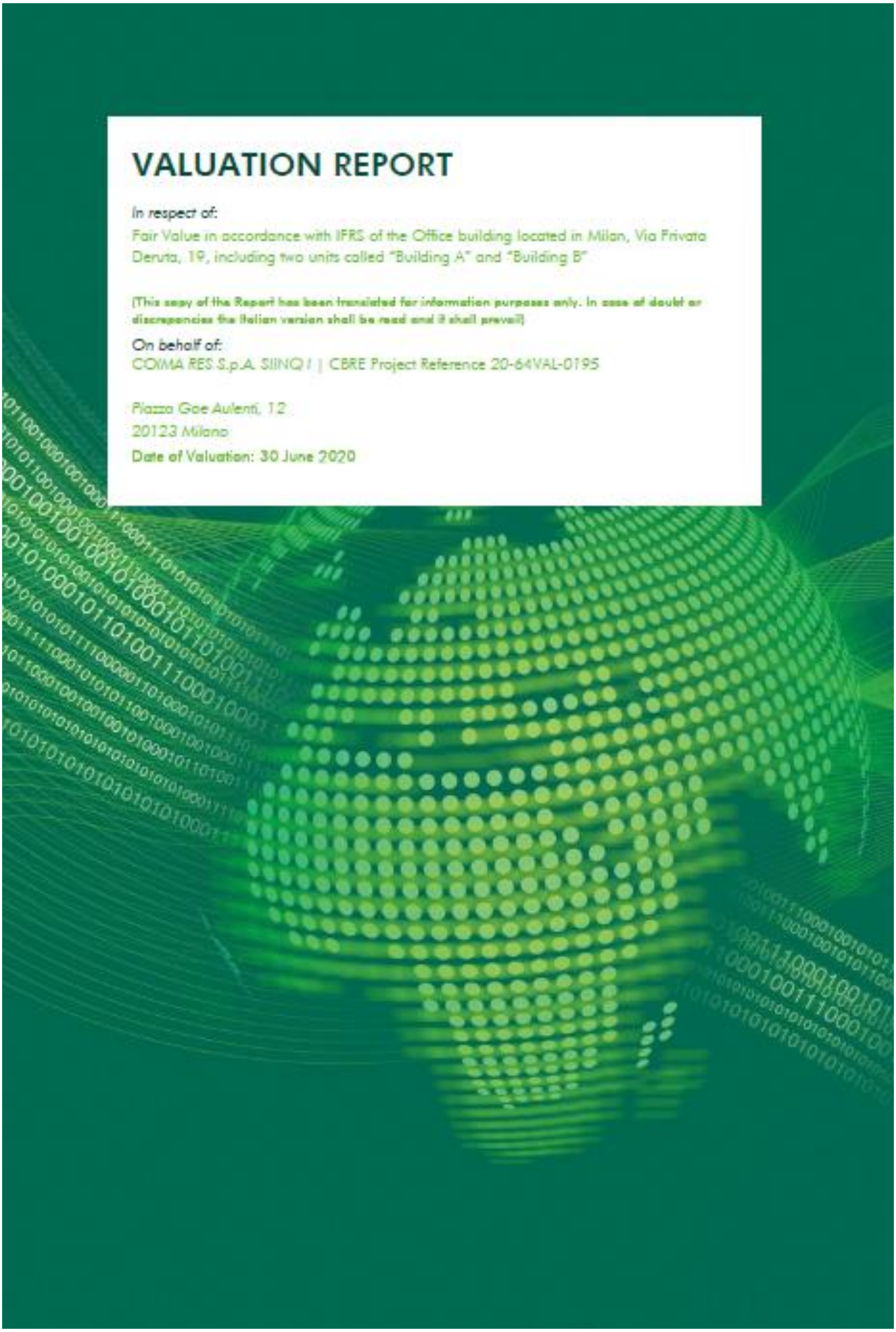
[g] tenants will meet their obligations under their leases;

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

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

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

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



VALUATION REPORT

In respect of:

Fair Value in accordance with IFRS 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)

On behalf of:

COIMA RES S.p.A. SIINQ I | CBRE Project Reference 20-64VAL-0195

Piazza Gae Aulenti, 12

20123 Milano

Date of Valuation: 30 June 2020

Legal Notice and Disclaimer

This valuation report (the "Report") has been prepared by CBRE Valuation S.p.A. ("CBRE") exclusively for COIMA RES S.p.A. SIINQ I (the "Client") in accordance with the terms of engagement entered into between CBRE and the client dated 5 June 2020 ("the Instruction"). The Report is confidential to the Client and any other Addressees named herein and the Client and the Addressees may not disclose the Report unless expressly permitted to do so under the Instruction.

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

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

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.

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

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

CBRE

CONTENTS

CBRE

PART I

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

THE PROPERTY

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

Main use: Office

Property including two separate Class A buildings called "Building A" and "Building B".

Building A is arranged over ground floor, 6 floors above ground and 2 basement levels. Building B is arranged over ground floor, 7 floors above ground and 2 basement levels. The basement levels house 200 parking spaces, the external area at ground floor counts some 90 uncovered parking spaces.

TENURE

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

TENANCIES

Buildings A and B are fully let to Banca Nazionale del Lavoro S.p.A.. The two lease contracts in place have a fixed duration of 6 years starting from 01/01/2016 and can be renewed for further 6 years upon first lease expiry date. The tenant has the right to recede from the contracts from 31/12/2021 with advance notice at least 12 months before.

FAIR VALUE AS AT 30.06.2020

€45,800,000.00 (FORTY FIVE MILLION EIGHT HUNDRED THOUSAND/00 EUROS) exclusive of VAT.

Split ups as follows:

Building A: € 21,000,000.00 (TWENTYONE MILLION EUROS) exclusive of VAT

Building B: € € 24,800,000.00 (TWENTYFOUR MILLION EIGHT HUNDRED THOUSAND EUROS) exclusive of VAT.

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

Fair Value

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

Starting from the Fair Value, corresponding to the 'Market Value' in accordance with IFRS 13, the Client has requested to determine the relative transaction price.

According to the International Valuation Standards (IVS) and the Red Book, the Market Value represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, at the valuation date (Red Book VPS4.4.1).

Investors could require at the outset an indication of the purchase costs in order to figure out the total cost and appreciate the yield profile of the operation. Should details relative to the purchase modalities and an appropriate fiscal opinion not be present, the price stated in this report shall be considered just indicative.

However, it should be noted that the determination of these costs, as % on the fair value, is not uniquely defined during the valuation, as it depends from a series of variables which cannot be standardized at the outset; the transaction costs change according to the purchaser (Italian Fund, Foreign Fund, private, etc..), building typology and acquisition typology ('asset deal' or 'share deal').

Based on the information and benchmark received, we summarize below the acquisition costs and their % on the Market Value, according to the assumed real estate operation:

Stamp Duty (% of the Fair Value)

- 2% (in case of "asset deal" with Italian Fund)
- 4% (in case of "asset deal" with Foreign Fund)
- 0.14% (in case of "share deal")
- other (based on the scope)

Legal Fees (EDD, TDD, LDD, etc.)

- 0.5% of the Fair Value (indicative but it could be higher)

Agent Fees (Broker)

- between 0.5% and 1.0% of the Market Value (but it could be higher)

Registration tax (sometimes considered, but negligible)

- €200 (one-off).

So, without precise indication of operation typology and without a fiscal opinion, it is impossible to define uniquely the transaction price.

In summary, if we consider a transaction per 'asset deal', the purchase costs vary normally between 3.5% and 5.5% on the Fair Value, without excluding cases which differ from this practice.

It is clear that, without further details, it is necessary to refer to an hypothetic transaction where the involved subjects use all possible processes to minimize the fiscal impact on the final price: in this specific case of transactions where it is not possible to apply a 'share deal' model, this reflects a percentage of 3.5% ('asset deal').

In conclusion, assuming an 'asset deal' for the subject property, a transaction price would be equal to some €47,461,000.00.

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 re-lease and disposal)	7.70%
Net Cap rate (Building A and B)	5.40%
Gross Initial Yield (Building A)	8.12%
Net Initial Yield (Building A)	7.12%
Gross Exit Yield (Building A)	6.16%
Gross Initial Yield (Building B)	7.86%
Net Initial Yield (Building B)	6.87%
Gross Exit yield (Building B)	6.15%

Key Issues

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

Strengths

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

Weakness and Mitigating Factors

- The micro location is a secondary business district;
- Wide size for the local market request;
- Limited remaining lease period;
- Long take up should BNL release the spaces.

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

PART II

VALUATION REPORT

CBRE

CBRE

CBRE VALUATION S.p.A. con unico socio
Piazza degli Affari, 2
20123 Milano

Tel +39 02 997 460 00
Fax +39 02 997 469 50

VALUATION REPORT

Report Date	16 July 2020
Addressee (or Client)	20123 Milano SIINQ I Piazza Gae Aulenti, 12 20154 Milano (MI) – Italy For the attention of: Mr Emiliano Mancuso
The Property	Office property including two buildings, A and B.
Property Description	Property including two separate Class A buildings called "Building A" and "Building B" recently constructed (2007), located in the north/eastern area of Milan, near Piazza Udine. Building A is arranged over ground floor, 6 floors above ground and 2 basement levels. Building B is arranged over ground floor, 7 floors above ground and 2 basement levels. The basement levels house 200 parking spaces, the external area at ground floor counts some 90 uncovered parking spaces.
Ownership Purpose	Investment
Instruction	To value the unencumbered Freehold interest in the Property on the basis of Fair Value (corresponding to the Market Value in accordance with IFRS 13) as at the valuation date in accordance with the terms of engagement entered into between CBRE and the addressee dated 28 April 2020 (ref. no. 103/20) and accepted on 5 June 2020.
Valuation Date	30 June 2020
Capacity of Valuer	External Valuer, as defined in the RICS Valuation – Global Standards 2017.
Purpose	Financial information (to be included in the financial report of the company).
Fair Value in accordance with IFRS 13	Fair Value in accordance with IFRS 13 as at 30 June 2020: €45,800,000.00 (FORTY FIVE MILLION EIGHT HUNDRED THOUSAND/00 EUROS) exclusive of VAT. Split ups as follows: Building A: € 21,000,000.00 (TWENTYONE MILLION EUROS) exclusive of VAT Building B: € 24,800,000.00 (TWENTYFOUR MILLION EIGHT HUNDRED THOUSAND EUROS) exclusive of VAT.

Service Agreement

Our opinion of value is based upon the Scope of Work and Valuation Assumptions attached.

Material Valuation Uncertainty

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID 19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown impact that COVID-19 might have on the real estate market in the future, we recommend that you keep the valuation of [this property] under frequent review.

For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

in Italy since the 23rd February 2020, the Government took immediate actions (ref. DPCM 23rd February 2020 and subsequent) to tackle the spread of Coronavirus, including home quarantine and other restrictions.

Special Assumptions

None

Compliance with Valuation Standards

The Valuation has been prepared in accordance with the RICS Valuation – Global Standards 2017 which incorporate the International Valuation Standards ["the Red Book"].

We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the Valuation competently.

Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property. Other valuers may reach different conclusions as to the value of the subject property. This Valuation is for the sole purpose of providing the intended user with

	the Valuer's independent professional opinion of the value of the subject property as at the Valuation date.
Assumptions	The Property details on which the Valuation is based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below. If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figure may also be incorrect and should be reconsidered.
Variation from Standard Assumptions	None
Valuer	The Properties have been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book.
Independence	The total fees, including the fee for this assignment, earned by CBRE Valuation S.p.A. from the Addressee is less than 5.0% of the total Italy revenues.
Previous Involvement & Conflict of Interests	We confirm that on your behalf we have valued all properties until 31.12.2019, on a half-yearly basis and that this instruction is a renewal of the previous agreement with you. We confirm, as you are aware, that CBRE Capital Markets, part of the company CBRE S.p.A., is currently assist you for the potential disposal of the complex owned by Coima Res SIINQ. We have disclosed the relevant facts concerning a conflict of interest to you and the other clients involved, and have received everyone's written, informed consent that it is in order for us to carry out your valuation instruction and that the conflict can be resolved and managed as the companies CBRE S.p.A. and CBRE Valuation S.p.A. adopt a system of Information Barriers based on the user's profile by reason of the belonging business line (and so of the company) in order to guarantee data protection and confidentiality ("Chinese Wall").
Reliance	This report is for the use only of the following parties: (i) the addressee of the Report; and (iii) the Parties which have received the written consent by CBRE through a reliance letter; for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.
Publication	Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval.

Yours faithfully

Davide Cattarin
Managing Director

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

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

Yours faithfully

Laura Mauri MRICS
Executive Director
RICS Registered Valuer

For and on behalf of
CBRE Valuation S.p.A.
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CBRE Valuation S.p.A.
Valuation & Advisory Services
Piazza degli Affari 2
20123 Milan
Project reference: 20-64VAL-0195

COIMA RES S.P.A. SIINQ I – CBRE PROJECT REFERENCE 20-64VAL-0195
PIAZZA GAE AULENTI 12, 20123 MILANO
DATE OF VALUATION: 30 JUNE 2020

SCHEDULE OF VALUES

Address	TOTAL Market Value
Building A, Milano, Via Privata Deruta, 19	21,000,000.00
Building A, Milano, Via Privata Deruta, 19	24,800,000.00
TOTAL	**45,800,000.00**

SOURCES OF INFORMATION AND SCOPE OF WORKS

Sources of Information

The present report is an update of the valuation carried out by CBRE VALUATION S.p.A. as at 31/12/2019 based upon information received and the new documentation supplied to us by the Client as set out within this report, which we have assumed to be correct and comprehensive.

- Rent roll as at 30/06/2020;
- Property Taxes;
- Buildings' insurance.

The Property

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

Inspection

As instructed, we have annually internally inspected the property and last inspection was carried out on 04/02/2020 by Bertrandi Margherita.

For the present half-yearly update, 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 location, since the last inspection. We have assumed this advice to be correct.

Areas

We have not measured the Property but have relied upon the floor areas provided to us by the Client, which we have assumed to be correct and comprehensive, and which you have advised us have been calculated using the most common Italian market praxis.

Environmental Matters

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

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

Services and Amenities

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

Repair and Condition

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

Town Planning

We have made verbal Planning enquiries only of the Milan Council Planning Department and consulted the website.

We therefore cannot take responsibility for eventual consequences deriving from incorrect and/or missing information.

Titles, Tenures and Lettings

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

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

VALUATION ASSUMPTIONS

Capital Values

The Valuation has been prepared on the basis of "Fair Value" [in accordance with the International Financial Reporting Standard [IFRS] 13], which defined as:

"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

"Fair Value", for the purpose of financial reporting under IFRS 13, is effectively the same as "Market Value", 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 and where the parties had each acted knowledgeably, prudently and without compulsion."

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

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

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

Rental Values

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

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

The Property

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

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

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

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

Environmental Matters

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

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

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

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

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

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

Repair and Condition

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PRAXI S.p.A. - ORGANIZZAZIONE e CONSULENZA
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milano@praxi.praxi - www.praxi.praxi
ORGANIZZAZIONE - INFORMATICA - VALUTAZIONI e ADVISORY - RISORSE UMANE

Esteemed

COIMA SGR

Piazza Gae Aulenti, 12,

20154 MILANO

Milan, 30st June 2020

Our Ref. SV/val 20.5421

Following the assignment entrusted to us, on 15 November 2018, by COIMA SGR, which manages the Real Estate Fund **"Fondo Feltrinelli Porta Volta"**, and in accordance with the provisions of the Bank of Italy Regulation of 19/1/2015, as amended, Title V - Chapter IV - Section II - Paragraph 2.5 (Real estate) and 4 (Independent Valuer), the Ministerial Decree 30 of 5/3/2015 (Art. 16, as provided by the 2019 Budget Law)), Praxi S.p.A. performed, as the Independent Valuer, the assessment of the Market Value of real estate assets of **"Fondo Feltrinelli Porta Volta"** for budgetary purposes, with the reference date of **June 30st, 2020**.

Our assessment activities and this appraisal report comply with the IVS – International Valuation Standards –2020 edition and RICS Valuation – Global Standards 2020 ("Red Book"). PRAXI Real Estate is a Valuation Firm "regulated by RICS" [Firm n° 710985].

PRAXI has carried out this assessment being an External Independent Valuer, as defined by the Red Book. PRAXI is not in conflict of interest with respect to the Client, to the other Subjects involved or the property under valuation.

REAL ESTATE PORTFOLIO

The fund's portfolio consists of the following property:

Milan (Italy), Viale Pasubio, 13, with Executive and Commercial use

Subject to the valuation are the buildings, including pertaining building systems (power, heating, sewing, etc.) and land. While movable assets, documents, archives and, in general, what is contained within the building in question are excluded from the valuation.

PRAXI

Ns. Rif.: SV/val 20.5421 of 30/06/2020

BASIS OF VALUE AND APPRAISAL CRITERIA

Scope of the valuation is to determine the Market Value (MV) of the subject properties.

According to the definition provided in IVS – International Valuation Standards and in RICS Valuation – Global Standards ("Red Book") "Market Value" is "the estimated amount for which an asset or liability should exchange on the valuation date, between a willing buyer and a willing seller, in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." (IVS 2020 – IVS 104 Section 30.1; RICS Red Book 2020 – VPS4 4).

In relation to the characteristics, current destination and potential uses of each property, the following approaches have been used to calculate the Market Value:

– **discounted cash flow (DCF) method**

The Value of the property stems from discounting the cash flow that will be generated by the rent contracts and /or by the earnings from sales, net of the relevant costs of the property; the process makes use of an appropriate discounting rate, which analytically takes into account the risks that are characteristic of the property in question.

The appraisal considered the properties "as is", that is to say in the conditions they were in at the appraisal reference date, and taking account of the leases in place, from the point of view of the adequacy of the fees compared to market rents, the period of residual validity of contracts, of the relevant clauses (right of withdrawal from responsibility for maintenance, etc..), the degree of reliability of the tenants and the risk of vacancy.

Our activity was done in compliance with current regulations and according to best international appraisal practices, both in terms of valuation criteria and working methodology.

SOURCE OF THE DATA USED IN THE APPRAISAL

In general, the appraisal was based on the technical data provided by client, which was taken as being correct, reliable and fully updated. Specifically, from the documentation provided by the Client we have taken the data relating to:

- Gross surfaces of the property (provided on the previous half-yearly report);
- Cadastral data;

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- Plans;
- Town Planning Regulation data;
- Lease contracts;
- Rent roll (surfaces, contracts and special clauses or limitations);
- IMU tax;

In particular, we derived from the documents provided us and from the direct comparison with the Fund Managers, the data regarding:

- Building surface;
- Current lease contracts (real estate units concerned, rents, deadlines, renewal options and/or early termination, etc.);
- Planned extraordinary maintenance interventions or renovation works

Instead, the data, derived from our self-analysis and survey, are related to:

- Market values and rents, according to the different uses and relevant locations;
- Final sales price, construction time and absorption on the market, relating to the different uses expected in the renovation/transformation projects;
- Landlord costs regarding property management, extraordinary maintenance allowance, registration tax on leases, commissions on rents and sales;
- Cap rates and discount rates.

VALUATION APPROACHES

DISCOUNTED CASH FLOW (DCF) METHOD

Income-generating properties are those properties able to generate for the owner a rental income, without the need for substantial structural works on the buildings and without any change of destination of usage.

The property income is estimated by discounting the net cash flow generated by the current and prospective lease contracts. For the majority of the assets, the final sale price (terminal value) was determined by projecting the market rent at the end of the period; using a going-out cap rate which incorporates an adequate spread in order to take account of the intrinsic risk of long-term projections.

PRAXI

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The **rental income** were deducted from the lease contracts (passing rents) if existing, and from our specific market analysis in the area and per specific typologies.

For vacant units, and all units whose leases will expire during the term of the cash-flow investment, the time needed to set up the same income was taken into account; at market conditions (commercialization, periods of "vacancy" and "step-up" at the start of contracts, related to time restyling, etc.).

The **landlord** costs: (IMU – municipal tax on real estate properties, insurance, property management, allowance for extraordinary maintenance work, stamp duty, commissions on sales and lease contracts) were given directly by the Client or determined by an analytical method based on the information provided by the owner, or independently deduced by ourselves; with reference to market standards and our experience with similar properties.

The **duration of the investment cash flow** was determined by reference to the number of years of a lease for a different use, usually 6 + 6 and to the time needed, at the expiry of the contract, to lead the new fully operational contract rent, after renegotiation / negotiation of a contract with the same market conditions. Then the selling of the property to an "ordinary" investor, at the time of the rental income maximization and, consequently, the final selling price.

It should be noted that the duration of the cash-flow assumed on the basis of the property appraisal is not influenced, nor it is conditional to the SGR's investment choices and decisions. Which may or may not correspond with those of the "ordinary" investor; for this reason, it is possible that some of the parameters and assumptions in this appraisal could, in principle, vary from what is contained in the Fund's business plan.

MACROECONOMIC AND REAL ESTATE VARIABLES

The cash flow is expressed in current currency, and therefore incorporates a forecast of inflation (for the indexation of costs) and real estate market trends (for the indexation of revenues).

The inflation trend is derived from the forecasts published in the April 2020 issue of Consensus Forecast, published by Consensus Economics (one of the world's leading economic and financial research centres - www.consensuseconomics.com).

The table below summarizes the forecasts for the performance of the main macroeconomic variables in Italy over the next ten years.

PRAXI

Ns. Rif.: SV/val 20.5421 of 30/06/2020

Italy											
	Historical					Consensus Forecasts					
* % change over previous year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026-30[1]
Gross Domestic Product*	1.3	1.7	0.8	0.3	-7.5	4.5	1.3	0.7	0.7	0.7	0.7
Household Consumption*	1.2	1.5	0.9	0.4	-6.0	3.7	1.1	0.7	0.6	0.6	0.6
Gross Fixed Investment*	4.0	3.2	3.1	1.4	-10.7	6.1	2.7	2.0	1.5	1.3	1.0
Industrial Production*	1.9	3.6	0.6	-1.4	-13.1	6.6	2.2	1.4	1.1	1.0	1.0
Consumer Prices*	-0.1	1.2	1.2	0.6	-0.2	0.6	1.3	1.3	1.5	1.7	1.8
Current Account Balance (Euro bn)	44.0	46.5	46.0	53.4	52.9	51.2	45.5	43.9	43.7	40.5	43.7
10 Year Treasury Bond Yield, %[2]	1.7	1.9	2.8	1.4	1.6 [3]	1.5 [4]	1.7	2.2	2.6	2.8	3.1

As far as the inflation trend is concerned, in the first two years (four semesters) of the DCF, the precise data indicated by Consensus Forecast was used, while for the remaining period the average of the expected values was considered, thus reaching the following result:

Trend inflazione 1^ semestre	-0,10%		
Trend inflazione 2^ semestre	0,30%		
Trend inflazione 3^ semestre	0,30%		
Trend inflazione 4^ semestre	0,65%		
Trend inflazione dal 5^ semestre in poi	0,825%	1,65%	annuo

The trend in the real estate market was determined separately for the first two years of cash flow and for the following period. For the first two years, the estimate of the trend is of the punctual type, while for the following period, it has been assumed to be in line with that of inflation, and therefore reference has been made to the Consensus Forecast forecasts mentioned above. These measures were adopted based on the projections on the Italian market, even in the short term; do not represent a sufficiently stable and verifiable source of information.

Trend mercato immobiliare 1^ semestre	-0,25%		
Trend mercato immobiliare 2^ semestre	0,00%		
Trend mercato immobiliare 3^ semestre	0,00%		
Trend mercato immobiliare 4^ semestre	0,50%		
Trend mercato immobiliare dal 5^ semestre in poi	0,825%	1,65%	annuo

In addition, forecasts have also been made for the determination of the potential return on invested capital (equity) regarding the performance of long-term government securities (risk free return) and the EurIRS (the basis for determining the cost of long-term debt).

The return on 10-year government bonds was also derived from Consensus Forecast, and is 1.60% for 2020 (April 2020 forecast).

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Italy											
	Historical					Consensus Forecasts					
* % change over previous year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026-30[1]
Gross Domestic Product*	1.3	1.7	0.8	0.3	-7.5	4.5	1.3	0.7	0.7	0.7	0.7
Household Consumption*	1.2	1.5	0.9	0.4	-6.0	3.7	1.1	0.7	0.6	0.6	0.6
Gross Fixed Investment*	4.0	3.2	3.1	1.4	-10.7	6.1	2.7	2.0	1.5	1.3	1.0
Industrial Production*	1.9	3.6	0.6	-1.4	-13.1	6.6	2.2	1.4	1.1	1.0	1.0
Consumer Prices*	-0.1	1.2	1.2	0.6	-0.2	0.6	1.3	1.3	1.5	1.7	1.8
Current Account Balance (Euro bn)	44.0	46.5	46.0	53.4	52.9	51.2	45.5	43.9	43.7	40.5	43.7
10 Year Treasury Bond Yield, %[2]	1.7	1.9	2.8	1.4	$\boxed{1.6}$ [3]	1.5 [4]	1.7	2.2	2.6	2.8	3.1

The trend of the EurIRS has been assumed equivalent to the average of the values of the last twelve months, recorded by the specialized press, and is equal to 0.30% per year:

Trend EurIRS ultimi 12 mesi

mag-19	0,79
giu-19	0,57
lug-19	0,44
ago-19	0,06
set-19	0,10
ott-19	0,22
nov-19	0,35
dic-19	0,39
gen-20	0,35
feb-20	0,17
mar-20	0,08
apr-20	0,17

media EurIRS
0,30

CAPITALISATION AND DISCOUNT RATES

As indicated above, in the valuations done using the DCF method (both in the case of income-generating properties, trade related properties and properties suitable for transformation) appropriate capitalization and discount rates were used, which were determined according to the criteria set out below.

General considerations regarding rates

The **capitalization rate** corresponds to the relationship that exists on the market between the rent and the value of a specific property.

In the Italian context, reference is usually made to the gross return (the so-called *cash on cash return*); in other words, the landlord costs (property taxes, insurance, property management, etc.) are not deducted from the rental income.

In any case, as this is a measurement that represents the return on an investment, the capitalization rate implicitly takes into account the risk on the investment of the property in question, or at least the average risk grade of the market cluster that the property itself belongs to.

The **discount rate** is the mathematical variable used to determine the "equivalent value", at a specific date, of a financial amount that is generated at a different moment in time.

In the case of property investments/developments, this rate is used to determine the actual value of the costs and income expected during the course of the investment/development itself.

The discount rate is used to report at the present time the future cash flows expected to be generated from investment property or transaction in real estate development, and it entails two basic components: the return on an alternative investment with no risk (typically assumed to be equal to the average yield on government bonds with a maturity homogeneous with respect to the time horizon of reference) and the risk reward its operation (the premium linked to the possibility that the investor does not receive the expected flow on the date applicable). The risk is the potential that an event occurs unpredictably, meaning any event a significant change in the results than expected.

The discount rate takes into account the specific risk of the investment (in addition to the macro-economic and financial variables), and therefore differs case by case, in relation to the nature, location, size, etc. of the property in question.

For all practical purposes, there is a direct relationship between the two rates; so much so that (with other variables being equal and on condition that both processes are correctly developed), the Market Value of a property calculated by using the direct capitalization method or the DCF method should be the same.

The differentiation factors are essentially two:

- As already mentioned, in the Italian practice the capitalization rate is referred to gross rental income, while the discount rate is applied to a cash flow from which the "real cost" borne by the property is deducted from the gross rental income (which, on the basis of data collected in our database, currently correspond on average to the 12% of the gross rent);
- the capitalization procedure takes into consideration a constant perpetuity (and thus is "net" of the future trend of the real estate market), while in DCF costs and revenues that contribute to determining the cash flows are indexed on the basis of expected inflation trend and the market.

Market Returns

In theory, in the case of income-generating property, the performance of an investment property implicitly incorporates two factors:

- the risk-free component
- Portion of written premiums in property investment specific risk in question.

It should be duly noted that in the valuation approach adopted by Praxi, real performance is obtained directly from a market survey, covering the whole national territory and referring to the main real estate typologies: traditional offices and shops; hospitality; retail; leisure and entertainment; logistics and production.

For each type, the oscillation range of the gross yield is determined, with reference to a best case and a worst case; specifically on this valuation, the range of performance is as follows:

	Interval	*Cap rate*
Office	9,51%	4,47%
(office, urban retail store)	17,58%	7,70%

	Interval	*Cap rate*
TROPHY ASSET	7,33%	3,60%
(office, primary standing store)	13,03%	5,88%

Within that range, the rate of capitalization of the property in question is determined on the basis of its situation and specific condition, with reference to:

- the rental situation (quality and number of tenants, rental contracts conditions and clauses, vacancy risk)
- extrinsic factors (effectiveness of the localization, at national and local level, and market trends)
- Intrinsic factors (quality and state of maintenance, interchangeability, flexibility, dimensional cut).

From gross yields (cap rates), we derive the range of the discount rate to be used in the income-generating property DCF, taking into account the incidence of the costs of the property and the real estate market trend forecasting. The precise positioning within that sector range depends on the specific risk factors of the individual property.

From the foregoing, it is evident that our approach does not adopt a WACC methodology for the determination of the DCF discount rate.

It is still possible to trace back the invested equity remuneration, on the basis of leverage and the cost of financing a standard real estate investment that we found from the market.

The result of this calculation is shown backwards in the development of the valuation of individual properties, just below the "speedometer", which visually shows the degree of risk attached to the property being valued, than the range of the real estate segment which the property itself it belongs.

Investor profit

It should be noted that, in compliance with international valuation standards and according to the best practices that have now also become common in the Italian market, our valuation approach considers the return on the capital invested in the development within the discount rate. The expected remuneration for the equity corresponds to the internal rate of return (IRR) for the investor, while the overall rate (that derives from the weighted average between the remuneration for the equity and the cost of the debt) corresponds to the investment IRR.

DCF's Length

Our DCF model for the estimation of the income-generating properties Market Value provides a standard term of 15 years, six scanned. This period allows to include the entire cycle of an ordinary lease (6 + 6 years), plus any vacancy rates and development income, and thus, in general terms, allows the standardization of the rental income stream to determinate the terminal value for direct capitalization, using the fees of the last period and the going out cap rate above.

Indicators

For rental properties, there are reported in the "DCF" sheet of the evaluation attached some significant development indicators, in addition to the Market Value and the vacancy rate, useful to the synthetic interpretation of evaluation results:

- Current rent, which corresponds to the annual rent generated by the amount of leases in place;
- Current yield, which represents the profitability of the lease contracts, compared to the Market Value;
- Market Rent, which is the total market rent, according to the parameters determined from the estimation, just for the contracts which have their deadline during the DCF time span;
- Market return, which correspond to the cap rate of the property
- Capex, which covers the total amount of the initial interventions of restoration / renovation foreseen, charged to the property, including investments programmed over the years by the property itself.
- Reversionary yield (the ratio between Market Rent and Market Value, plus any initial capex defined by estimation), which corresponds to the yield theoretically obtainable by an investor which acquires the property at a price equal to the estimated value, who get to put it entirely to income, with estimated Market Rent terms.

SPECIFICATIONS AND ASSUMPTIONS

For developing the estimation we had determine the property's commercial surface, attributing to the different types of surface a representative weighting of their real estate value. In particular, the accessory spaces have been virtualized in proportion both to their location/consistency/quantity within the property and to the surfaces and destinations of the main spaces as well as to the parameters assigned to them.

WORKING METHODOLOGY

The real estate portfolio was covered by specific site inspections (08/10/2019), with the aim to observe the general characteristics and understand the urban context in which the assets are located. At the same time we carried out specific market research in the areas concerned and for the concerned building typologies, involving brokers and real estate operators with any confidentiality and verifying, when possible, even cases of recent transactions (such information integrated and updated the database on real estate market already held by our Company).

In support to the assessment, we have assumed the technical documentation given to us by the property, from which, in particular, we deduced the surfaces, the cadastral identifications and the destinations of use, without making any further verification.

Lastly, we assumed that the real estate consistency, provided by the SGR, substantially correspond to IPMS 1 (Gross External Area / Gross External Surface) as, internationally defined.

LIMITATION OF SURVEY AND LIABILITY

It should be noted that no verification about the ownership title was carried out, nor was the existence of possible rights or encumbrances on the valued assets inquired. The assessment assumes that the assets are fully compliant with the ongoing legislation and regulations, in particular as regards to the building codes standard, safety and fire prevention.

We did not consider any environmental liabilities imposed on the properties, which means those costs to be incurred both to avoid environmental damage and to recover non-compliant situations with the provisions of current regulations.

CHANGES COMPARED TO THE PREVIOUS VALUATION

After the exceptional result recorded in 2019 (with the volume of corporate real estate transactions exceeding the 12 billion euro threshold, for the first time in Italy) the year opened with a moderate and physiological reduction in trade; which however, in the first quarter of 2020, was close to 2 billion euro; substantially in line with the first quarter of 2019.

The sudden spread of the COVID-19 pandemic abruptly interrupted this trend, plunging the real estate market (as well as the entire world economy) into a deep crisis, which analysts believe will be the worst in a hundred years.

The immediate effect, also related to the measures taken by the national and international authorities for the protection of citizens' health, was that of a sudden interruption of transactions (in fact, between March and April some deals were finalized, but had been negotiated and substantially concluded previously). Now we are beginning to feel the repercussions on rental yields, put into crisis by the widespread difficulty of tenants to regularly pay contractual rents; the phenomenon is being felt in an acute way in the sectors most directly affected by the lockdown (hotels and non-food trade), but it is also manifesting itself in other sectors.

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It is not yet possible to quantify the magnitude of the crisis or predict its duration and the dynamics of the (future and hoped-for) recovery. Certainly the real estate valuations referring to the first half of 2020 are drawn up in an economic and market context characterised by significant and atypical uncertainty, which must be taken into account when interpreting the value conclusions.

The main changes compared to the previous valuation are shown below.

CHANGES IN THE SUBJECT OF THE ESTIMATE

At 30/6/2020 compared to 31/12/2019, there were no changes in the subject of the estimate. Minor extraordinary maintenance work or internal changes of little relevance to the valuation were carried out.

CHANGES OF A LEGAL, REGULATORY AND CONTRACTUAL NATURE

During the half year 31/12/2019 - 30/06/2020 there were no contractual changes that changed the rental status of the assets. Microsoft has announced that it will release the retail portion currently leased on the ground floor during the coming year.

CHANGES OF AN ESTIMATIVE NATURE

The costs for the completion of the urbanization works outside the complex have been updated and communicated by Sgr in € 1,726,772. Please also refer to the evidence in the following paragraph.

NON-ORDINARY FACTORS OF UNCERTAINTY IN THE VALUATION

The spread of the COVID-19 virus, declared a "global pandemic" by the World Health Organisation on 11 March 2020, is having a very strong impact on global financial markets. Among the various measures put in place to counter the spread of the contagion, travel and movement restrictions have been imposed in many countries.

The activity of the real estate market is suffering significant repercussions, although differentiated in different sectors. At the date of the valuation, we believe we can give less weight, for comparative purposes, to market evidence relating to transactions concluded before the outbreak of the pandemic, or even concluded in recent weeks, but evidently initiated and negotiated in a completely different context from the current one. In fact, we are faced with a series of unprecedented circumstances, which make the outlook particularly uncertain and the formulation of judgments and forecasts difficult.

We would therefore point out that this assessment has been prepared under conditions of "significant uncertainty", as defined by VPS3 and VPGA10 of the Red Book 2020. As a result, this assessment should be given less certainty - and its conclusions should be interpreted with a higher level of caution - than would normally be the case. For our part, we confirm that, in view of the situation, we have paid particular care and attention to the analysis of the data and documentation used to support this estimate.

Given the impossibility to quantify, at the moment, the future impact that COVID-19 will produce on the real estate market, we recommend to monitor frequently the trend of real estate values.

WORKING TEAM

This appraisal was coordinated and supervised by:

- Antonio GAMBA (Legal Representative of Praxi S.p.A., a Registered Professional Engineer in Milan n° 8913 dal 1966) *Project Coordinator*;
- Massimo MAESTRI MRICS (n° 1279512 dal 2008) - *Technical Manager of the project*;
- Salvatore Versaci MRICS (n° 5632881 dal 2013) - *Senior Valuer;*
- PRAXI Real Estate Study Centre.

Documents have been edited by the back-office team of the PRAXI's Milan headquarter.

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CONCLUSIONI DI STIMA

Based on what has been set out above, it is our opinion that the Market Value of the properties held by the FELTRINELLI FUND, in the current conditions of use and availability, at the reference date of 30st June 2020, is equal to:

€ 98.950.000,00 (nintyeightmillionandninehundredandfiftythousand euro/00)

In accordance with valuation international standards, the final Value are expressed net of cost (including tax) related to the eventual sale and purchase of the estimated property. As an indication, we evaluate the incidence of these costs at around 3% on net market values. Therefore, the gross value of these costs is equal to € 101.920.000.

In the individual appraisal reports, we describe the properties and the adopted valuation procedures.

This report is signed by Antonio Gamba as the legal representative of PRAXI S.p.A. and Massimo Maestri as the Technical Manager of the valuation; it states that both signatories are meeting the requirements prescribed by paragraph 2 of art. 16 of the Ministerial Decree 30/2015.

Please do not hesitate to contact us should you require any further explanations. Best regards

Praxi S.p.A.

Technical Manager

Massimo Maestri MRICS

Registered Valuer

Praxi S.p.A.

Legal Representative

Antonio Gamba

C

Valuation as on 30/06/2020

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PRAXI S.p.A. - ORGANIZZAZIONE e CONSULENZA
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milano@praxi.praxi - www.praxi.praxi
ORGANIZZAZIONE - INFORMATICA - VALUTAZIONI e ADVISORY - RISORSE UMANE

Esteemed

COIMA SGR

Piazza Gae Aulenti, 12,

20154 MILANO

Milan, 30st June 2020

Our Ref. SV/val 20.5422

Following the assignment entrusted to us, on 15 November 2018, by COIMA SGR, which manages the Real Estate Fund **"Fondo Feltrinelli Porta Volta"**, and in accordance with the provisions of the Bank of Italy Regulation of 19/1/2015, as amended, Title V - Chapter IV - Section II - Paragraph 2.5 (Real estate) and 4 (Independent Valuer), the Ministerial Decree 30 of 5/3/2015 (Art. 16, as provided by the 2019 Budget Law)), Praxi S.p.A. performed, as the Independent Valuer, the assessment of the Market Value of real estate assets of **"Fondo Feltrinelli Porta Volta"** for budgetary purposes, with the reference date of **June 30st, 2020**.

Our assessment activities and this appraisal report comply with the IVS – International Valuation Standards –2020 edition and RICS Valuation – Global Standards 2020 ("Red Book"). PRAXI Real Estate is a Valuation Firm "regulated by RICS" [Firm n° 710985].

PRAXI has carried out this assessment being an External Independent Valuer, as defined by the Red Book. PRAXI is not in conflict of interest with respect to the Client, to the other Subjects involved or the property under valuation.

REAL ESTATE PORTFOLIO

The fund's portfolio consists of the following property:

- **Milano, Viale Sarca 235 with directional use**

BOLOGNA - FIRENZE - GENOVA - MILANO - NAPOLI - PADOVA - ROMA - TORINO - VERONA
Sede Legale ed Amministrativa: 10125 TORINO - Corso Vittorio Emanuele, 3 - Tel. +39 011 65 60 - Fax +39 011 650 21 82
Aut. MLPS 13/I/0003868/03.04 e 39/0006094/MA004.A003 - Registro Imprese Torino, Codice Fiscale e Partita IVA IT 01132750017

Subject to the valuation are the buildings, including pertaining building systems (power, heating, sewing, etc.) and land. While movable assets, documents, archives and, in general, what is contained within the building in question are excluded from the valuation.

BASIS OF VALUE AND APPRAISAL CRITERIA

Scope of the valuation is to determine the Market Value (MV) of the subject properties.

According to the definition provided in IVS – International Valuation Standards and in RICS Valuation – Global Standards ("Red Book") "Market Value" is "the estimated amount for which an asset or liability should exchange on the valuation date, between a willing buyer and a willing seller, in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." (IVS 2020 – IVS 104 Section 30.1; RICS Red Book 2020 – VPS4 4).

In relation to the characteristics, current destination and potential uses of each property, the following approaches have been used to calculate the Market Value:

– **discounted cash flow (DCF) method**

  The Value of the property stems from discounting the cash flow that will be generated by the rent contracts and /or by the earnings from sales, net of the relevant costs of the property; the process makes use of an appropriate discounting rate, which analytically takes into account the risks that are characteristic of the property in question.

  The appraisal considered the properties "as is", that is to say in the conditions they were in at the appraisal reference date, and taking account of the leases in place, from the point of view of the adequacy of the fees compared to market rents, the period of residual validity of contracts, of the relevant clauses (right of withdrawal from responsibility for maintenance, etc..), the degree of reliability of the tenants and the risk of vacancy.

  Our activity was done in compliance with current regulations and according to best international appraisal practices, both in terms of valuation criteria and working methodology.

SOURCE OF THE DATA USED IN THE APPRAISAL

In general, the appraisal was based on the technical data provided by client, which was taken as being correct, reliable and fully updated. Specifically, from the documentation provided by the Client we have taken the data relating to:

- Gross surfaces of the property (provided on the previous half-yearly report);
- Cadastral data;
- Plans;
- Town Planning Regulation data;
- Lease contracts;
- Rent roll (surfaces, contracts and special clauses or limitations);
- IMU tax;

In particular, we derived from the documents provided us and from the direct comparison with the Fund Managers, the data regarding:

- Building surface;
- Current lease contracts (real estate units concerned, rents, deadlines, renewal options and/or early termination, etc.);
- Planned extraordinary maintenance interventions or renovation works

Instead, the data, derived from our self-analysis and survey, are related to:

- Market values and rents, according to the different uses and relevant locations;
- Final sales price, construction time and absorption on the market, relating to the different uses expected in the renovation/transformation projects;
- Landlord costs regarding property management, extraordinary maintenance allowance, registration tax on leases, commissions on rents and sales;
- Cap rates and discount rates.

VALUATION APPROACHES

DISCOUNTED CASH FLOW (DCF) METHOD

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Income-generating properties are those properties able to generate for the owner a rental income, without the need for substantial structural works on the buildings and without any change of destination of usage.

The property income is estimated by discounting the net cash flow generated by the current and prospective lease contracts. For the majority of the assets, the final sale price (terminal value) was determined by projecting the market rent at the end of the period; using a going-out cap rate which incorporates an adequate spread in order to take account of the intrinsic risk of long-term projections.

The **rental income** were deducted from the lease contracts (passing rents) if existing, and from our specific market analysis in the area and per specific typologies.

For vacant units, and all units whose leases will expire during the term of the cash-flow investment, the time needed to set up the same income was taken into account; at market conditions (commercialization, periods of "vacancy" and "step-up" at the start of contracts, related to time restyling, etc.).

The **landlord** costs: (IMU – municipal tax on real estate properties, insurance, property management, allowance for extraordinary maintenance work, stamp duty, commissions on sales and lease contracts) were given directly by the Client or determined by an analytical method based on the information provided by the owner, or independently deduced by ourselves; with reference to market standards and our experience with similar properties.

The **duration of the investment cash flow** was determined by reference to the number of years of a lease for a different use, usually 6 + 6 and to the time needed, at the expiry of the contract, to lead the new fully operational contract rent, after renegotiation / negotiation of a contract with the same market conditions. Then the selling of the property to an "ordinary" investor, at the time of the rental income maximization and, consequently, the final selling price.

It should be noted that the duration of the cash-flow assumed on the basis of the property appraisal is not influenced, nor it is conditional to the SGR's investment choices and decisions. Which may or may not correspond with those of the "ordinary" investor; for this reason, it is possible that some of the parameters and assumptions in this appraisal could, in principle, vary from what is contained in the Fund's business plan.

MACROECONOMIC AND REAL ESTATE VARIABLES

The cash flow is expressed in current currency, and therefore incorporates a forecast of inflation (for the indexation of costs) and real estate market trends (for the indexation of revenues).

The inflation trend is derived from the forecasts published in the April 2020 issue of Consensus Forecast, published by Consensus Economics (one of the world's leading economic and financial research centres - www.consensuseconomics.com).

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The table below summarizes the forecasts for the performance of the main macroeconomic variables in Italy over the next ten years.

Italy											
	Historical					Consensus Forecasts					
* % change over previous year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026-30[1]
Gross Domestic Product*	1.3	1.7	0.8	0.3	-7.5	4.5	1.3	0.7	0.7	0.7	0.7
Household Consumption*	1.2	1.5	0.9	0.4	-6.0	3.7	1.1	0.7	0.6	0.6	0.6
Gross Fixed Investment*	4.0	3.2	3.1	1.4	-10.7	6.1	2.7	2.0	1.5	1.3	1.0
Industrial Production*	1.9	3.6	0.6	-1.4	-13.1	6.6	2.2	1.4	1.1	1.0	1.0
Consumer Prices*	-0.1	1.2	1.2	0.6	-0.2	0.6	1.3	1.3	1.5	1.7	1.8
Current Account Balance (Euro bn)	44.0	46.5	46.0	53.4	52.9	51.2	45.5	43.9	43.7	40.5	43.7
10 Year Treasury Bond Yield, %[2]	1.7	1.9	2.8	1.4	1.6 [3]	1.5 [4]	1.7	2.2	2.6	2.8	3.1

As far as the inflation trend is concerned, in the first two years (four semesters) of the DCF, the precise data indicated by Consensus Forecast was used, while for the remaining period the average of the expected values was considered, thus reaching the following result:

Trend inflazione 1^ semestre	-0,10%		
Trend inflazione 2^ semestre	0,30%		
Trend inflazione 3^ semestre	0,30%		
Trend inflazione 4^ semestre	0,65%		
Trend inflazione dal 5^ semestre in poi	0,825%	**1,65%**	**annuo**

The trend in the real estate market was determined separately for the first two years of cash flow and for the following period. For the first two years, the estimate of the trend is of the punctual type, while for the following period, it has been assumed to be in line with that of inflation, and therefore reference has been made to the Consensus Forecast forecasts mentioned above. These measures were adopted based on the projections on the Italian market, even in the short term; do not represent a sufficiently stable and verifiable source of information.

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In addition, forecasts have also been made for the determination of the potential return on invested capital (equity) regarding the performance of long-term government securities (risk free return) and the EurIRS (the basis for determining the cost of long-term debt).

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The return on 10-year government bonds was also derived from Consensus Forecast, and is 1.60% for 2020 (April 2020 forecast).

Italy											
	Historical				Consensus Forecasts						
* % change over previous year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026-30[1]
Gross Domestic Product*	1.3	1.7	0.8	0.3	-7.5	4.5	1.3	0.7	0.7	0.7	0.7
Household Consumption*	1.2	1.5	0.9	0.4	-6.0	3.7	1.1	0.7	0.6	0.6	0.6
Gross Fixed Investment*	4.0	3.2	3.1	1.4	-10.7	6.1	2.7	2.0	1.5	1.3	1.0
Industrial Production*	1.9	3.6	0.6	-1.4	-13.1	6.6	2.2	1.4	1.1	1.0	1.0
Consumer Prices*	-0.1	1.2	1.2	0.6	-0.2	0.6	1.3	1.3	1.5	1.7	1.8
Current Account Balance (Euro bn)	44.0	46.5	46.0	53.4	52.9	51.2	45.5	43.9	43.7	40.5	43.7
10 Year Treasury Bond Yield, %[2]	1.7	1.9	2.8	1.4	$\boxed{1.6}$ [3]	1.5 [4]	1.7	2.2	2.6	2.8	3.1

Il trend dell'EurIRS è stato ipotizzato equivalente alla media dei valori degli ultimi dodici mesi, rilevata dalla stampa specializzata, ed è pari allo 0,30% annuo:

Trend EurIRS ultimi 12 mesi

mag-19	0,79
giu-19	0,57
lug-19	0,44
ago-19	0,06
set-19	0,10
ott-19	0,22
nov-19	0,35
dic-19	0,39
gen-20	0,35
feb-20	0,17
mar-20	0,08
apr-20	0,17

media EurIRS
0,30

CAPITALISATION AND DISCOUNT RATES

As indicated above, in the valuations done using the DCF method (both in the case of income-generating properties, trade related properties and properties suitable for transformation) appropriate capitalization and discount rates were used, which were determined according to the criteria set out below.

General considerations regarding rates

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Valuation as on 30/06/2020 *pag. 6 di 14*

The **capitalization rate** corresponds to the relationship that exists on the market between the rent and the value of a specific property.

In the Italian context, reference is usually made to the gross return (the so-called *cash on cash return*); in other words, the landlord costs (property taxes, insurance, property management, etc.) are not deducted from the rental income.

In any case, as this is a measurement that represents the return on an investment, the capitalization rate implicitly takes into account the risk on the investment of the property in question, or at least the average risk grade of the market cluster that the property itself belongs to.

The **discount rate** is the mathematical variable used to determine the "equivalent value", at a specific date, of a financial amount that is generated at a different moment in time.

In the case of property investments/developments, this rate is used to determine the actual value of the costs and income expected during the course of the investment/development itself.

The discount rate is used to report at the present time the future cash flows expected to be generated from investment property or transaction in real estate development, and it entails two basic components: the return on an alternative investment with no risk (typically assumed to be equal to the average yield on government bonds with a maturity homogeneous with respect to the time horizon of reference) and the risk reward its operation (the premium linked to the possibility that the investor does not receive the expected flow on the date applicable). The risk is the potential that an event occurs unpredictably, meaning any event a significant change in the results than expected.

The discount rate takes into account the specific risk of the investment (in addition to the macro-economic and financial variables), and therefore differs case by case, in relation to the nature, location, size, etc. of the property in question.

For all practical purposes, there is a direct relationship between the two rates; so much so that (with other variables being equal and on condition that both processes are correctly developed), the Market Value of a property calculated by using the direct capitalization method or the DCF method should be the same.

The differentiation factors are essentially two:

- As already mentioned, in the Italian practice the capitalization rate is referred to gross rental income, while the discount rate is applied to a cash flow from which the "real cost" borne by the property is deducted from the gross rental income (which, on the basis of data collected in our database, currently correspond on average to the 12% of the gross rent);
- the capitalization procedure takes into consideration a constant perpetuity (and thus is "net" of the future trend of the real estate market), while in DCF costs and revenues that contribute to determining the cash flows are indexed on the basis of expected inflation trend and the market.

Market Returns

In theory, in the case of income-generating property, the performance of an investment property implicitly incorporates two factors:

- the risk-free component
- Portion of written premiums in property investment specific risk in question.

It should be duly noted that in the valuation approach adopted by Praxi, real performance is obtained directly from a market survey, covering the whole national territory and referring to the main real estate typologies: traditional offices and shops; hospitality; retail; leisure and entertainment; logistics and production.

For each type, the oscillation range of the gross yield is determined, with reference to a best case and a worst case; specifically on this valuation, the range of performance is as follows:

	Interval	*Cap rate*
OFFICE	9,51%	4,47%
(office, urban retail store))	17,58%	7,70%

Within that range, the rate of capitalization of the property in question is determined on the basis of its situation and specific condition, with reference to:

- the rental situation (quality and number of tenants, rental contracts conditions and clauses, vacancy risk)
- extrinsic factors (effectiveness of the localization, at national and local level, and market trends)
- Intrinsic factors (quality and state of maintenance, interchangeability, flexibility, dimensional cut).

From gross yields (cap rates), we derive the range of the discount rate to be used in the income-generating property DCF, taking into account the incidence of the costs of the property and the real estate market trend forecasting. The precise positioning within that sector range depends on the specific risk factors of the individual property.

From the foregoing, it is evident that our approach does not adopt a WACC methodology for the determination of the DCF discount rate.

It is still possible to trace back the invested equity remuneration, on the basis of leverage and the cost of financing a standard real estate investment that we found from the market.

The result of this calculation is shown backwards in the development of the valuation of individual properties, just below the "speedometer", which visually shows the degree of risk attached to the property being valued, than the range of the real estate segment which the property itself it belongs.

Investor profit

It should be noted that, in compliance with international valuation standards and according to the best practices that have now also become common in the Italian market, our valuation approach considers the return on the capital invested in the development within the discount rate. The expected remuneration for the equity corresponds to the internal rate of return (IRR) for the investor, while the overall rate (that derives from the weighted average between the remuneration for the equity and the cost of the debt) corresponds to the investment IRR.

DCF's Length

Our DCF model for the estimation of the income-generating properties Market Value provides a standard term of 15 years, six scanned. This period allows to include the entire cycle of an ordinary lease (6 + 6 years), plus any vacancy rates and development income, and thus, in general terms, allows the standardization of the rental income stream to determinate the terminal value for direct capitalization, using the fees of the last period and the going out cap rate above.

Indicators

For rental properties, there are reported in the "DCF" sheet of the evaluation attached some significant development indicators, in addition to the Market Value and the vacancy rate, useful to the synthetic interpretation of evaluation results:

- Current rent, which corresponds to the annual rent generated by the amount of leases in place;
- Current yield, which represents the profitability of the lease contracts, compared to the Market Value;
- Market Rent, which is the total market rent, according to the parameters determined from the estimation, just for the contracts which have their deadline during the DCF time span;
- Market return, which correspond to the cap rate of the property
- Capex, which covers the total amount of the initial interventions of restoration / renovation foreseen, charged to the property, including investments programmed over the years by the property itself.
- Reversionary yield (the ratio between Market Rent and Market Value, plus any initial capex defined by estimation), which corresponds to the yield theoretically obtainable by an investor which acquires the property at a price equal to the estimated value, who get to put it entirely to income, with estimated Market Rent terms.

SPECIFICATIONS AND ASSUMPTIONS

For developing the estimation we had determine the property's commercial surface, attributing to the different types of surface a representative weighting of their real estate value. In particular, the accessory spaces have been virtualized in proportion both to their location/consistency/quantity within the property and to the surfaces and destinations of the main spaces as well as to the parameters assigned to them.

WORKING METHODOLOGY

The real estate portfolio was covered by specific site inspections (08/10/2019), with the aim to observe the general characteristics and understand the urban context in which the assets are located. At the same time we carried out specific market research in the areas concerned and for the concerned building typologies, involving brokers and real estate operators with any confidentiality and verifying, when possible, even cases of recent transactions (such information integrated and updated the database on real estate market already held by our Company).

In support to the assessment, we have assumed the technical documentation given to us by the property, from which, in particular, we deduced the surfaces, the cadastral identifications and the destinations of use, without making any further verification.

Lastly, we assumed that the real estate consistency, provided by the SGR, substantially correspond to IPMS 1 (Gross External Area / Gross External Surface) as, internationally defined.

LIMITATION OF SURVEY AND LIABILITY

It should be noted that no verification about the ownership title was carried out, nor was the existence of possible rights or encumbrances on the valued assets inquired. The assessment assumes that the assets are fully compliant with the ongoing legislation and regulations, in particular as regards to the building codes standard, safety and fire prevention.

We did not consider any environmental liabilities imposed on the properties, which means those costs to be incurred both to avoid environmental damage and to recover non-compliant situations with the provisions of current regulations.

CHANGES COMPARED TO THE PREVIOUS VALUATION

After the exceptional result recorded in 2019 (with the volume of corporate real estate transactions exceeding the 12 billion euro threshold, for the first time in Italy), the year opened with a moderate and physiological reduction in trade, which however in the first quarter of 2020 was close to 2 billion euro, substantially in line with the first quarter of 2019.

The sudden spread of the COVID-19 pandemic abruptly interrupted this trend, plunging the real estate market (as well as the entire world economy) into a deep crisis, which analysts believe will be the worst in a hundred years.

The immediate effect, also related to the measures taken by the national and international authorities for the protection of citizens' health, was that of a sudden interruption of transactions (in fact, between March and April some deals were finalized, but had been negotiated and substantially concluded previously). Now we are beginning to feel the repercussions on rental yields, put into crisis by the widespread difficulty of tenants to regularly pay contractual rents; the phenomenon is being felt in an acute way in the sectors most directly affected by the lockdown (hotels and non-food trade), but it is also manifesting itself in other sectors.

It is not yet possible to quantify the magnitude of the crisis or predict its duration and the dynamics of the (future and hoped-for) recovery. Certainly the real estate valuations referring to the first half of 2020 are drawn up in an economic and market context characterised by significant and atypical uncertainty, which must be taken into account when interpreting the value conclusions.

The main changes compared to the previous valuation are shown below:

CHANGES IN THE SUBJECT OF THE ESTIMATE

At 30/6/2020 compared to 31/12/2019, there were no changes in the subject of the estimate. Minor extraordinary maintenance work or internal changes of little relevance to the valuation were carried out.

CHANGES OF A LEGAL, REGULATORY AND CONTRACTUAL NATURE

During the half year 31/12/2019 - 30/06/2020 there were no substantial contractual changes that changed the rental status of the assets.

CHANGES OF AN ESTIMATIVE NATURE

There are no changes of an estimative nature except as set out in the following paragraph.

NON-ORDINARY VALUATION UNCERTAINTY FACTORS

The spread of the COVID-19 virus, declared a "global pandemic" by the World Health Organisation on 11 March 2020, is having a very strong impact on global financial markets. Among the various measures put in place to counter the spread of the contagion, travel and movement restrictions have been imposed in many countries.

The activity of the real estate market is suffering significant repercussions, although differentiated in different sectors. At the date of the valuation, we believe we can give less weight, for comparative purposes, to market evidence relating to transactions concluded before the outbreak of the pandemic, or even concluded in recent weeks, but evidently initiated and negotiated in a completely different context from the current one. In fact, we are faced with a series of unprecedented circumstances, which make the outlook particularly uncertain and the formulation of judgments and forecasts difficult.

We would therefore point out that this assessment has been prepared under conditions of "significant uncertainty", as defined by VPS3 and VPGA10 of the Red Book 2020. As a result, this assessment should be given less certainty - and its conclusions should be interpreted with a higher level of caution - than would normally be the case. For our part, we confirm that, in view of the situation, we have paid particular care and attention to the analysis of the data and documentation used to support this estimate.

Given the impossibility to quantify, at the moment, the future impact that COVID-19 will produce on the real estate market, we recommend to monitor frequently the trend of real estate values.

WORKING TEAM

This appraisal was coordinated and supervised by:

- Antonio GAMBA (Legal Representative of Praxi S.p.A., a Registered Professional Engineer in Milan n° 8913 dal 1966) *Project Coordinator*;
- Massimo MAESTRI MRICS (n° 1279512 dal 2008) - *Technical Manager of the project*;
- Salvatore Versaci MRICS (n° 5632881 dal 2013) - *Senior Valuer;*
- PRAXI Real Estate Study Centre.

Documents have been edited by the back-office team of the PRAXI's Milan headquarter.

PRAXI

Ns. Rif.: SV/val 20.5422 del 30/06/2020

CONCLUSIONS

Based on what has been set out above, it is our opinion that the Market Value of the properties held by the **COIMA OPPORTUNITY FUND I**, in the current conditions of use and availability, at the reference date of 30st June 2020, is equal to:

€ 62.500.000,00 (sixtytwomillionandfivehundredthousand euro /00).

In accordance with valuation international standards, the final Value are expressed net of cost (including tax) related to the eventual sale and purchase of the estimated property. As an indication, we evaluate the incidence of these costs at around 3% on net market values. Therefore, the gross value of these costs is equal to € 64.380.000.

In the individual appraisal reports we describe the properties and the adopted valuation procedures.

This report is signed by Antonio Gamba as legal representative of PRAXI S.p.A. and Maurizio Negri as Head Coach of the valuation; it states that both signatories are meeting the requirements prescribed by paragraph 2 of art. 16 of the Ministerial Decree 30/2015.

Please do not hesitate to contact us should you require any further explanations. Best regards

Praxi S.p.A.	Praxi S.p.A.
Technical Manager	*Legal Representative*
Massimo Maestri MRICS	Antonio Gamba
Registered Valuer	

The Royal Institution of Chartered Surveyors RICS Massimo Maestri MRICS Membership n° [illegible]

Albo Ingegneri della Provincia di Milano Ing. Antonio Gamba Iscrizione N.° 8913

Coima Sgr – COIMA OPPORTUNITY FUND I – Milano viale Sarca 235
Valuation as on 30/06/2020

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Real Estate Advisory Group

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

JUNE 30th, 2020

Institutional Closed-end Alternative Investment Fund

"COIMA CORE FUND VI"

EXECUTIVE SUMMARY

Market Value

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

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Agrate B.za, December 30th,2020
Rif. n. 21926.04

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

To the kind attention of Mr Antonio Del Buono

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,2020 – 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,2020.

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.

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ASSET UNDER ANALYSIS

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

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

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

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

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Definitions

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

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

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

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

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

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

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

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Valuation criteria

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

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

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

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

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

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

In addition, REAG:

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

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Contents of the Report

The report includes:

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

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

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

Conclusions

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

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

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

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Based on the investigation and the premises outlined

Based on the investigation, and the premises outlined, it is our opinion that as of June 30th, 2020, 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	MARKET VALUE (Euro) 30/06/2020
1	MILANO VIA M. GIOIA 6/8 OFFICE	53.600.000,00
2	MILANO VIA M. GIOIA 6/8 NH HOTEL VERDI	29.000.000,00
	TOTAL	82.600.000,00

The Market Value is shown excluding acquisition costs for the future Buyer, which incidence, as communicated by the Client on the basis of transactions carried out previously, may be between 2.5% and 3% of the exposed market value.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of [this property] under frequent review.

Duff & Phelps REAG S.p.A.

Performed by:
Christian Cavenaghi
Director, Valuation & Investment

Supervision and control:
Marco Ugolini
Director, Valuation & Investment

Simone Spreafico
Managing Director, Advisory & Valuation Dept.

Paola Ricciardi
Country Managing Director

Mauro Corrada
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.*

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<u>**Work Team:**</u>

The performance of the valuation and drafting of the Report was managed by:
Simone Spreafico – *Managing Director, Advisory & Valuation Dept.*

with the supervision of and control by:
Marco Ugolini – *Director, Valuation & Investment*
Federica Minnella – *Director, Hospitality&Leisure Division*

and collaboration of:
Christian Cavenaghi – *Director, Valuation & Investment*
Davide Vergani – *Associate Director, Hospitality&Leisure Division*

R&D Office – *Market Analysis*

Micaela Beretta – *Editing*

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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

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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 properties, if carried out, 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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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.

Non-Assignment

None of the Parties can transfer the contract to Third Parties, neither in whole nor in part, without prior written agreement of the other Party, as provided for by art. 1406 c.c, except for the case of conveyance of the firm.

The Client may not delegate Third Parties to make the whole payment of the compensation in favour of REAG, without the written agreement of REAG.

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

Client of Record

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

Communication

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

Contingent Fees

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

Confidentiality of data and information.

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

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

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

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

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

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

Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report (especially any conclusion, the identity of any individuals signing or associated with this report or the firms with which they are connected, or any reference to the professional associations or organizations with which they are affiliated or the designations awarded by those organizations) shall be disseminated to third parties through prospectus,

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advertising, public relations, news, or any other means of communication without the written consent and approval of REAG.

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

Data Protection

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

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

Force Majeure

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

Governing Law, Jurisdiction and Venue

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

Indemnity and limitation of compensation

Client shall hold harmless and indemnify REAG against and from any harmful consequence which REAG may become subject to in connection with this engagement, except to the extent finally judicially determined to have resulted from the negligence or intentional misconduct of REAG.

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REAG shall hold harmless and indemnify the Client against and from any harmful consequence deriving from the nonfulfillment or breach of the engagement. Without prejudice to indemnification for bodily injury or material property damage as stated below, REAG's liability to Client and to any recipient of any Reliance letter and Re-Addressing shall in no event exceed the fees it receives as a result of the engagement, except to the extent determined to have resulted from major negligence or intentional misconduct of REAG Moreover REAG's liability extent is to be understood as limit in the aggregate for all claims for indemnification/compensation that may be issued by all recipients of the Report and of Reliance letters and/or Re-addressing.

REAG shall hold harmless and indemnify Client against and from any harmful consequence for bodily injury or material property damage caused by REAG personnel or representatives during the performance of the engagement, except to the extent of Client's negligence.

The extent of indemnification and compensation is however strictly consequent and proportional to REAG employees or representatives' behavior and actions.

While on Client's premises, REAG staff in charge with any work related to the engagement shall comply with all posted safety instructions or safety procedures requested by Client.

Independent Contractor

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

Subcontract

Reag has reserved the right to appoint subcontractors to perform all or part of the services offered herein, provided that, by having signed the proposal, the Client consented to subcontracting as provided for by Art. 1656 of the Italian Civil Code.

Should a subcontractor be appointed by Reag, the liability undertaken by Reag towards the Client shall remain unaltered, within the limits outlined herein, and include the services provided to the Client through the subcontractor.

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A subcontractor appointed by Reag shall observe the same confidentiality obligations undertaken by Reag and set forth herein.

Limits on the Use of the Work

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

Matters legal in nature

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

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, data, documents or technical analyses 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 in this report.

Retention

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

Standards of Performance

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

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the performance of REAG based on the specifications of the Contract as well as on the applicable professional standards.

Scope of the work

REAG should be obligated only for services specified in the contract, and only for changes to the scope of those services that are set forth in any subsequent written agreement. As a result, the scope of the work does not include unrelated services or the responsibility to update any of the work after its completion. Further, REAG reserves the right to decline to perform any additional services, if REAG believes such services would create an actual or perceived conflict of interests or would be illegal or in violation of applicable regulations of professional standards.

Testimony

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

Ethical code – Model 231

The Client takes note that REAG has adopted its own ethical code (hereinafter "Ethical code") and its organization, management and control model according to principles and guidelines of Decreto Legislativo n. 231/2001 (hereinafter "Model 231"). The adoption of Model 231 is intended to prevent any crimes which Decreto Legislativo n. 231/2001 refers to and to avoid any related sanction. Copy of the Ethical code in force is available upon specific request.
The Client declares that they and any of their direct and/or indirect parent companies and subsidiaries: - do not deal (do not have offices, business, investments, transactions) with sensitive countries and/or countries subject to sanctions and embargos imposed by the UN, USA, EU and local governments; - do not do business with individuals or entities based/operating in said countries; - are not subject to said sanctions.

Requirements for the position of Independent Expert

REAG declares and guarantees the conformity and compliance of its structure with the requirements prescribed pursuant to art. 16, paragraphs 7.8 and 9 of

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Ministerial Decree no. 30 of 5 March 2015; it also guarantees that it is not in one of the situations of impediment to the assumption of the assignment indicated in paragraph 11 of the aforementioned article.

REAG, furthermore, undertakes:

-to promptly notify the Customer of the possible occurrence of one of the aforementioned impediment situations;

-to abstain from the evaluation in case of conflict of interest in relation to the goods to be evaluated, giving timely notice to the Customer.

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 report.

Time limit for refutations, Complaints, Limitation period of the action

Without prejudice to any applicable binding laws, and on pain of forfeiture, the Client may demonstrate dissatisfaction to REAG by sending a complaint via e-mail to customercare@reag-dp.com within 30 days of receipt of the Report. Said complaint shall state the reasons for the dissatisfaction and any faults, errors and/or dissimilarities being contested. In order to accept and respect the requests of the Client, REAG shall carefully review any claim, verifying and analysing the work.

REAG and the Client herewith expressly acknowledge and declare that this agreement constitutes a services supply agreement and, hence, any action against Duff & Phelps REAG is subject to a two-year limitation period, as per Art 1667 of the Italian Civil Code.

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Duff & Phelps REAG S.p.A.
Centro Direzionale Colleoni
Palazzo Cassiopea 3- Via Paracelso, 26
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RICS

DNV-GL

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

JUNE 30th, 2020

Institutional Closed-end Alternative Investment Fund

"COIMA CORE FUND VIII"

EXECUTIVE SUMMARY

Market Value

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

DUFF & PHELPS
Real Estate Advisory Group

Agrate B.za, June 30th,2020
Rif. n. 23119,01

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

To the kind attention of Mr Antonio Del Buono

Object: **Determination of the Fair Market Value of Real Estate Properties included in Institutional Closed-end Alternative Investment Fund, called "COIMA CORE FUND VIII", as of June 30th, 2020 – 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 VIII" is invested, in order to determine the Market Value as of December 30th, 2020.

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.

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Centro Direzionale Colleoni
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C.F. / Reg. Imprese / P. IVA 05881660152
REAGinfo@duffandphelps.com

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ASSET UNDER ANALYSIS

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

- ✓A single building, located in the south-west periphery of Milan – Via Lorenteggio 240, intended for office use (Vodafone Village).

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

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Definitions

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

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

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

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

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

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

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

Valuation criteria

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

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

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

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

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

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

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In addition, REAG:

- according with the Client, did't carry out any site inspection on the Property; last site inspection was carried out in December 2019 on the first half-yearly valuation;
- conducted the valuation 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 workups;
- considered the building areas relating to the property (gross area divided by intended use) provided by the Client and not verified by REAG;
- verified the city-planning situation of the property, based on the documentation supplied by the Client and by conducting specific checks on the Milano Municipality websites (city-planning section);
- did not investigate the title to or any liabilities against the real estate property but shall rely on the infor-mation provided by the Client. REAG neither investigated nor assumed any responsibility with regards to any right or encumbrance of the property under appraisal.
- did not verify permits, building licenses or assessments, but considered the property as conforming to existing regulations;
- did not be consider Environmental liabilities are the costs which may be incurred to avoid environmental damages or to modify situations which do not comply with ongoing regulations.

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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 the real estate property and consists of the following paragraphs:

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

Conclusions

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

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

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

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Based on the investigation and the premises outlined

Based on the investigation, and the premises outlined, it is our opinion that as of June 30th, 2020, 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:

Market Value:
Euro 211.000.000,00
(Euro Two Hundred and Eleven million/00)

The Market Value is shown excluding acquisition costs for the future Buyer, which incidence, as communicated by the Client on the basis of transactions carried out previously, may be between 2.5% and 3% of the exposed market value.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of [this property] under frequent review.

Duff & Phelps REAG S.p.A.

Performed by:
Christian Cavenaghi
Director, Valuation & Investment

Supervision and control:
Marco Ugolini
Director, Valuation & Investment

Simone Spreafico
Managing Director, Advisory & Valuation Dept.

Paola Ricciardi
Country Managing Director

Mauro Corrada
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.*

Duff & Phelps REAG S.p.A. for COIMA S.G.R. SpA
Rif. 23119,01 "COIMA CORE FUND VII" ES 30th June 2020 7

DNV-GL

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Real Estate Advisory Group

<u>Work Team:</u>

The performance of the valuation and drafting of the Report was managed by:
Simone Spreafico – *Managing Director, Advisory & Valuation Dept.*

with the supervision of and control by:
Marco Ugolini – *Director, Valuation & Investment*

and collaboration of:
Christian Cavenaghi – *Director, Valuation & Investment*

R&D Office – *Market Analysis*

Micaela Beretta – *Editing*

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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

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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, if carried out, 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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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.

Non-Assignment

None of the Parties can transfer the contract to Third Parties, neither in whole nor in part, without prior written agreement of the other Party, as provided for by art. 1406 c.c, except for the case of conveyance of the firm.
The Client may not delegate Third Parties to make the whole payment of the compensation in favour of REAG, without the written agreement of REAG.
The Client acknowledges to have been informed by Reag about the possibility of the Assignment of Credit (hereinafter the "Assignment") to any legal person appointed by Reag (hereinafter the "Cessionary"). The Client agrees from now on and without reserve to such Assignment and commits himself to signing any document which may be necessary for legal and administrative regularization on Reag request. The Client may possibly be notified of the Assignment by means of either registered letter with acknowledgement of delivery or extrajudicial act. With effect from the invoice factoring, the Client shall be bound to pay any amount due according to this agreement and to keep to any contractual obligation.

Client of Record

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

Communication

Electronic media including e-mail and faxes are acceptable vehicles to communicate all materials unless such communication forms are expressly prohibited in the Contract. The Client is expected to communicate and to give information to the Client Service Team assigned by REAG to this

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engagement. The Client shall not assume nor enlist the Client Service Team assigned by REAG to any work contemplated by the Contract to have knowledge of information provided to others not part of the team.

Contingent Fees

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

Confidentiality of data and information.

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

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

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

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

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

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

Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report (especially any conclusion, the identity of any individuals signing or associated with this report or the firms with which they are connected, or any reference to the professional associations or organizations with which they are affiliated or the designations awarded by those organizations) shall be disseminated to third parties through prospectus,

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

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Client shall hold harmless and indemnify REAG against and from any harmful consequence which REAG may become subject to in connection with this engagement, except to the extent finally judicially determined to have resulted from the negligence or intentional misconduct of REAG.

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A subcontractor appointed by Reag shall observe the same confidentiality obligations undertaken by Reag and set forth herein.

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Matters legal in nature

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

Reliance on Information Provided by the Client

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the performance of REAG based on the specifications of the Contract as well as on the applicable professional standards.

Scope of the work

REAG should be obligated only for services specified in the contract, and only for changes to the scope of those services that are set forth in any subsequent written agreement. As a result, the scope of the work does not include unrelated services or the responsibility to update any of the work after its completion. Further, REAG reserves the right to decline to perform any additional services, if REAG believes such services would create an actual or perceived conflict of interests or would be illegal or in violation of applicable regulations of professional standards.

Testimony

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

Ethical code – Model 231

The Client takes note that REAG has adopted its own ethical code (hereinafter "Ethical code") and its organization, management and control model according to principles and guidelines of Decreto Legislativo n. 231/2001 (hereinafter "Model 231"). The adoption of Model 231 is intended to prevent any crimes which Decreto Legislativo n. 231/2001 refers to and to avoid any related sanction. Copy of the Ethical code in force is available upon specific request.
The Client declares that they and any of their direct and/or indirect parent companies and subsidiaries: - do not deal (do not have offices, business, investments, transactions) with sensitive countries and/or countries subject to sanctions and embargos imposed by the UN, USA, EU and local governments; - do not do business with individuals or entities based/operating in said countries; - are not subject to said sanctions.

Requirements for the position of Independent Expert

REAG declares and guarantees the conformity and compliance of its structure with the requirements prescribed pursuant to art. 16, paragraphs 7.8 and 9 of

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Ministerial Decree no. 30 of 5 March 2015; it also guarantees that it is not in one of the situations of impediment to the assumption of the assignment indicated in paragraph 11 of the aforementioned article.

REAG, furthermore, undertakes:

-to promptly notify the Customer of the possible occurrence of one of the aforementioned impediment situations;

-to abstain from the evaluation in case of conflict of interest in relation to the goods to be evaluated, giving timely notice to the Customer.

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 report.

Time limit for refutations, Complaints, Limitation period of the action

Without prejudice to any applicable binding laws, and on pain of forfeiture, the Client may demonstrate dissatisfaction to REAG by sending a complaint via e-mail to customercare@reag-dp.com within 30 days of receipt of the Report. Said complaint shall state the reasons for the dissatisfaction and any faults, errors and/or dissimilarities being contested. In order to accept and respect the requests of the Client, REAG shall carefully review any claim, verifying and analysing the work.

REAG and the Client herewith expressly acknowledge and declare that this agreement constitutes a services supply agreement and, hence, any action against Duff & Phelps REAG is subject to a two-year limitation period, as per Art 1667 of the Italian Civil Code.

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Duff & Phelps REAG S.p.A.
Centro Direzionale Colleoni
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RICS

DNV·GL

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COIMA SGR S.p.A.

30th June 2020

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 2020
Pos. n° 21507.06

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

To the kind attention of Mr Antonio Del Buono

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, 2020 – 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, 2020.

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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REAGinfo@duffandphelps.com

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Definitions

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

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

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- "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:

- In agreement with the Client and due to the particular pandemic situation caused by COVID 19 did not carry out any inspection of the assets constituting the CCF IV Fund but carried out a desktop analysis;
- considered the assets in the current rental status, as supplied by the Client, in the copy of lease agreements or in the excel file called "file "CORE IV_RENT ROLL";
- Considered IMU&TASI and Insurance amount 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

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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.

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Contents of the Report

The Executive Summary includes:

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

Conclusions

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

- collection, selection, analysis and valuation of the data and documents related to the Property;
- External and internal site inspection (if carried ou);
- carrying out of timely market surveys;
- technical-financial work-ups;

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

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Based on the investigation and the premises outlined

It is our opinion that as of June 30th, 2020, the Market Value of the Real Estate Properties (asset by asset) can be reasonably expressed as follows:

Market Value

Euro 78.243.000,00

(Euro Seventy-Eight Million Two Hundred and Forty-three Thousand/00)

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

The Market Value does not include the acquisition costs for the future buyer. Acquisition costs, according to the information provided by the Client and not verified by REAG, may be considered between 2.5% and 3% of the Market Value of the property.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.

Duff & Phelps REAG S.p.A.

Performed by:
Simone Macchi
Associate Director, Valuation & Investment

Supervision and control:
Marco Ugolini
Director, Valuation & Investment

Simone Spreafico
Managing Director, Advisory & Valuation Dept.

Paola Ricciardi
Country Managing Director

Mauro Corrada
Chief Executive Officer

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WORK TEAM:

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

Simone Spreafico – Managing Director, Advisory & Valuation Dept.

Marco Ugolini - Director, Advisory & Valuation Dept.

and collaboration of:

Simone Macchi – Senior Associate, Valuation & Investment

Centro Studi Reag – Analisi di Mercato

Micaela Beretta – Editing.

N.B.

The results of our findings can be understood only by reading the whole report, consisting of:
- Volume 0, including valuation criteria, assumptions and limiting conditions, general service conditions;
-N. 61 valuation reports and attachments.

ATTACHMENT:

- Attachment "A" - Summary of values.
- Assumptions and Limiting Conditions;
- General Service Conditions;

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ATTACHMENT A

SUMMARIES OF VALUES

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Market Values as of June 30th, 2020 – "Asset by asset"

Cod.	Asset	Prov.	City	Address	Market Value as of June 30th, 2020 (Euro)
1 - MI	1 MILANO	MI	Milano	Via Larga, 16	
2 - MI	2 MILANO	MI	Milano	Piazza De Angeli	
3 - MI	3 MILANO	MI	Milano	Corso Sempione, 77	
7 - MI	7 MELZO	MI	Melzo	Largo Gramsci, 1	
14 - CO	14 ERBA	CO	Erba	Via Volta, 2	
18 - CO	18 LURAGO	CO	Lurago d'Erba	Via Roma, 23	
22 - LC	22 LECCO	LC	Lecco	CASTELLO - Piazza G. Carducci, 8	
23 - LC	23 LECCO	LC	Lecco	MAGGIANICO - Corso E. Filiberto, 108/110	
25 - LC	25 LECCO	LC	Lecco	Viale Turati, 48 - Via Petrarca, 4	
30 - LC	30 CASATENOVO	LC	Casatenovo	Via Cavour, 10/12	
33 - LC	33 COLICO	LC	Colico	Via Nazionale, 126 - Via Baronia, 1	
35 - LC	35 GALBIATE	LC	Galbiate	Piazza Don Gnocchi, 12 - Via Crocefisso	
36 - LC	36 INTROBIO	LC	Introbio	P.Za Dal Sagrato 8/10	
39 - LC	39 MANDELLO	LC	Mandello del lario	Via Manzoni, 21	
40 - LC	40 MERATE	LC	Merate	Via C. Bellini, 6 - Via Trento, 29	
41 - LC	41 OGGIONO	LC	Oggiono	Via Marco D'oggiono, 15	
42 - LC	42 OLGIATE MOLGORA	LC	Olgiate Molgora	Via Canova, 39	
43 - LC	43 OLGINATE	LC	Olginate	Via Radaelli, 24	
46 - LC	46 VALMADRERA	LC	Valmadrera	Via Stoppani, 2	
49 - MB	49 BRUGHERIO	MB	Brugherio	V.Le Lombardia, 179	
51 - MB	51 VEDANO AL LAMBRO	MB	Vedano al lambro	Viale C. Battisti, 42/B	
52 - VA	52 CASTELLANZA	VA	Castellanza	Corso Matteotti, 19-19A	
54 - BI	54 BIELLA	BI	Biella	Via Losana, 22	
60 - VR 2	60 VERONA	VR	Verona	Corso Porta Nuova, 125	
61 - VE	61 MESTRE	VE	Mestre	Riviera XX Settembre, 13/15/17	
64 - BO	64 BOLOGNA	BO	Bologna	Via Emilia Levante, 113	
71 - RM	71 ROMA	RM	Roma	Piazza Ss Apostoli 70/a7b7c/73	
6 - MI	6 MILANO	MI	Milano	Via Dei Martinitt, 3	
19 - CO 2	19B NOVEDRATE	CO	Novedrate	Via Prov. Novedratese, 8	
19 - CO	19 NOVEDRATE	CO	Novedrate	Via Prov. Novedratese, 8	
53 - TO	53 TORINO	TO	Torino	Via Arcivescovado, 7	
55 - GE	55 GENOVA	GE	Genova	V.Garibaldi,5 - PIAZZA PORTELLO 6	
62 - PD	62 PADOVA	PD	Padova	Piazza Alcide De Gasperi, 34/35/45a	
62 - PD 2	62B PADOVA	PD	Padova	Piazza Alcide De Gasperi, 34/35/45a	
66 - LI	66 LIVORNO	LI	Livorno	Via Carabinieri, 30	
67 - PO	67 PRATO	PO	Prato	Via F. Ferrucci, 41	
4 - MI	4 MILANO	MI	Milano	Via Pierluigi Da Palestrina, 2	
9 - BG	9 CAPRIATE	BG	Capriate	Via V. Veneto, 28/b - 28d	
15 - CO	15 GRANDATE	CO	Grandate	Via Statale Dei Giovi, 11/B	
63 - VI	63 THIENE	VI	Thiene	Piazza Cesare Battisti, 5	
65 - LU	65 BARGA	LU	Barga	Via Pascoli, 23/25/27	
68 - PO	68 MONTEMURLO	PO	Montemurlo	Via Provinciale. Scarpettini, 413	
70 - FI	70 SESTO FIORENTINO	FI	Sesto Fiorentino	Via Lucchese, 2/4/8 - PONTE A GIOGOLI 1	
11 - CO	11 ASSO	CO	Asso	Piazza Mons. Ratti, 5	
12 - CO	12 CANZO	CO	Canzo	Via Mazzini, 12/14	
13 - CO	13 CIVENNA	CO	Civenna	Via Provinciale, 52	
17 - CO	17B LIPOMO	CO	Lipomo	Via Belvedere, 1	
17 - CO 2	17 LIPOMO	CO	Lipomo	Via Belvedere, 1	
20 - CO	20 VALBRONA	CO	Valbrona	Via Vittorio Veneto, 9/11	
21 - LC	21 LECCO	LC	Lecco	ACQUATE - Via Belfiore, 15/A	
26 - LC	26 ABBADIA LARIANA	LC	Abbadia Lariana	Via Nazionale, 42	
27 - LC	27 BARZIO	LC	Barzio	Via Roma, 47/49	
28 - LC	28 BRIVIO	LC	Brivio	Piazza Della Vittoria, 3/4/5	
31 - LC	31 CASSAGO BRIANZA	LC	Cassago Brianza	Piazza Visconti, 10	
32 - LC	32 CIVATE	LC	Civate	Via Manzoni, 1	
34 - LC	34 DERVIO	LC	Dervio	Via Diaz, 62	
37 - LC	37 LIERNA	LC	Lierna	Via Roma, 124/126	
38 - LC	38 MALGRATE	LC	Malgrate	Via San Leonardo, 16/B-C	
44 - LC	44 PADERNO DADDA	LC	Paderno d'Adda	Via Volta, 10/12	
45 - LC	45 ROVAGNATE	LC	Rovagnate	Via Vittorio Veneto, 8	
48 - LC	48 VERCURAGO	LC	Vercurago	Via Roma, 66	
			Total M.V. - Asset by Asset (Euro)		78.243.000,00

Duff & Phelps REAG S.p.A. | COIMA SGR SpA 10
Ref. N. 21507.06– 30th June 2020 - EXECUTIVE SUMMARY

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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).

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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.

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GENERAL SERVICE CONDITIONS

Agreement

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

Assignment

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

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

Client of Record

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

Communication

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

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Contingent Fees

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

Confidentiality of data and information.

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

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

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

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

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

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

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

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

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Data Protection

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

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

Force Majeure

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

Governing Law, Jurisdiction and Venue

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

Indemnification

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

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

Independent Contractor

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

Limits on the Use of the Work

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

Matters legal in nature

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

Reliance on Information Provided by the Client

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

Retention

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

Standards of Performance

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

Testimony

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

Ethical code – Model 231

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

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

Clash of Interests

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

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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.

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

DUFF & PHELPS

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