Real Estate SIIQ

COIMA RES

Financial statements

for the period ending March 31st, 2017

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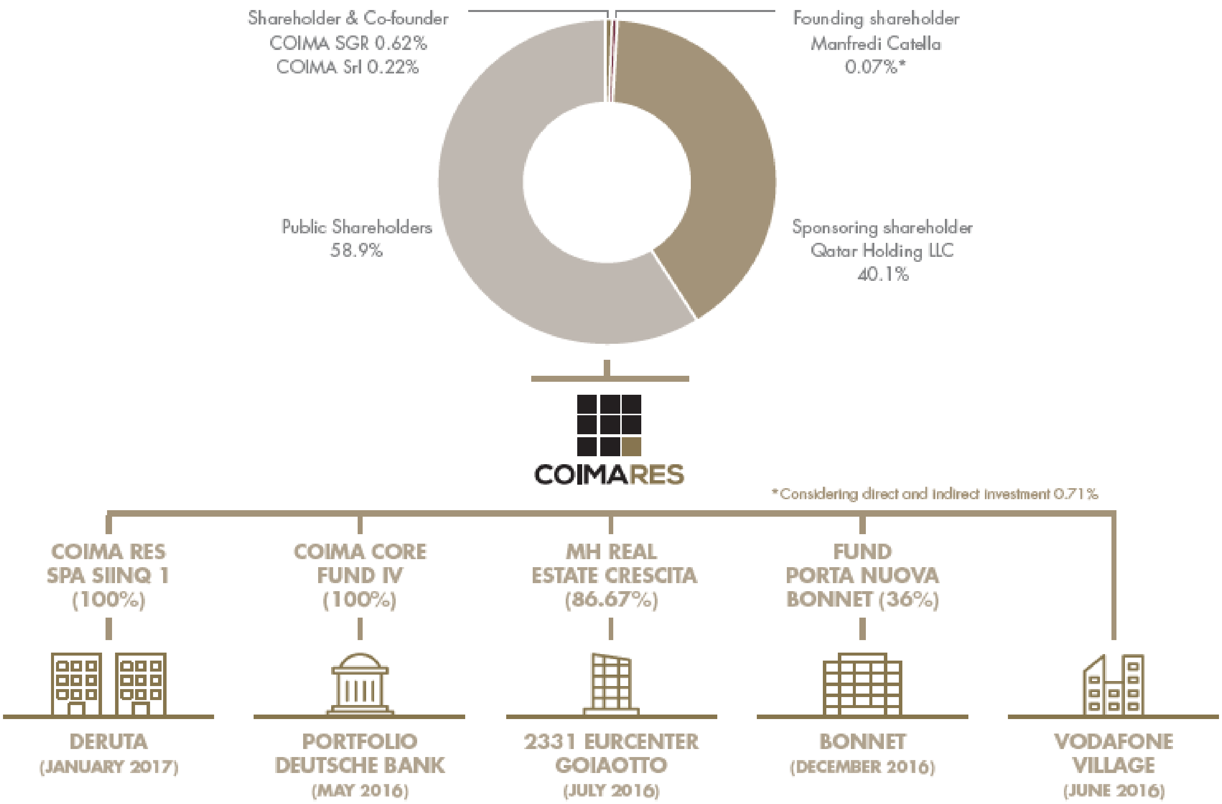
CORPORATE INFORMATION

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

SHAREHOLDERS

Established by Manfredi Catella in agreement with COIMA and COIMA SGR, and with Qatar Holding LLC as primary sponsor of the venture; since May 2016, COIMA RES is listed on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A.



GOVERNANCE

Board of Directors

Caio Massimo Capuano	Chairman, Non-Executive Director
Feras Abdulaziz Al-Naama	Vice President, Independent Director
Manfredi Catella	Key Manager (CEO), Executive Director
Gabriele Bonfiglioli	Key Manager, Executive Director
Matteo Ravà	Key Manager, Executive Director
Agostino Ardissone	Independent Director
Alessandra Stabilini	Independent Director
Michel Vauclair	Independent Director
Laura Zanetti	Independent Director

Board of Statutory Auditors

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

Laura Zanetti	Chairman
Alessandra Stabilini	Member
Caio Massimo Capuano	Member

Investment Committee

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

Control and Risk Committee

Agostino Ardissone	Chairman
Alessandra Stabilini	Member
Laura Zanetti	Member

Internal Audit and Compliance

The Internal Audit and Compliance functions are outsourced to a specialized company named Tema S.r.l., which has designated Mr. Arturo Sanguinetti as responsible for Internal Audit and Mr. Massimiliano Forte for Compliance.

Risk Manager

Risk management is outsourced to a specialized company named Macfin, which has designated Mr. Emerico Amari di Sant'Adriano as responsible for such function.

External Auditors

The shareholders' meeting held on February 1st, 2016 appointed Ernst & Young S.p.A. as auditors 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

EXECUTIVE SUMMARY

Governance Strengthened Further, Business Plan Ahead of Schedule.
Following are the Q1 2017 highlights.

Board increases its independence consolidating the Company governance in line with the best international practice

On April 26th, 2017, the Board of Directors, upon proposal of Manfredi Catella, COIMA RES' Founder & CEO, jointly with senior management, in line with the overall objective of COIMA RES of further strengthening its corporate governance towards best in class practices, has appointed two new independent directors of high international standing and broad experience in managing listed real estate companies: Luciano Gabriel and Olivier Elamine.

In addition, Olivier Elamine has been also appointed as member of the Compensation Committee and Luciano Gabriel as member of the Control and Risk Committee.

These appointments further strengthen the Board of Directors and corporate governance of COIMA RES.

Matteo Ravà and Gabriele Bonfiglioli have concurrently resigned from their roles as executive directors in order to increase the degree of independence of the Board.

This step further confirms the full alignment of COIMA RES' senior management with shareholders, provides independent and transparent governance and simplifies the relationship with COIMA SGR.

Acquisition of Via Deruta drives continued portfolio growth

On January 16th, 2017 COIMA RES finalised the agreement to purchase the Via Deruta real estate complex for Euro 47 million (including Euro 1 million of transaction costs). The acquisition comprises two fully occupied Grade "A" office buildings in Milan with net rental area, net of parking, of about 12,422 square metres.
The complex generates a 6.9% gross yield and an EPRA net initial yield of 6.3% calculated on fair value of the property.

Including the Via Deruta acquisition, about Euro 440 million of investment properties have been acquired since IPO, in addition to the Deutsche Bank seed portfolio, bringing the total COIMA RES investment portfolio to about Euro 577[1] million, generating an EPRA net initial yield of 5.4%.

Following acquisition of the Via Deruta complex, residual investment capacity amounts to about Euro 100 million, based on the current LTV of 33.5% and our LTV target below 45%.

Additional Q1 2017 highlights include:

- **NH Hotel lease renewal and refurbishment:** On January 23rd, 2017, COIMA RES finalised a renewed and extended lease for the portion used as a hotel (ca. 6,600 sqm) of the Gioiaotto building in Milan. The new lease will last 9 years with no possibility to withdraw plus a renewal option for a further 6 years. The minimum stabilised annual rent was agreed at Euro 1.5 million – 120% above in-place rents. The contract is 100% index-linked and also puts in place a possible rent increase based on the hotel's annual turnover. NH Hotel Group additionally undertook to invest about Euro 4 million in modernisation capex by the end of 2018, of which COIMA RES will contribute Euro 1.4 million.

[1] Pro-forma data considering Bonnet pro-rata

- **MHREC refinancing:** On April 12th, 2017, COIMA RES announced the refinancing of a Euro 73 million loan related to the MHREC portfolio, achieving a 25bps reduction (from the current margin of 175bps to 150bps above Euribor). Additionally, the loan maturity was extended by 3.7 years.
- **First dividend payment in April 2017:** On March 17th, 2017 the shareholders' meeting approved the distribution of a dividend of Euro 4,068,352 (Euro 0.11 per share) corresponding to 70% of statutory distributable profits. In addition, the Board has approved future dividend distributions to be made – if all applicable legal and financial conditions exist - twice a year (indicatively, in the second and the fourth quarter each year). The next expected dividend distribution will therefore be made in Q4 2017.
- **New Investor Relations Director:** The COIMA RES team has been strengthened with the hiring of Alberto Goretti in the role of Investor Relations Director. Alberto joins COIMA RES from UBS where he spent more than 10 years advising corporates, financial institutions, private equity firms, governments and institutional investors on equity capital markets transactions on a pan-European basis.

Note on forward looking information

The condensed interim consolidated financial statements contain forecasts and estimates which reflect current management expectations of future events and developments and, therefore, by their nature as forecasts and estimates involve risks and uncertainties. Taking into account such risks and uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements which should not be considered as forecasts of actual results. The ability of COIMA RES to achieve the expected results depends on many factors outside of management's control. Actual results could cause the results to differ materially (and to be less favourable) from those expressed or implied in the forward-looking statements. Such forecasts and estimates involve risks and uncertainties that may significantly affect the expected results and are based on certain key assumptions. The forecasts and estimates expressed herein are based on information made available to COIMA RES as of the date hereof. COIMA RES does not assume any obligation to publicly update and review these forward-looking statements to reflect new information, events or other circumstances, subject to compliance with applicable laws.

PORTFOLIO AS OF MARCH 31ST, 2017

As of March 31st, 2017, COIMA RES' portfolio totals Euro 577[2] million and includes the Deutsche Bank portfolio, the real estate complex known as "Vodafone Village", Gioiaotto, 2331 Eur Center, the Bonnet complex and the Deruta complex.

The net rentable area is 156,411 square meters and gross initial rents are approximately Euro 33.1 million. The overall initial portfolio WALT is approximately 8.3 years, the EPRA net initial yield is 5.4%.

In relation to the investment activity, on January 16th, 2017 COIMA RES finalised the agreement to purchase, for Euro 47 million (including Euro 1 million of transaction costs) a real estate complex consisting of two buildings, located in Milan in Via Privata Deruta n. 19 from Immobiliare Deruta 2005 S.a.s. (a vehicle fully controlled by Warburg HIH Real estate GmbH). The fair value of the property is Euro 51.2 million according to the report issued by CBRE in the context of the acquisition.

The two Grade "A" office buildings comprise a total net surface area, net of parking, of about 12,422 square metres and are fully leased to BNL - Gruppo BNP Paribas, on a 6 year lease (plus 6 year renewal option). The residual WALT is 5 years, with the first expiry date on December 31st, 2021.

The complex generates annual gross rent of Euro 3.6 million, equating to a 6.9% gross yield and an EPRA net initial yield of 6.3% calculated on fair value of the property.

In relation to disposal activity, on March 13th, 2017, COIMA CORE FUND IV finalised the sale of a bank-branch asset within the Deutsche Bank portfolio, located in Gravedona – Viale Stampa for a price of Euro 345 thousand at a capital gain of 4.5% on book value.

[2] Pro-forma data considering Bonnet look through.

Main figures of real estate portfolio as at March 31st, 2017

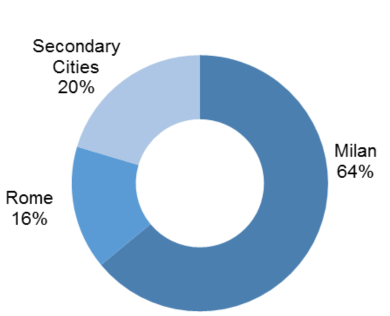
	Deutsche Bank Portfolio	Vodafone Village	Gioiaotto	2331 Eurcenter	Bonnet	Deruta 19	Portfolio March 31st, 2017
City	Various	Milano	Milano	Rome	Milan	Milan	-
Address	Various	Lorenteggio 240	Melchiorre Gioia 6-8	Piazzale Sturzo 23-31	Via Bonnet	Via Deruta	-
Sub-market	Various	Lorenteggio BD	Porta Nuova BD	EUR BD	Porta Nuova BD	Piazza Udine BD	-
Asset class	Bank Branches	Office	Office Hotel Retail	Office Retail	Office Retail	Office	-
% of ownership	100.0%	100.0%	86.7%	86.7%	35.7%	100.0%	-
NRA excluding parkings (sqm)	57,836	39,991	13,032	13,530	19,600	12,422	**156,411**
EPRA occupancy rate	86%	100%	100%	100%	13%	100%	**96%**
Tenants (#)	1	1	9	10	6	1	**28**
WALT (years)	9.6	9.8	7.1	5.2	2.8	4.8	**8.3**
Gross initial rents (€/m)	7.5	13.9	2.9	5.0	0.3[3]	3.6	**33.1**
Net initial rents (€/m)	6.1	12.8	2.5	4.4	0.2[3]	3.2	**29.4**
Gross stabilised rents (€/m)	7.5	13.9	4.0	5.1	0.3[3]	3.6	**34.4**
Net stabilised rents (€/m)	6.1	12.8	3.6	4.5	0.3[3]	3.2	**30.6**
Expected gross stabilised rents (€/m)	7.5	13.9	4.0	5.1	3.1[3]	3.6	**37.2**
Expected net stabilised rents (€/m)	6.1	12.8	3.6	4.5	2.9[3]	3.2	**33.2**
Fair Value (€/m)	138.3	207.0	66.8	80.7	33.0[3]	51.2	**577.0**
Gross initial yield[4]	5.4%	6.7%	4.4%	6.2%	n.m.	6.9%	**6.1%**
EPRA net initial yield[4]	4.4%	6.2%	3.8%	5.5%	n.m.	6.3%	**5.4%**
Gross stabilised yield[4]	5.4%	6.7%	6.1%	6.3%	n.m.	6.9%	**6.3%**
EPRA topped-up NIY[4]	4.4%	6.2%	5.4%	5.6%	n.m.	6.3%	**5.6%**
Expected gross stabilised yield	5.9%[5]	6.7%	6.1%	6.3%	6.2%[6]	6.9%	**6.4%**
Expected net stabilised yield	4.8%[5]	6.2%	5.4%	5.6%	5.7%[6]	6.3%	**5.7%**

[3] Pro-quota (35.7%)
[4] Excluding the redevelopment of Bonnet
[5] Vacant buildings excluded from the calculated amount
[6] Expected capex taken into account (hard & soft costs)

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

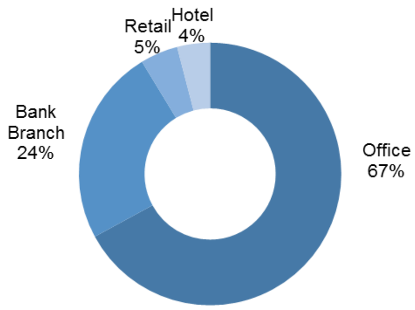
- on Italy's most attractive markets (Milan 64% and Rome 16%);
- office use;
- primarily income-producing assets.

Breakdown of fair value by geography



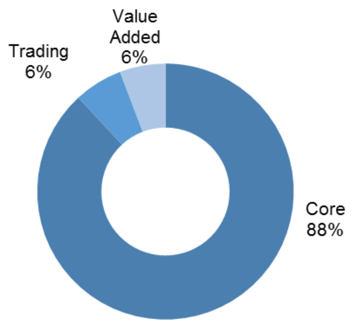
80% of portfolio located in liquid markets

Breakdown of fair value by use



67% of portfolio comprised of office assets

Breakdown of fair value by strategy



Focus on core prime assets

Active asset management plan under execution across all properties

The Company is focused on improving property income and capital values at the asset level while maintaining a moderate risk-profile for the overall portfolio. In particular, an active asset management plan for the entire portfolio is focused on the following main areas: lease re-gearing and risk reduction, optimization of financing costs and debt profile and capital recycling. In particular:

Lease re-gearing

- COIMA RES finalised a renewed and extended lease for the portion used as a hotel (ca. 6,600 sqm) of the Gioiaotto building in Milan. The new lease – signed with the NH Hotel Group and in force as of January 1st, 2017 – will last 9 years with no possibility to withdraw plus a renewal option for a further 6 years. The minimum stabilised annual rent was agreed at Euro 1.5 million per annum – 120% above the in-place level. The contract additionally establishes a possible rent increase based on the hotel's annual turnover. Furthermore, the rent has been 100% index-linked. At the same time, NH Hotel Group undertook to invest in modernisation and renovation works on the building for about Euro 4 million, by the end of 2018. MH Real Estate Crescita Fund ("MHREC") – owned 86.7% and fully consolidated by COIMA RES – will contribute Euro 1.4 million to this capital outlay.

Optimization of financing costs and debt profile:

- Refinancing of the existing loan related to the MHREC portfolio:
  - Refinancing value: Euro 73 million (repayment of Euro 5 million);
  - Margin lowered by 25 bps (from 175 bps to 150 bps) for a savings of approximately Euro 110,000 per year;
  - Maturity extension: 3.7 years – from June 30th, 2018 to March 31st, 2022;
  - Weighted average "all in" cost of debt for COIMA RES is 1.97%, 80% hedged.

Ongoing disposal program on selected Deutsche Bank assets

- Execution of a sales and purchase agreement on the asset in Gravedona – Viale Stampa for Euro 345 thousand (4.5% above appraised value);
- Acceptance of offer by a third party to purchase the asset in Casargo – Via Italia for Euro 195 thousand (8.3% above appraised value).

Other initiatives on the Deutsche Bank assets

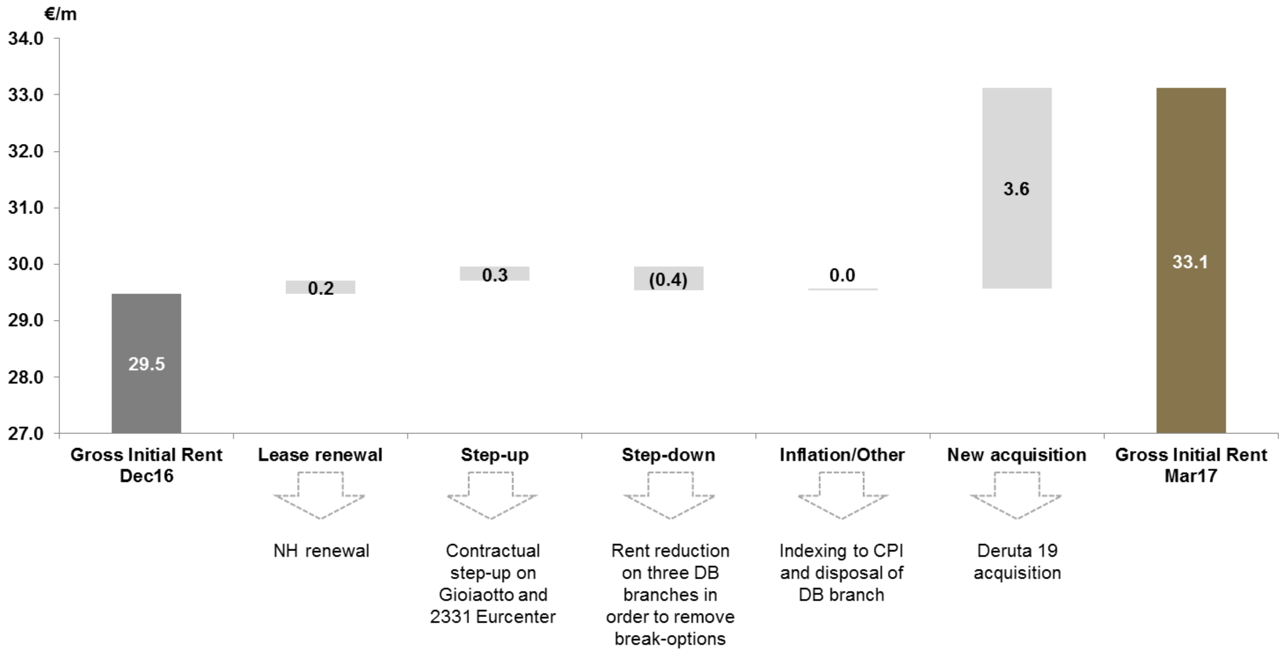
- Property tax (IMU) reduction of 50% obtained for Rome branch (Piazza Ss Apostoli);
- Further potential property tax reductions for other branches under investigation.

Re-positioning and/or upgrading of assets

- Bonnet: process for the selection and appointment of the consultant team and design team; commencement of entitlement process;
- 2331 Eurcenter: received approval from planning authorities to increase rooftop areas; preliminary leasing activity with current tenants in order to pre-let incremental areas;
- Deruta 19: project to i) increase capacity of the complex and ii) optimize energy performance for the benefit of the tenant.

Rent evolution

The graph below summarises the rents evolution for the period ending March 31st, 2017.



FINANCIAL HIGHLIGHTS

Solid financial results reflecting acquisitions executed more quickly than expected.

The financials as of March 31st, 2017 are summarized in the table below.

(in million Euro)	*March 31st, 2017*	*per share*
Total property value[7]	544.0	
EPRA Net Initial Yield	5.4%	
EPRA NAV	365.6	10.15
Debt position	303.6	
Cash position	80.3	
Net Loan To Value[8]	33.5%	
Revenues	8.8	
NOI	7.4	
EBITDA	5.1	
FFO	3.8	
Profit for the period	7.5	0.21
EPRA Earnings	3.6	0.10

Growth of EPRA NAV in first quarter

EPRA Net Asset Value per share at March 31st, 2017 was Euro 10.15, an increase of 2.0% pre FY 2016 dividend payment and of 0.9% post FY 2016 dividend payment.
The above mentioned increase is largely due to the operating profit for the period and to the revaluation of the Deruta 19 property.

COIMA RES internal team grows

COIMA RES internal team increased to 5 employees with the hiring of Alberto Goretti as Investor Relations Director. Additionally, the team includes our CFO, Investment Director, Planning and Control Manager and Finance Associate.

COIMA RES additionally benefits from the COIMA platform (including COIMA SGR and COIMA S.r.l.), which is underpinned by a market-leading investment and asset management track record established over 40 years of successful execution of core and growth projects, such as Porta Nuova in Milan.

Remaining fire power at revised LTV target

Following the acquisitions of Deruta the remaining firepower is approximately Euro 100 million at the current LTV target of below 45%.

Pipeline under due diligence

The current pipeline under analysis is focused on core office acquisitions in Milan with expected EPRA NIYs of 5.0% - 6.0% based on acquisitions made to date. As elaborated in the market overview section of this report,

[7] Considering pro-quota of Bonnet (Euro 33 million), the total property value is Euro 577 million.
[8] Net loan to value excluding Euro 40.8 million of debt related to VAT paid for Vodafone acquisition, expected to be repaid with proceeds from VAT receivables in 2018.

yield compression continues to affect pricing for quality assets in prime and secondary locations in Italy's main office markets. Considering management's strong track record of value creation in core-plus and value-added projects and the current market opportunities in these segments, we will consider selective investments in these types of assets for the COIMA RES portfolio. Our aim is to boost shareholder returns and add a component of NAV upside to our income-generating portfolio, while maintaining a moderate risk profile. In addition, given limited remaining firepower, JV structures will be considered to increase COIMA RES' exposure to compelling market opportunities. The overall objective remains unchanged: to build a focused portfolio of high-quality assets, with a diversified tenant base and attractive risk-adjusted returns.

Roadshow activity

Along with ordinary roadshow commitments, COIMA RES organizes a monthly call with the aim of keeping the market informed about the Italian real estate sector outlook and notable transactions in Italian investment markets. The next monthly calls are scheduled for April 27th (which will also serve as our Q1 results call), May 25th and June 29th, 2017. Management will be on roadshow in London, in Milan, in Paris and in Luxembourg between May and June and will attend the Kempen European Property Seminar in Amsterdam on June 7th, 2017.

ITALY: ECONOMIC AND REAL ESTATE MARKET CONDITIONS

Italian Government agenda

Italy has remained politically stable over the last five months, despite the outcome of the December 2016 referendum, which was followed by Mr. Renzi's resignation as Prime Minister. Mr. Paolo Gentiloni, former foreign minister during Renzi's mandate, was promptly chosen by President Sergio Matterella to form a new government which was founded in December 2016.

Even though the referendum outcome and change in government leadership will most likely slow down the reform process, Mr. Gentiloni is intent on implementing reforms in order to i) reduce the Italian public debt ii) stimulate economic growth through fiscal incentives and investments and iii) pass a new electoral law before the next elections.

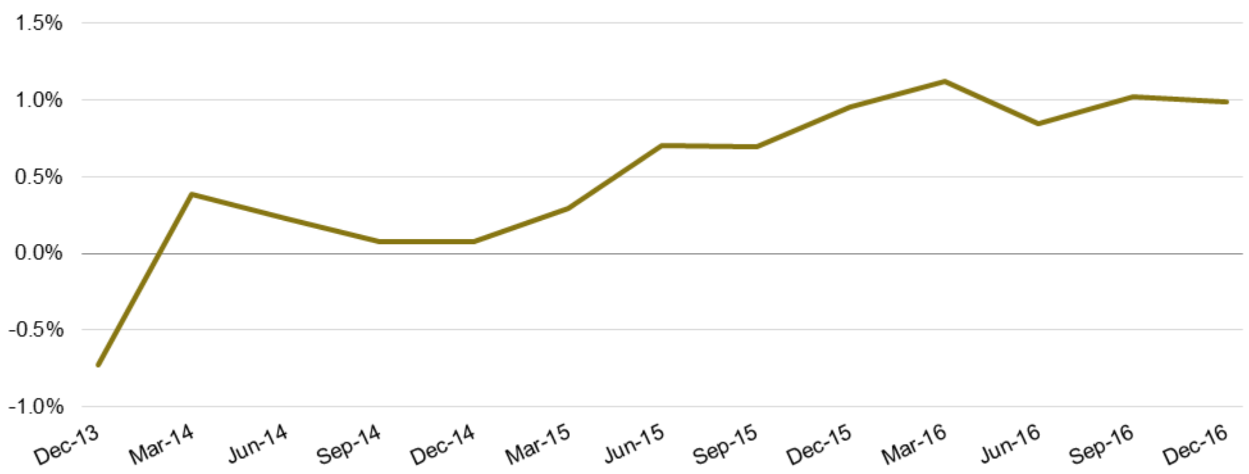
The expectation is that Mr. Gentiloni will hand over power to the winner of the general elections which, at the moment, are expected for Q2 2018.

Continued macroeconomic improvement in Italy

According to data released in Q1 2017 by the Italian National Institute for Statistics (ISTAT), real GDP rose for the 12th consecutive quarter during the Q4 2016, with annual growth running at, or near, 1% over recent quarters – a notable pickup from the lackluster growth recorded during 2014 and early 2015 (see chart).

Italy: Growth in Real GDP

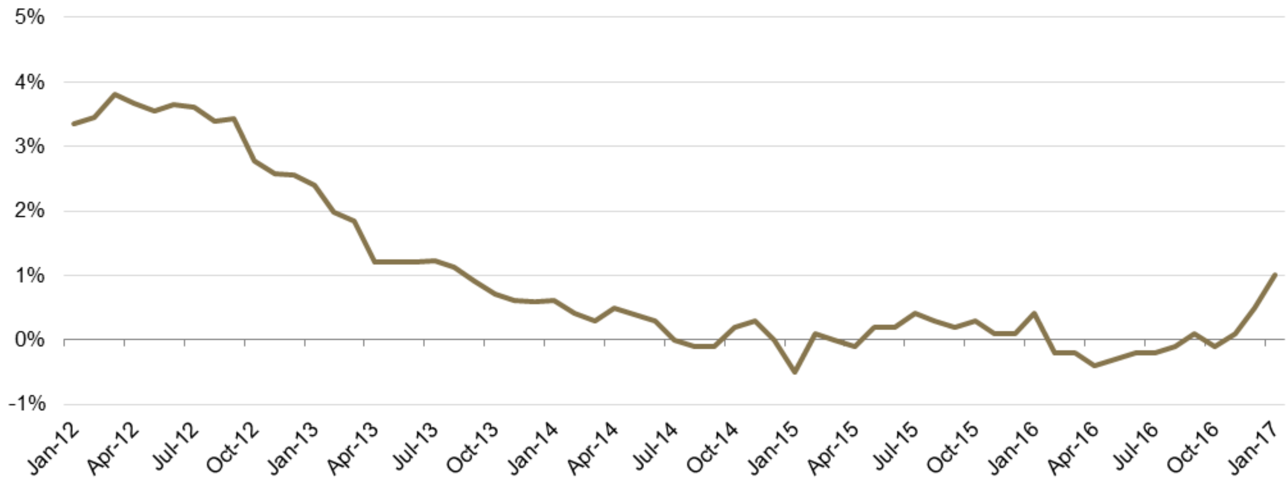
Pick Up in Pace in 2016



Source: National Institute of Statistics

After 2016 witnessed the first full year of deflation since 1959, Italy's January 2017 inflation came in at the highest level (+1%) since 2013.

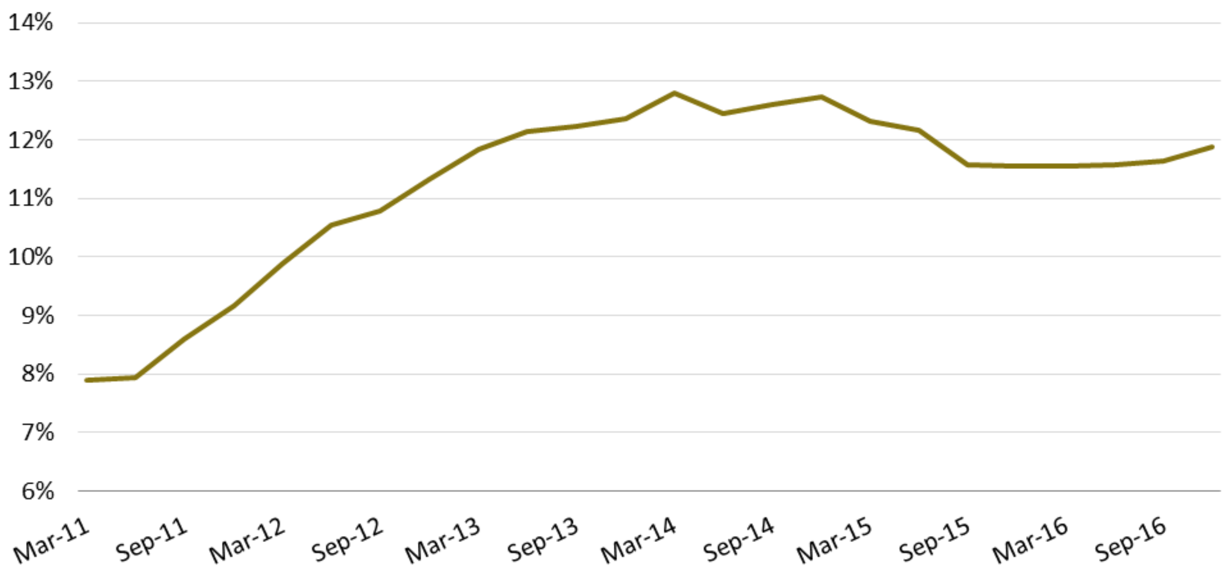
Italy: CPI Inflation Rate



Source: National Institute of Statistics

Regarding Italy's labor market, ISTAT's early estimates show unemployment decreased to 11.5% in February 2017 from 11.9% at the end of Q4 2016. The February 2017 figure represents the lowest unemployment rate recorded since August 2016, with 83,000 fewer individuals seeking work in February 2017 – the biggest monthly decrease since July 2015. Particularly encouraging was the decrease in the youth unemployment rate to 35.2% in February 2017, down from a recent peak of 39.7% recorded in November 2016.

Italy: Unemployment Rate
Improving but still a problem



Source: National Institute of Statistics

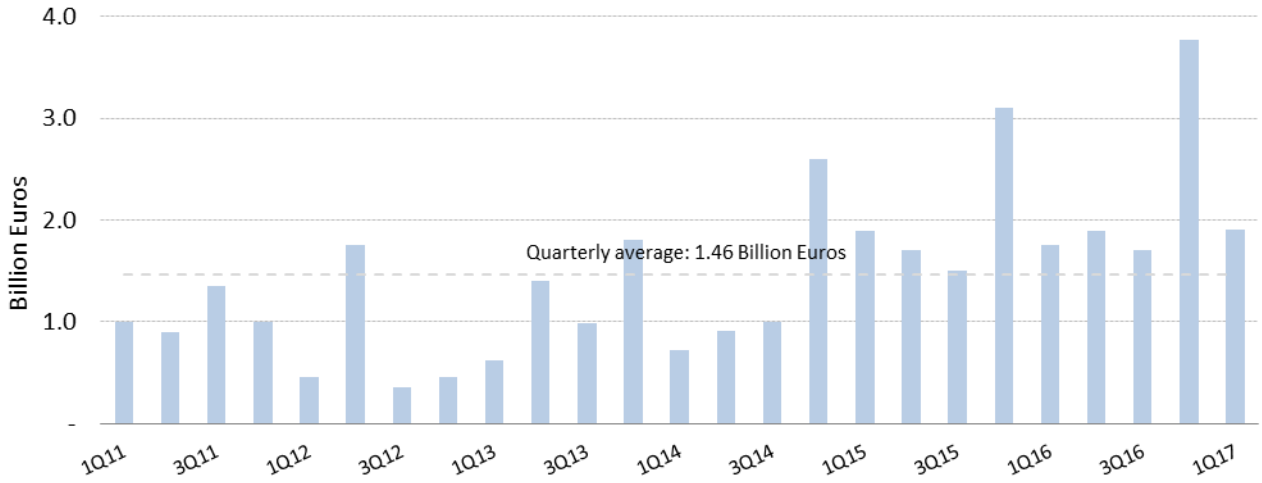
Italian banking sector stabilising

Italian banks have been strengthening and stabilising their capital position in coordination with the Italian government. In particular, during this first quarter 2017, Unicredit completed a Euro 13 billion capital increase, while the merger between Banco Popolare and BPM has been effective from January 2017 which followed a Euro 1 billion capital increase by Banco Popolare.

Capital increases by MPS (Euro 8.8 billion), Carige (up to Euro 450 million), Popolare di Vicenza and Veneto Banca (over Euro 5 billion), and UBI Banca (up to Euro 400 million) are expected in the coming months.

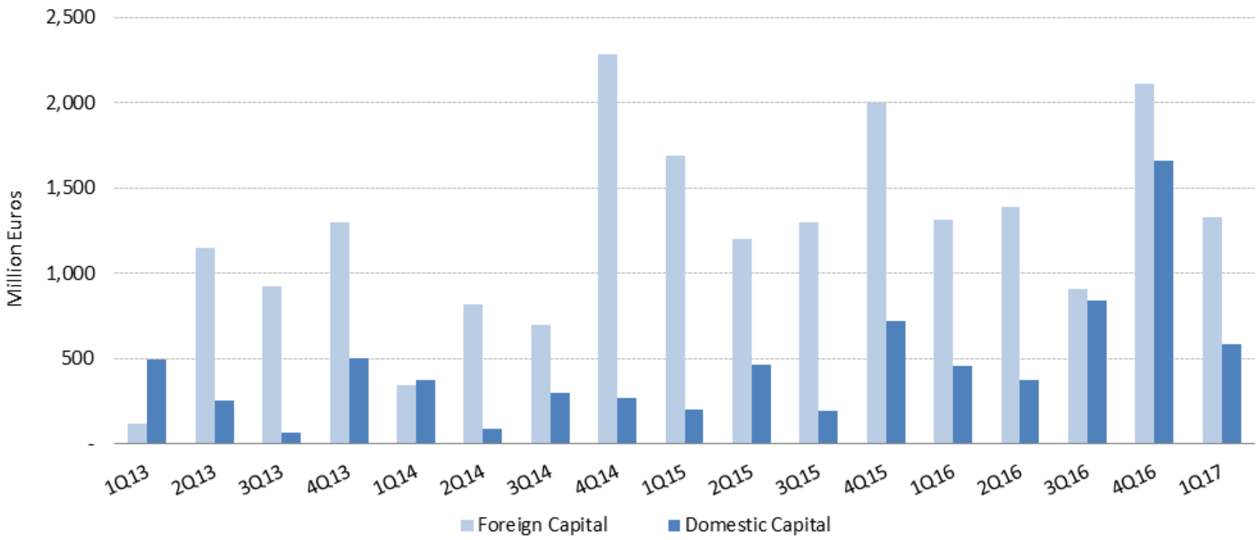
Foreign and domestic investors continue to invest in Italian real estate

The Italian real estate sector continues to benefit from the overall economic recovery and from the low interest-rate environment, encouraging strong competition for prime assets. Italian commercial real estate investment – in the combined office, retail, logistics and hotel sectors – reached Euro 1.9 billion during the first quarter of 2017, recording an increase of 8% versus Q1 2016.



Graph 1. Italian CRE Investment Volume[9]

Foreign investors still led Italian commercial real estate investment activity, accounting for 67% of the total investment volume in Q1 2017. North America remains the foremost contributor, followed by France (Euro 492 million in Q1 2017) and Germany (Euro 130 million). Domestic investors continue to show a significant appetite for the Italian real estate market, with a total invested volume of ca. Euro 580 million.

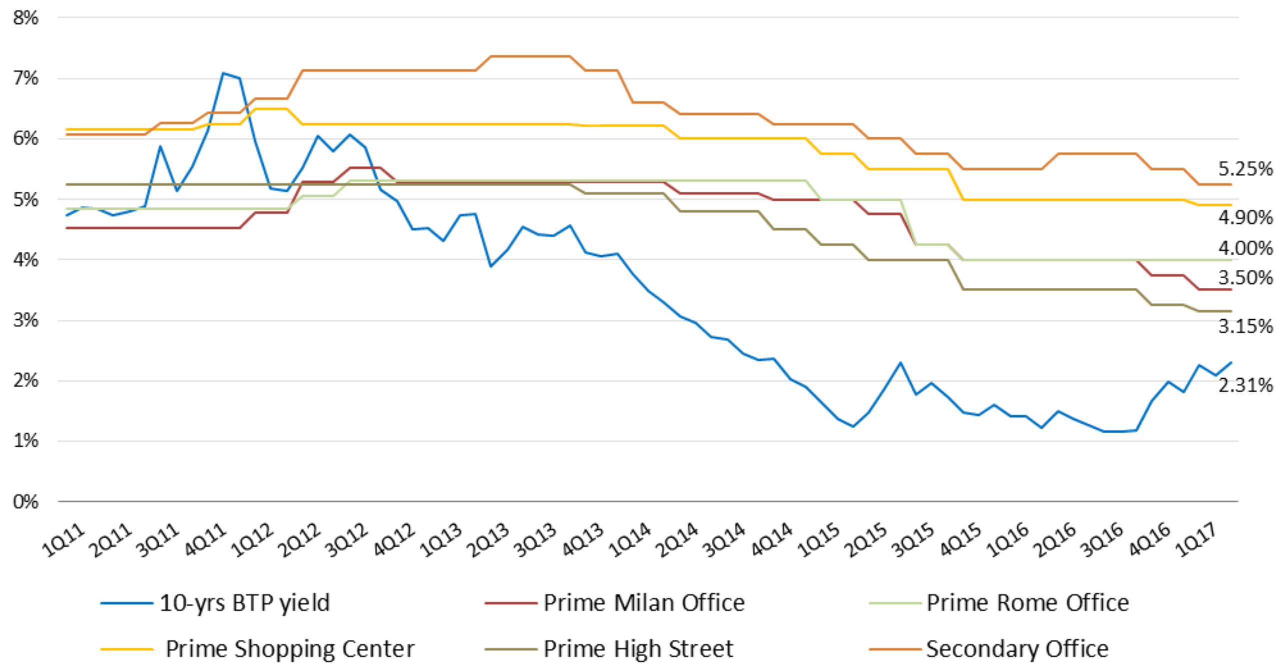


Graph 2. Italian CRE Market – Capital by origin[10]

[9] Source: CBRE Q1 2017 Data
[10] Source: CBRE Q1 2017 Data

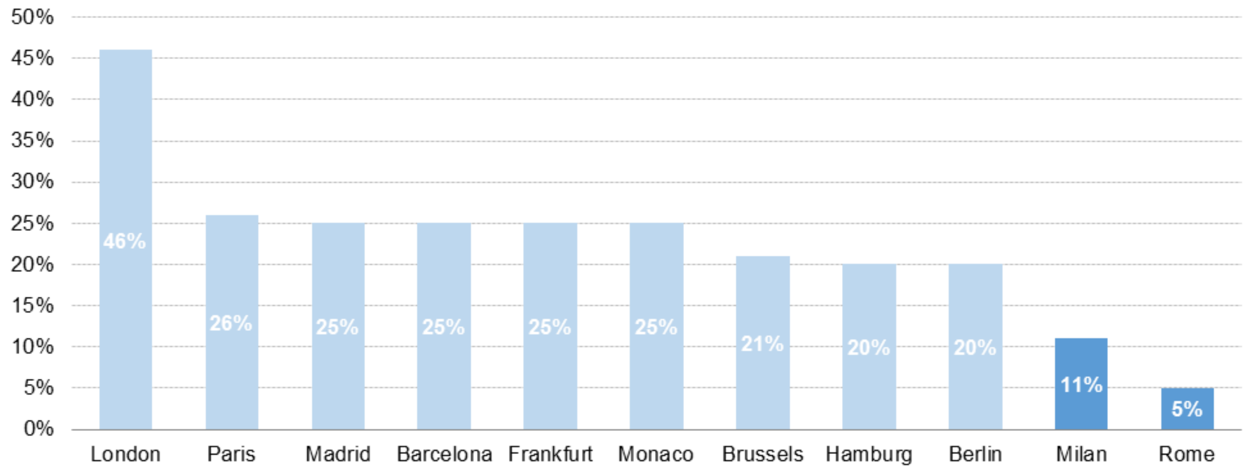
Yield compression in prime locations and lack of Grade A office space increases appeal of core+ and value-added opportunities

An ongoing supply/demand imbalance continues to put pressure on prime yields: net yields for prime offices in the Milan and Rome CBDs have declined to lows of 3.50% and 4.0%. In line, Class-A office assets in good secondary locations have equally experienced yield compression, with net yields around 5.25% at the end of 2016 – down 25 basis points from the fourth quarter and poised for further yield compression looking ahead.



Graph 3. Italian CRE Prime Net Yields[11]

The Italian Real Estate market continues to suffer from a chronic shortage of quality assets, offering the lowest stock of Grade A buildings among European office markets. At the same time, investors continue to exhibit strong appetite for quality assets, with approximately 80% of total office investment volume involving Grade-A office buildings in the Milan area. This combination makes for interesting opportunities in the core+ and value-added investment sectors.

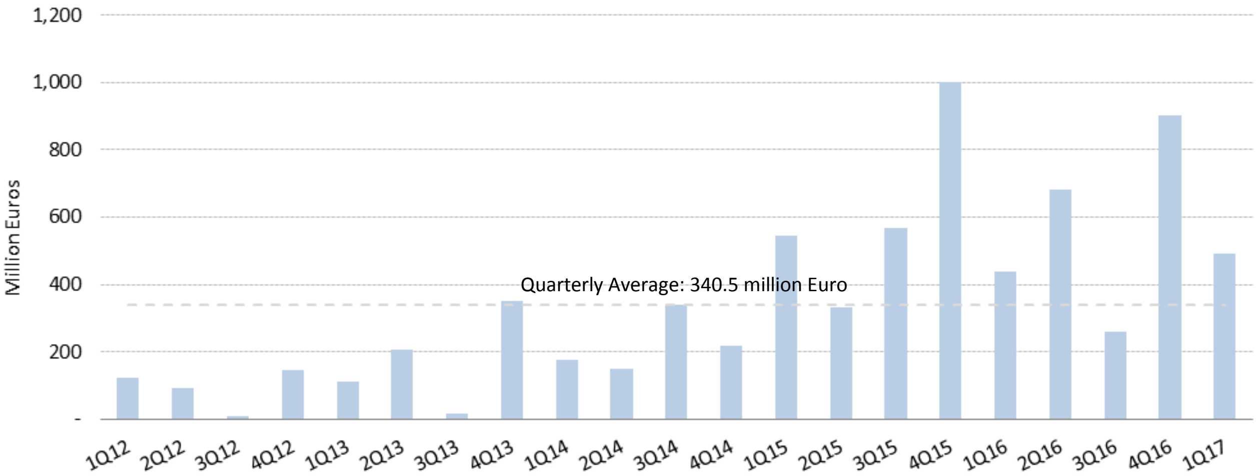


Graph 4. Grade A office stock over total office stock[12]

[11] Source: CBRE Report – Q1 2017
[12] Source: JLL Data – H1 2016

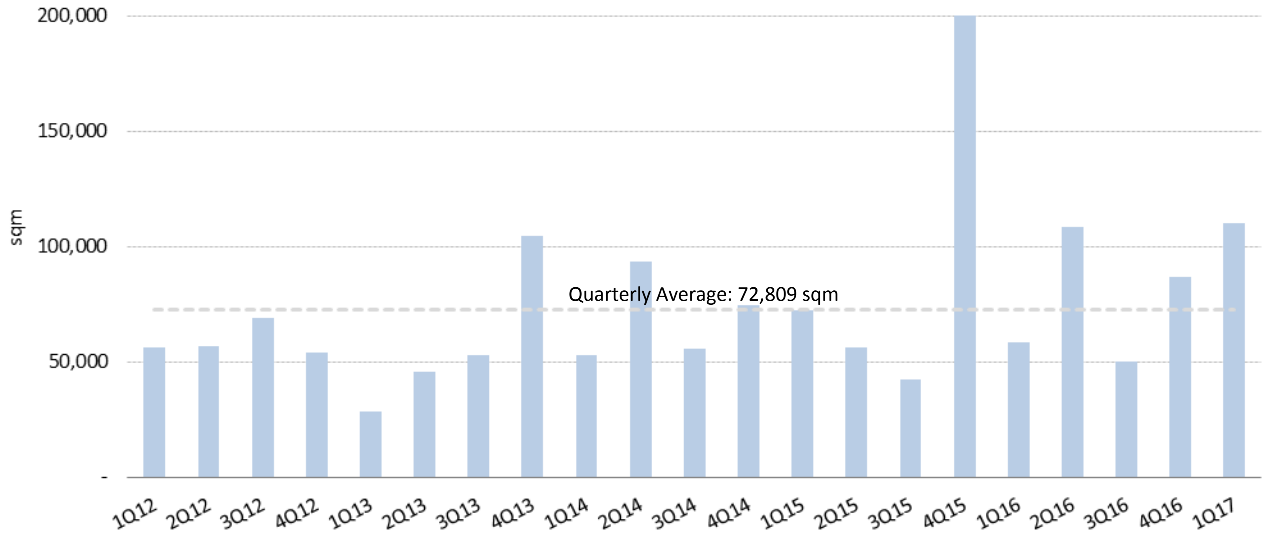
Milan's real estate market continues to attract the majority of investment demand

The economic soundness of the Milan economy, the quality of its infrastructure and the excellence of human capital continue to encourage formation of new companies and attract international-company interest for the Lombardy region – with resultant benefits for the real estate sector. Indeed, Milan remains by far the most active and best-performing real estate market in Italy, with over Euro 490 million of office investment transactions recorded in the first three months of 2017.



Graph 5. Milan Office Market Investment Volume [13]

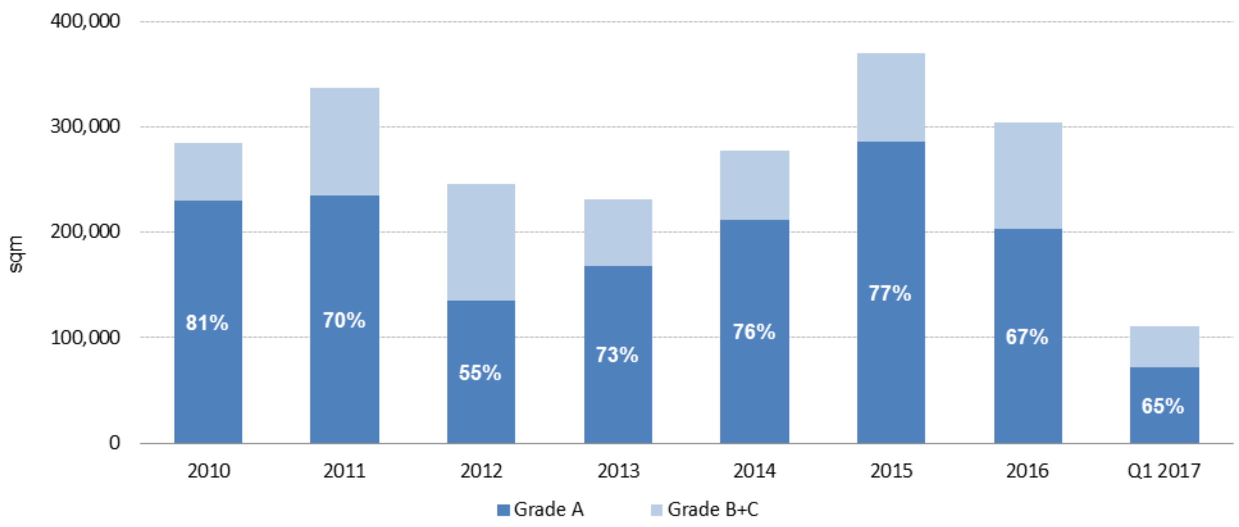
Occupational demand remained robust, with Q1 2017 take-up of 110,000 square metres, well above the five-year average.



Graph 6. Milan Office Market Take-Up Volume [14]

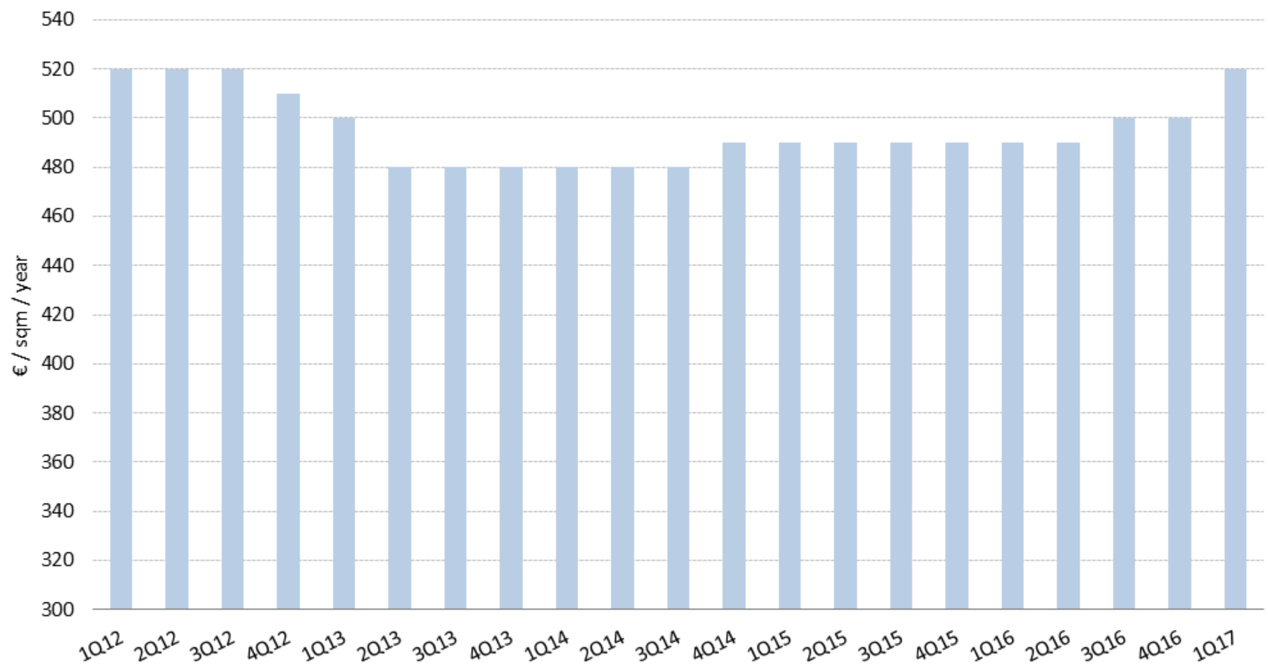
Tenant demand for quality spaces continues to be strong and increasing, with almost 65% of total office demand in the first quarter of 2017 focused on Grade A premises.

[13] Source: CBRE Report – Q1 2017
[14] Source: CBRE Report – Q1 2017



Graph 7. Milan Office Market Take-Up Volume [15]

Prime rent for Milan hit a new high of 520 €/sqm/year, recording a four years record, with the highest values still recorded in the CBD and Porta Nuova business district.

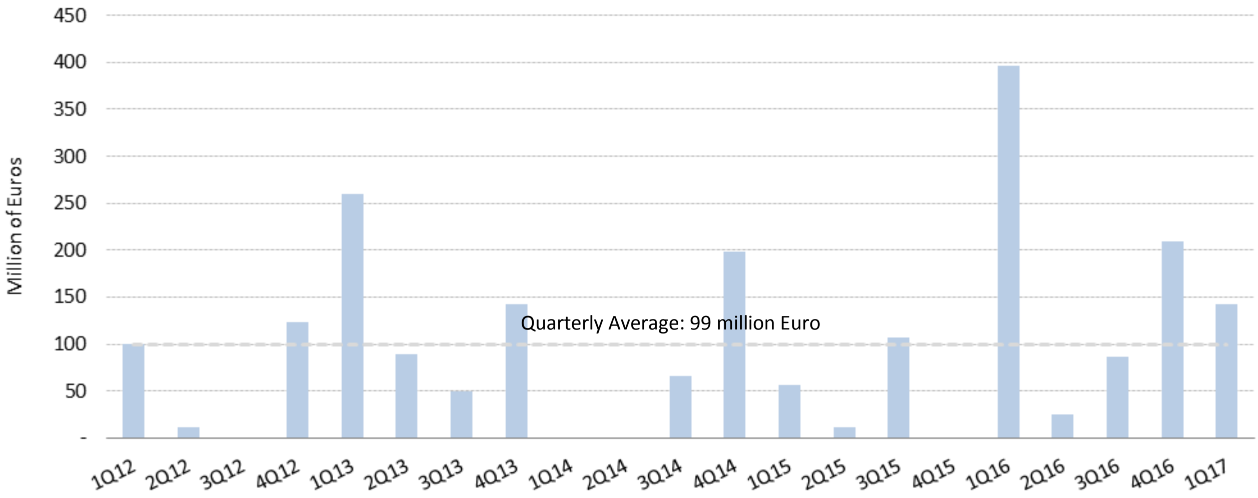


Graph 8. Milan Office Market Prime Rent[16]

Rome real estate market

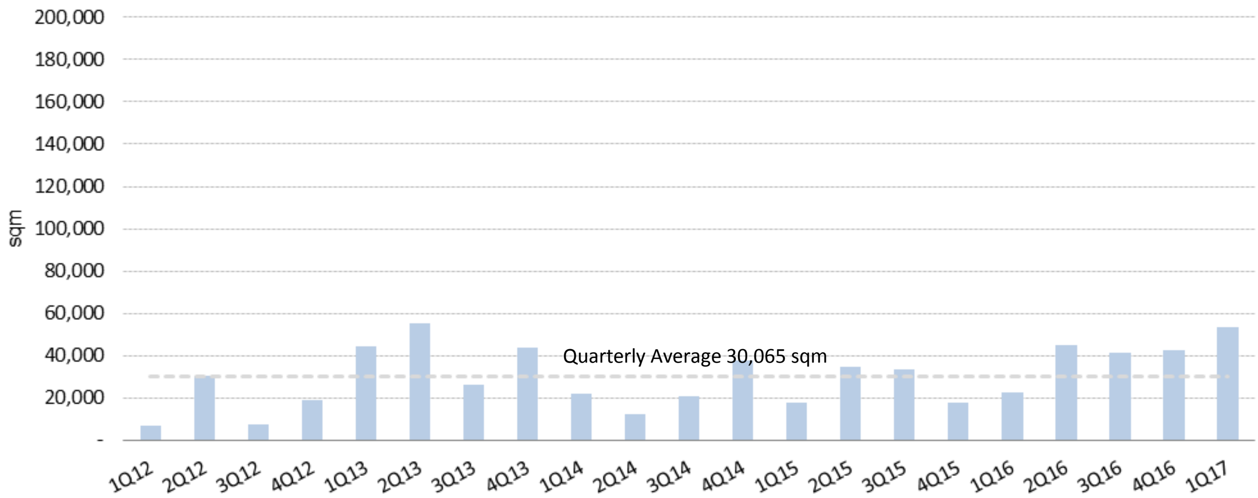
Rome’s real estate investment market is also experiencing significant growth, albeit from a much lower base than Milan. Q1 2017 office investment volumes in Rome reached ca. Euro 143 million – below the Q4 2016 figure, but above the five-year average. Unlike Milan, where cross-border demand is more prevalent, Roman office investments were driven substantially by domestic investors, who accounted for ~75% of the transaction volume.

[15] Source: CBRE Report – Q1 2017
[16] Source: CBRE Report – Q1 2017



Graph 9. Rome Office Market Investment Volume [17]

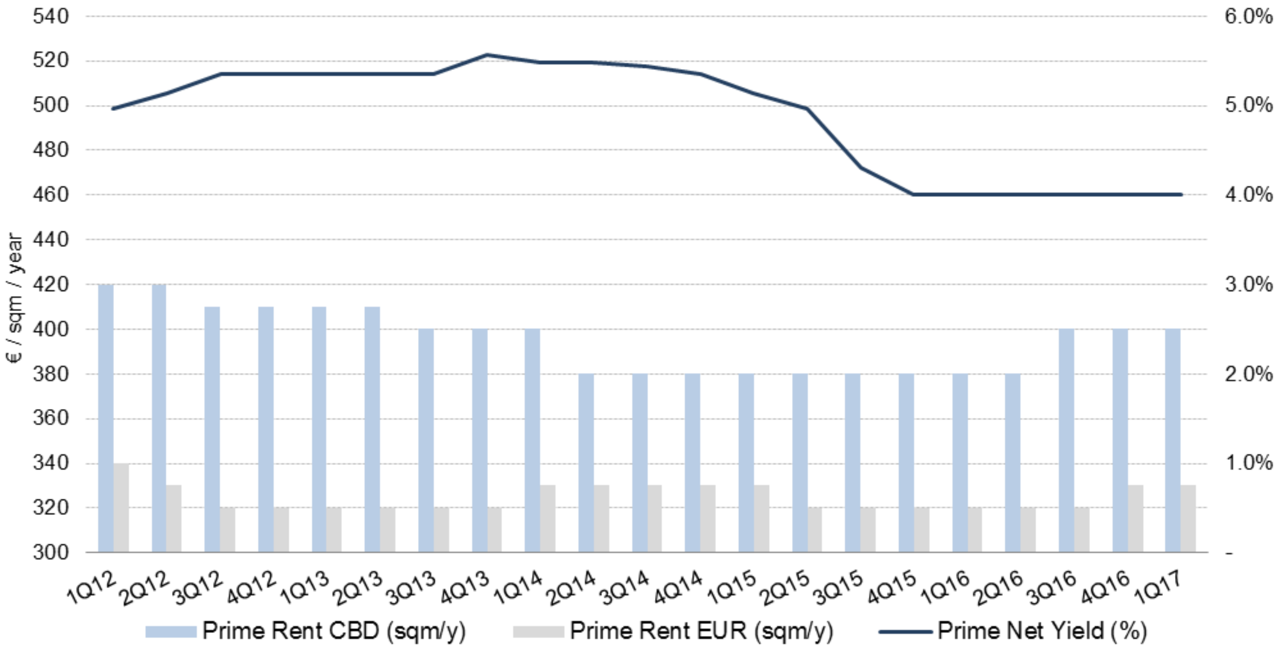
Occupational demand equally firmed during Q1 2017, with office take-up of ca. 53,000 square metres over the quarter – double the Q1 2015 figure.



Graph 10. Rome Office Market Take-Up Volume [18]

Office rents remained unchanged in Rome, after rising in the third quarter of 2016: CBD rents were €400 per square metre. Prime net yields remained stable at 4.0%.

[17] Source: CBRE Report – Q1 2017
[18] Source: CBRE Report – Q1 2017



Graph 11. Rome Office Market Prime Rent and Net Yield [19]

[19] Source: CBRE Report – Q1 2017

STATEMENT OF THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS

Pursuant to art. 154-bis, subsection 2 of the Italian Consolidated Law on Finance, the Manager responsible for preparing the Company's financial reports, Fulvio Di Gilio, hereby declares that the accounting information contained in this Interim Statement as at March 31st, 2017 corresponds to corporate records, books and accounts.

Milan, April 26th, 2017

Manager responsible for preparing the Company's financial reports

Fulvio Di Gilio

FINANCIAL RESULTS OVERVIEW

The table below shows the COIMA RES Balance Sheet as at March 31st, 2017.

(Million of Euros)	*March 31st, 2017*	*Bonnet Look-Through*	*Adjustments*	*Look-Through adjusted*
Investment properties	544.0	33.0		577.0
Financial asset	2.5			2.5
Investments accounted for using the equity method	16.0		-14.0	2.0
Vat receivable	38.0			38.0
Total LT assets	**600.5**			**619.5**
Trade receivables	9.7	0.2		9.9
Other assets	0.0			0.0
Cash	80.3	0.1		80.4
Total current assets	**90.0**			**90.3**
Total assets	**690.5**			**709.8**
Debt	303.6	19.0		322.6
Provisions	0.1			0.1
Other liabilities	0.6			0.6
Trade payables	9.9	0.3		10.2
Total liabilities	**314.2**			**333.6**
Minorities share of MHREC	-10.8			-10.8
NAV	**365.4**			**365.4**
NAV per share	10.15			10.15
Loan to Value	*33.5%*			*34.8%*
In-place annual rent	32.8	0.3		33.1
NOI margin	*89.4%*			*89.4%*
In-place NOI Yield	*5.4%*			*5.1%*

The financial table above includes a “Bonnet Look-Through” adjustment that displays our 35.7% equity investment in the Porta Nuova Bonnet fund on a proportionally consolidated basis, instead of on the basis of equity-method accounting. In line, the reported equity-accounted book-value of our Bonnet stake is deducted in the “Adjustment” column.

As of January 16th, 2017 the Company finalised the acquisition of Deruta 19 as planned and has secured financing for a total of Euro 20 million.

Investment properties includes Euro 138.2 million related to the Deutsche Bank portfolio, Euro 207 million related to Vodafone Village, Euro 66.8 million related to Gioiaotto, Euro 80.7 million related to Palazzo Sturzo and Euro 51.2 million related to Deruta 19.

The VAT receivables are related to VAT paid for the Vodafone complex acquisition which are expected to be reimbursed by the Inland Revenue Agency in 2018.

The Company has a net debt position of Euro 223.3 million as of March 31st, 2017.

The trade payables mainly include dividends to be paid to shareholders for an amount of Euro 4 million, deferred income for an amount of Euro 2.4 million, trade payables and invoice to be received for an amount of Euro 2.8 million.

The Group equity amounts to Euro 365.4 million corresponding to a NAV per share of Euro 10.15.

The interim consolidated figures show a net profit of Euro 7.5 million for the period ending March 31st, 2017.

(Millions of Euro)	***March 31st 2017***
Rents	8.3
Real estate operating expenses	(0.9)
NOI	**7.4**
G&A	(1.7)
Other expenses	(0.1)
Non-recurring general expenses	(0.4)
EBITDA	**5.1**
Net depreciation	(0.0)
Net movement in fair value	4.1
EBIT	**9.2**
Finance income	0.2
Income from investments	(0.2)
Financial expenses	(1.5)
Profit before taxation	**7.7**
Income tax	0.0
Profit after taxation	**7.7**
Minority share of MHREC	(0.2)
Profit attributable to COIMA RES	**7.5**
EPRA adjustments	**(4.0)**
EPRA Earnings	**3.6**
EPRA Earnings per share	**0.10**
FFO	**3.8**
FFO adjustments	**0.4**
Recurring FFO	**4.2**
Recurring FFO per share	**0.12**

The NOI includes rents generated by the Deutsche Bank portfolio, the Vodafone complex, Gioiaotto, Palazzo Sturzo and Deruta 19, net of direct property operating costs (such as property taxes, property management costs, utilities and maintenance costs).

The NOI margin is equal to 89.4% and the in-place NOI yield is 5.4%.

The G&A expenses include personnel expenses, asset management fees, governance and control function costs as well as costs related to consultants, auditors, IT, marketing and communication and other operating costs.

The net movement in fair value is related to the Deruta 19 building and is based on the report prepared by CBRE Valuation S.p.A. in the context of the acquisition.

The financial income is related to bank deposits remunerated at approximately 18 bps annually plus interest income on the pending VAT refund.

The financial expenses are mainly related to in-place debt.

The Group profit per share amounts to Euro 0.21 (Euro 7.5 million total) and is calculated, according to IFRS principles, taking into account the average number of shares outstanding during the period.

The table below summarizes the EPRA metrics of COIMA RES as of March 31st 2017.

EPRA Metrics	**Definition**	***March 31st, 2017 €/000 - %***	***€ per share***
EPRA Earnings	Recurring earnings from core operational activities	3,592	0.10
EPRA NAV	EPRA Net Asset Value (EPRA NAV) is calculated based on the consolidated shareholders' equity of the Group adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model, as per EPRA's recommendations	365,631	10.15
EPRA NNNAV	EPRA NAV adjusted to include the fair value of financial instruments, debt and deferred taxes	363,792	10.10
EPRA Net Initial Yield	Annualised rental income based on the cash rents passing at the balance sheet date, less non recoverable property operating expenses, divided by the market value of the property, including acquisition costs	5.4%	
EPRA "topped-up" NIY	Adjustment to the EPRA Net Initial Yield in respect of the expiration of rentfree periods (or other unexpired lease incentives such as discounted rent periods and step rents)	5.6%	
EPRA vacancy rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio	3.7%	
EPRA Cost Ratio (including direct vacancy costs)	Recurring running costs of the Company divided by recurring rents (including direct vacancy costs)	39.4%	
EPRA Cost Ratio (excluding direct vacancy costs)	Recurring running costs of the Company divided by recurring rents (excluding direct vacancy costs)	36.2%	

The EPRA NAV amounts to Euro 365.6 million, Euro 3.4 million higher than at December 31st, 2016, after deduction of the fiscal year 2016 dividend payment.

The key factors affecting the NAV increase are:

- Addition of EPRA Earnings for the period of Euro 3.6 million;
- Addition of a net movement in fair value of Euro 4.1 million;
- Addition of changes in fair value of derivative instruments of Euro 0.1 million;
- Deduction of dividends paid of Euro 4.1 million;
- Deduction of net income attributable to non-controlling interests of Euro 0.2 million.

A significant improvement of the EPRA Cost Ratio to 39.4% from 51.4% at December 31st, 2016 should be noted. The improvement is mainly due to the reduction of one-off costs.

A bridge to EPRA earnings is reported below:

EPRA Earnings & Earnings per Share	*Earnings in thousands Euro*
Earnings per IFRS income statement	**7,541**
Adjustments to calculate EPRA Earnings, exclude:	
(i) Changes in value of investment properties, development properties held for investment and other interests	(4,137)
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	15
(iii) Profit or losses on sales of trading properties including impairment charges in respect of trading properties	-
(iv) Tax on profits or losses on disposals	-
(v) Negative goodwill/goodwill impairment	-
(vi) Changes in fair value of financial instruments and associated close-out costs	-
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-
(viii) Deferred tax in respect of EPRA adjustments	-
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	172
(x) Non-controlling interests in respect of the above	-
EPRA Earnings	**3,592**
EPRA Earnings per Share (EPS)	**0.10**

The table reconciles reported results to FFO (Funds From Operation) calculated as core business EBITDA less net interest expenses.

	(in thousands Euro)	*March 31st, 2017*
+	Rent income	8,265
-	Property expenses not recharged to tenants	(834)
	Net rents before incentives	**7,432**
-	Incentives, straigh-lines and collection loss	(44)
	Net rents after incentives	**7,388**
+	Other income (Core Business)	-
-	Other costs for raw materials and services	(1,774)
-	Personnel costs	(373)
-	Other operating expenses	(146)
	EBITDA	**5,095**
+	Interest income	202
-	Interest expenses	(1,539)
	FFO	**3,758**
+	Non recurring general expenses	413
-	Non recurring income	-
	Recurring FFO	**4,172**

The table below sets forth the Company's net liquidity as of March 31st, 2017 determined in accordance with the recommendation ESMA/2013/319.

(Millions of Euro)	*March 31st , 2017*	*December 31st , 2016*
(A) Cash	80.3	109.8
(B) Cash equivalent		3.3
(C) Trading securities		
(D) Liquidity (A)+(B)+ (C)	**80.3**	**113.1**
(E) Current financial receivables		
(F) Current bank debt		
(G) Current portion of non-current debt		
(H) Other current financial debt		
(I) Current financial debt (F)+(G)+(H)		
(J) Net current liquidity (I)+(E)+(D)	**80.3**	**113.1**
(K) Non-current bank loans	(303.6)	(290.0)
(L) Bonds issued		
(M) Other non-current loans		
(N) Non-current financial indebtedness (K)+(L)+(M)	**(303.6)**	**(290.0)**
(O) Net liquidity (J)+(N)	**(223.3)**	**(176.9)**

RISK MANAGEMENT

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

	Risks	COIMA RES mitigation
1	**Market risk** - the risk of losses related to the fluctuation in the prices of properties in the portfolio resulting from adverse changes of macroeconomic variables, the property market and/or the specific characteristics of the properties owned by the Company. This risk also includes the effects resulting from properties in the portfolio that are vacant (vacancy risk) and potential losses associated with investment in "value-added" projects, in particular relating to restructuring or refurbishment works of certain real estate projects.	The Company's investment strategy is focused on high-quality assets (real estate or fund units) in large urban areas, specifically in Rome and 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. Furthermore ca. 35% of the overall stabilised rent is 100% indexed to CPI and ca. 65% is 75% indexed to CPI. Regarding vacancy risk, the Company deals with reputable and well capitalized tenants, and concludes 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. The risk of not being able to re-rent vacant spaces left unoccupied by tenants vacating premises after lease-end is also mitigated by the high quality of the Company's real estate assets.
2	**Credit and counterparty risk** - the risk of losses resulting from the non-compliance of counterparties due to the deterioration of their creditworthiness, with them defaulting in extreme cases with reference to: - tenants; - counterparties in real estate development operations (manufacturer, operator); - counterparties in real estate transactions.	During the on-boarding phase, the Company analyses and continuously monitors the risks of non-compliance of tenants and other significant counterparties (e.g. solvency and creditworthiness analyses, analysis of the financial situation, references, prejudicial and negative information, etc.), also resorting to external databases. In this regard, the Company's investment strategy favours reputable and well-capitalized counterparties and those belonging to large international groups.
3	**Concentration risk** - the risk resulting from properties leased to individual counterparties or groups of legally connected counterparties, counterparties from the same economic sector or which carry out the same activity, or are located in the same geographical area.	The Company analyses and monitors this risk regularly and has also defined the limits in its Articles of Association with regard to concentration of individual properties/tenants. The Company's strategy involves increasing the number of tenants and the number of industrial sectors in which our tenants are active, in order to mitigate the risks associated with excessive concentration.
4	**Interest rate risk** - the risk related to adverse changes in the rate curve that change the current value of assets, liabilities and their net value (ALM), and cash flows (assets and liabilities) based on changes in interest expense (assets and liabilities).	The Company purchases hedging instruments or otherwise contractually fixes an adequate amount of its floating rate exposure (e.g. through transactions in derivatives and/or trading of options) in order to reduce the impact of adverse changes in interest rates.
5	**Liquidity risk** - the risk of not being able to meet one's payment obligations due to: - the inability to obtain funds in the market (funding liquidity risk); - the inability to monetise one's assets (market liquidity risk).	The Company continuously monitors the level of its liquidity based on detailed cash-flow analyses and projections as well as through cash flow and ALM risk management activities, utilizing among other tools scenario analyses and stress tests. From the perspective of optimising the financial and capital structure, the Company limits financial leverage to 45% of the total value of assets.
6	**Other financial risks** - other financial risks not associated with real estate assets such as, for example, counterparty risks and/or other market risks on any financial instruments in the portfolio.	The strategy currently adopted by the Company does not involve investment in assets other than real estate assets except for treasury bills and instruments needed to hedge interest rate risk; this also takes into account statutory restrictions related to the SIIQ status to which we are subject. Exposure to any financial risks, not connected with real estate assets, is subject to periodic monitoring and is also mitigated through our use of reputable and well-capitalized banking counterparties.
7	**Operating risk** - the risk of suffering losses resulting from the inadequacy or malfunction of procedures, human resources and internal systems or external events. This risk includes the risk of outsourcing, ie 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. The Company also periodically monitors these risks through suitable risk assessment techniques based on international best-practices.

8	**Legal and compliance risk** - the risk of changes in performance due to changes in the legislative framework.	The Company continuously monitors the risk of non-compliance with current legislation and compliance requirements. Our compliance checks include asset and profit tests to ensure that legal requirements, necessary to maintain the SIIQ status are met now and in the future, as indicated in the Articles of Association.
9	**Reputational risk** - the current or future risk of a fall in profits or capital, resulting from a negative perception of the Company's image by customers, counterparties, shareholders, investors or the Regulatory Authorities.	Reputational risk, like operating risk, is mitigated by adopting an adequate organizational and control structure, consistent with international best-practices. We also mitigate reputational risk by putting in place stringent and specific procedures such as supervising external communication, overseeing interaction with stakeholders (for example, governmental authorities) and monitoring contact with investors (e.g. complaint management).
10	**Strategic risk** - Pure risk and business risk; this consists of the current or prospective risk of a fall in profits or capital, resulting from changes in the operating context 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, both with regard to the real estate market, operational/financial management, and internal controls.

SUBSEQUENT EVENTS

On April 26th, 2017 the Board of Directors has appointed two new independent directors as described more fully in the section of this report titled "Board increases its independence consolidating the Company governance in line with the best international practice".

On April 26th, 2017 the Board of Directors has resolved to file the documentation to apply to the STAR segment of the MTA (Borsa Italiana).

On April 26th, 2017 the Board of Directors has approved future dividend distributions to be made – if all applicable legal and financial conditions exist - twice a year (indicatively, in the second and the fourth quarter each year). The next expected dividend distribution will therefore be made in Q4 2017.

On April 20th, 2017 COIMA CORE FUND IV has accepted the offer by a third party to purchase a Deutsche Bank branch located in Casargo – Via Italia for Euro 195 thousand (+8.3% vs appraised value).

FINANCIAL STATEMENTS FOR THE PERIOD ENDING MARCH 31ST, 2017

CONSOLIDATED INCOME STATEMENT

(in thousands Euro)	Notes	March 31st, 2017	*of which related parties*	March 31st, 2016	*of which related parties*
Income statement					
Revenues	1	8,812	-	-	-
Costs for raw materials and services	2	(2,370)	(1,068)	(61)	(27)
Personnel costs	3	(373)	(331)	-	-
Other operating expenses	4	(973)	-	(2)	-
Adjustment fair value property	6	4,136	-	-	-
Operating Earnings		**9,232**	**(1,399)**	**(63)**	**(27)**
Net income attributable to non-controlling interests		(172)	-	-	-
Financial income	5	202	-	-	-
Financial expense	5	(1,539)	-	-	-
Profit before tax		**7,723**	**(1,399)**	**(63)**	**(27)**
Minority Interest		(181)	-	-	-
Profit for the period		**7,541**	**(1,399)**	**(63)**	**(27)**

NOTES TO THE CONSOLIDATED INCOME STATEMENT

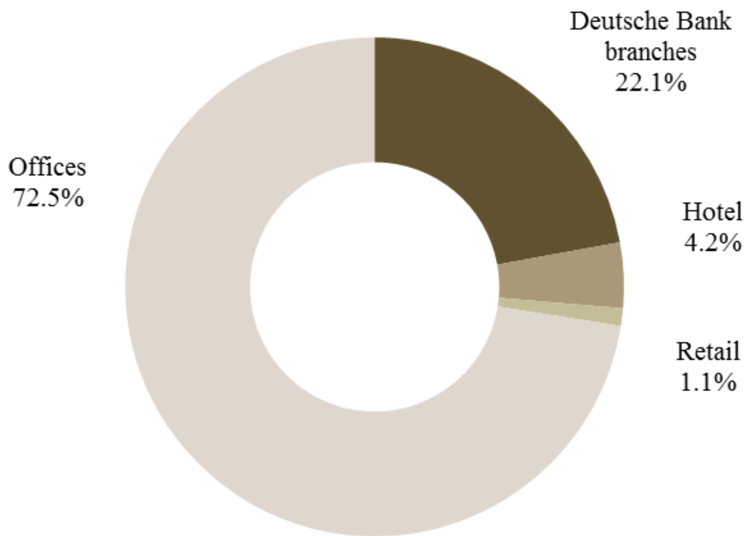
Below are the main items of profit and loss that have most significantly affected Group profit as of March 31st, 2017.

1. Revenues

The revenues amount to Euro 8,812 thousand as of March 31st, 2017 and include:

- Euro 8,266 thousand of rents accrued on the real estate portfolio;
- Euro 531 thousand of operational expenses recharged to tenants;
- Euro 15 thousand of capital gains from the sale of a Deutsche Bank branch located in Gravedona, sold at a price above book value.

The graphic below shows the breakdown of properties by use:



2. Cost of raw materials and services

The cost for raw materials and services amount to Euro 2,370 thousand as of March 31st, 2017. The breakdown of the figure is detailed below:

(in thousands Euro)	Corporate	Vodafone Village	Coima Core Fund IV	MH Real Estate Crescita	MHREC Real Estate Crescita S.à.r.l.	Coima Res SIINQ I	March 31st, 2017	March 31st, 2016
Asset Management fee	-	(662)	(123)	(227)	-	-	(1,012)	-
Property Management fee	-	(52)	(20)	(96)	-	-	(168)	-
Valuation of the property	-	(5)	(29)	(3)	-	(5)	(42)	-
Maintenance and service charges	-	(37)	(20)	(29)	-	-	(86)	-
Utilities	-	(235)	-	(79)	-	-	(314)	-
Insurance	(28)	(14)	(16)	(12)	-	(5)	(74)	-
Legal, administrative and technical advices	(295)	-	(51)	(42)	(8)	(4)	(400)	(19)
Audit	(51)	-	(16)	(3)	(2)	(3)	(75)	-
Governance and other control functions	(75)	-	(13)	-	-	(4)	(92)	(28)
IT Services	(31)	-	-	-	-	-	(31)	(5)
Communication, marketing and PR	(63)	-	-	(1)	-	-	(64)	(9)
Other costs	(10)	-	-	-	(2)	-	(12)	-
Total costs for raw materials and services	**(553)**	**(1,005)**	**(288)**	**(491)**	**(12)**	**(20)**	**(2,370)**	**(61)**

Asset Management fees are principally related to the agreement signed by the Company and Coima SGR for scouting activities for investment transactions and the management of the real estate portfolio, as well as for the other activities provided by the asset management agreement. These fees are calculated quarterly, based on the Net Asset Value (NAV) recorded by the Company in the previous three months.

Property Management fees are principally related to ordinary activities for the administration and maintenance of the buildings.

The expenses related to independent appraisers are due in respect of the agreement in place with CBRE Valuation for the preparation of the evaluation reports of the buildings during the year.

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

Utilities refer to the cost of providing electricity, water and gas for the buildings.

Insurance costs refer to the all-risk policies signed by the Company and subsidiaries to protect the asset value.

Legal, administrative and technical advices costs are mainly related to support provided by professionals for ordinary management such as:

- legal, tax and notary's advice for brokerage on sales and purchases, for signing of agreements and for general services;
- technical advice on properties.

Costs for *governance and other control functions* are mainly related to Board of Statutory Auditors (Euro 31 thousand), risk management (Euro 26 thousand) and other control functions (Euro 35 thousand).

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

Marketing and communications costs are mainly related to digital and media relations expenses (Euro 29 thousand); organization of events and sponsorship (Euro 30 thousand) and other marketing costs (Euro 5 thousand).

Other management costs include mainly corporate expenses (travel costs, subscriptions and Italian Stock Exchange services).

3. Personnel costs

The personnel expenses amount to Euro 373 thousand and include:

- wages, salaries and similar expenses (amounting to Euro 160 thousand) related to wages for the Company's employees (n. 5 as of March 31st, 2017).
- social security contributions (amounting to Euro 45 thousand) paid by the Company to social security funds.
- other personnel costs (amounting to Euro 168 thousand) include mainly the Board of Directors' compensation.

4. Other operating costs

The other operating costs, amounting to Euro 973 thousand, are mainly related to the property taxes. The breakdown of the figure is detailed below:

(in thousands Euro)	Corporate	Vodafone Village	Coima Core Fund IV	MH Real Estate Crescita	MHREC Real Estate Crescita S.à.r.l.	Coima Res SIINQ I	March 31st, 2017	March 31st, 2016
Property Taxes (IMU)	-	(173)	(314)	(166)	-	(53)	(706)	-
Property Taxes (TASI)	-	(12)	(10)	(12)	-	(4)	(38)	-
Stamp duties	-	(23)	(19)	(15)	-	(9)	(66)	-
Other taxes	(10)	-	-	(7)	(38)	(1)	(56)	-
Membership fee	(3)	-	-	-	-	-	(3)	-
Room, board and journeys	(26)	-	-	-	-	-	(26)	-
Rounding, rebates and contingencies	-	-	-	19	-	-	19	(1)
Other administrative costs	(16)	-	-	(1)	-	-	(17)	(1)
Other operating costs	(29)	-	-	-	-	(51)	(80)	-
Total other operating expenses	**(84)**	**(208)**	**(343)**	**(182)**	**(38)**	**(118)**	**(973)**	**(2)**

5. Financial income and expenses

Financial income amounts to Euro 202 thousand and refers to:

- Interest income on VAT refund of Euro 187 thousand;
- Interest income on bank accounts of Euro 15 thousand.

Interest income on bank accounts is related to interest accrued on Company liquid assets. In particular, COIMA RES SIIQ, placed the remaining equity to be invested in a short-term time deposit which pays interest of 18 bps on an annual basis, while waiting to invest funds in income-producing investment properties.

Interest income on VAT refunds is related to VAT receivables (Euro 38,000 thousand) generated by the acquisition of Vodafone Village.

Interest expenses, amounting to Euro 1,539 thousand, include interests accrued on existing financings.

The all-in weighted average cost of the Group’s debt as of March 31st, 2017, including the hedging costs, is 1.97%. 80% of the outstanding debt has been hedged with interest rate caps. The average maturity of the financing is 4.2 years. Excluding the VAT facility, the average maturity of financing is 4.5 years.

CONSOLIDATED BALANCE SHEET

(in thousands Euro)	Notes	March 31st, 2017	*of which related parties*	December 31st, 2016	*of which related parties*
Assets					
Real estate investments	6	531,770	-	480,900	-
Other tangible assets		3	-	3	-
Investments accounted for using the equity method	7	16,015	-	16,187	-
Derivatives	8	851	-	613	-
Long term financial assets	9	1,620	1,620	1,621	1,621
Trade and other non-current receivables	9	38,000	-	38,000	-
Deferred taxes assets		6	-	6	-
Total non-current assets		**588,265**	**1,620**	**537,330**	**1,621**
Inventories	10	12,220	-	12,220	-
Trade receivables and other current receivables	9	9,660	181	8,739	115
Cash and cash equivalents	11	80,316	-	113,102	-
Total current assets		**102,196**	**181**	**134,061**	**115**
Total assets		**690,461**	**1,801**	**671,391**	**1,736**
Liabilities					
Share capital		14,451	-	14,451	-
Share premium reserve		335,549	-	335,549	-
Valuation reserve		186	-	75	-
Other reserves		7,698	-	-	-
Gains / (losses) carried forward		-	-	(320)	-
Profit / (loss) for the period		7,541	-	12,123	-
Total net equity		**365,425**	**-**	**361,878**	**-**
Minorities		**10,829**	**-**	**11,114**	**-**
Total equity	12	**376,254**	**-**	**372,992**	**-**
Bank borrowings and other non-current lenders	13	303,569	-	289,973	-
Payables for post-employment benefits		7	4	5	4
Provisions for liabilities and charges	14	125	125	125	125
Trade and other non-current payables	15	577	391	577	391
Total non-current liabilities		**304,278**	**520**	**290,680**	**520**
Trade and other current payables	16	9,885	1,179	7,713	3,966
Current income tax liabilities		44	-	6	-
Total current liabilities		**9,929**	**1,179**	**7,719**	**3,966**
Total liabilities		**314,207**	**1,699**	**298,399**	**4,486**
Total liabilities and net equity		**690,461**	**1,699**	**671,391**	**4,486**

NOTES TO THE BALANCE SHEET

The following are the main items on the consolidated balance sheet which explain the performance of the Group's activities.

6. Real Estate Investments

Property investments as at March 31st, 2017 are detailed as follows:

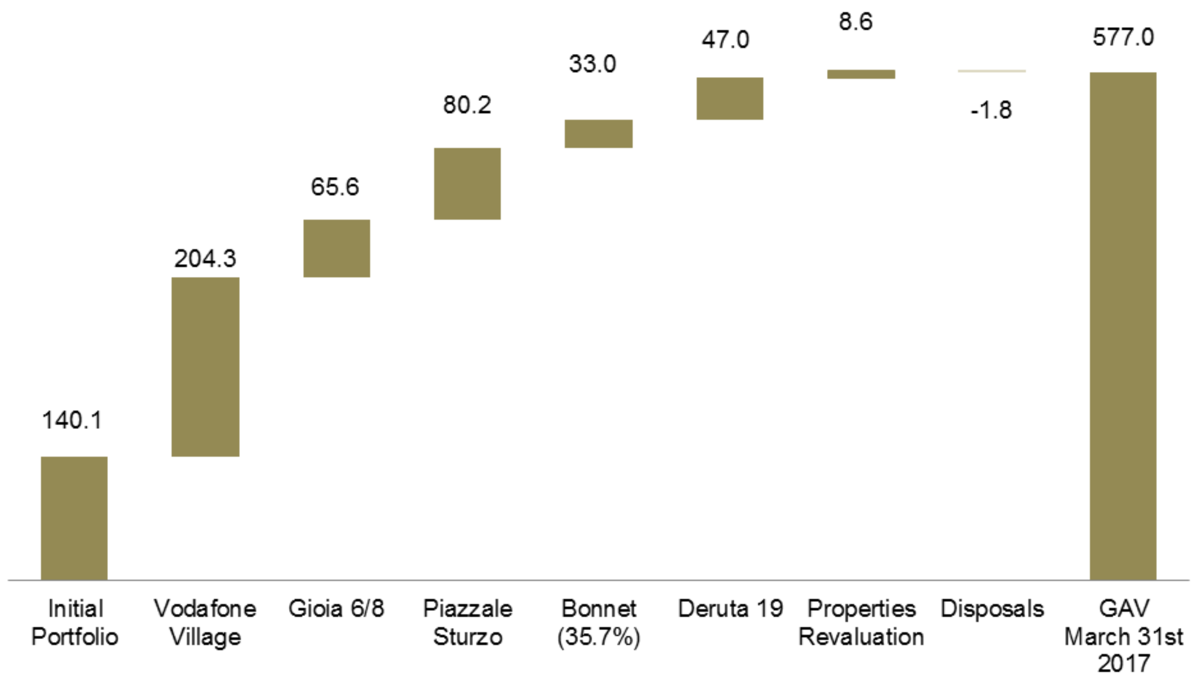
- Vodafone Village with fair value of Euro 207,000 thousands;
- Deutsche Bank branches with fair value of Euro 126,070 thousands;
- Gioiaotto with fair value of Euro 66,800 thousands and Palazzo Sturzo with fair value of Euro 80,700 thousands;
- Deruta 19 with fair value of Euro 51,200 thousands.

The total amounts reported match those of the last appraisals produced by independent appraisers. The appraisals are drawn up in accordance with "RICS Valuation – Professional Standards", in compliance with applicable law and with recommendations given by ESMA European Security and Market Authority.

The next independent appraisals will be produced as part of our half-yearly report, based on a biannual valuation update (June 30th and December 31st). The Company, has verified the absence of any signs of impairment on real estate investments, as part of the preparation of first quarter results.

The accounting principles applied by the Company include the measurement at *fair value* of real estate investments, for this reason Deruta 19 is recognized at *fair value*, amounting to 51.2 million Euro according to the report issued by CBRE in the context of the acquisition by COIMA RES.

The evolution of the gross asset value (in millions of Euro) from the IPO to March 2017 is reported below:



The above gross asset value amounts include real estate investments and inventory figures, with Bonnet accounted for on a "look-through" basis, i.e. according to our proportional ownership.

7. Investments accounted for using the equity method

The item, amounting to Euro 16,015 thousand, includes:

- Porta Nuova Bonnet equity investment of Euro 13,979 thousand, whose units have been subscribed by the Company on December 20, 2016;
- Co – Investment 2 SCS equity investment of Euro 2,036 thousand, owned indirectly by MHREC Real Estate S.à.r.l., which owns a 33.33% stake.

8. Derivatives

The financial instruments, amounting to Euro 851 thousand, have been concluded to hedge 80% of the floating rate exposure.
The Company has recorded the hedging instruments on the basis of hedge accounting principles, verifying the effectiveness of the hedging relation, by performing the test retrospectively.

On March 3rd, 2017 COIMA RES SIINQ I stipulated an interest rate cap in order to hedge the financial flows linked to the facility loan. The effective date is March 31st, 2017.

9. Trade receivables and other activities

Long term financial assets relate to loans granted by MHREC S.à.r.l. to the associated company Co – Investment 2 SCS.
Non-current receivables refer entirely to the VAT refund request of August 1st 2016, resulting from the acquisition of Vodafone Village. We expect to cash-in the amount in 2018. On that amount the Company, according to Italian fiscal law, accrues an interest of 2%.

Current receivables, amounting to Euro 9,660 thousand, include:

- other VAT receivables for Euro 5,659 thousand;
- prepayments and accrued income for Euro 2,380 thousand;
- rental receivables for Euro 1,376 thousand;
- deposits, advance and other receivables for Euro 245 thousand.

10. Inventories

Inventories, amounting to Euro 12,220 thousand, include the remaining vacant Deutsche Bank branches.

11. Cash and cash equivalents

The Company's cash and cash equivalents represents the residual IPO proceeds remaining to be invested and the net cash generated by our investment property portfolio.
The available cash is mainly invested in short term deposits remunerated at a rate of 18 bps.

12. Net equity

As of March 31st, 2017, the net equity of the Company amounts to Euro 376,254 thousand.
Share capital, amounting to Euro 14,451 thousand, is represented by 36,007,000 shares, without par value, and all fully subscribed for and paid up.
Reserves include:

- share premium reserve of Euro 335,549 thousand;
- legal reserve of Euro 1,729 thousand;
- other reserves of Euro 6,155 thousand.

Minority interests are related to the participation of other investors (13.33%) in the results of MH Real Estate Crescita Fund.

13. Bank borrowings

The bank borrowings, amounting to Euro 303,569 thousand, include:

- Euro 211,288 thousand related to two credit-facility lines granted by Banca IMI, Unicredit, BNP Paribas and ING Bank to the Company on June 30th, 2016;
- Euro 72,603 thousand related to a loan-facility granted by UBI Banca, ING Bank and Credite Agricole to MH Real Estate Crescita Fund, refinanced on March 31st 2017 with a new maturity date (March 31st 2022) and an interest rate of 3M Euribor + 150 bps margin;
- Euro 19,678 thousand related to a loan-facility granted by ING Bank to COIMA RES SIINQ I for the Deruta 19 acquisition.

<table>
<tr><th>(in thousands Euro)</th><th>March 31st, 2017</th><th>Maturity date</th><th>Rate</th><th>Arrangement fee</th><th>Agency fee</th><th>Covenant</th><th>% Hedging</th><th>Bank</th></tr>
<tr><td>COIMA RES - Senior Line</td><td>170,443</td><td>June 30, 2021</td><td>Eur 3M +180bps</td><td rowspan="2">90 bps</td><td rowspan="2">30</td><td rowspan="2">LTV Portfolio: <60%
LTV Consolidated: <60%
ICR Portfolio >1.80x
ICR/DSCR Consolidated >1.40x</td><td>60%</td><td rowspan="2">BNP (25%)
Banca IMI (25%)
ING Bank N.V. (25%)
UniCredit (25%)</td></tr>
<tr><td>COIMA RES - VAT Line</td><td>40,845</td><td>June 30, 2019</td><td>Eur 3M +150bps</td><td>93%</td></tr>
<tr><td>MH Real Estate Crescita</td><td>72,603</td><td>March 31, 2022</td><td>Eur 3M +150bps</td><td>50 bps</td><td>25</td><td>LTV: <60%
ICR >1.75x</td><td>80%</td><td>CA -CIB (33%)
ING Bank N.V. (33%)
UBI Banca (33%)</td></tr>
<tr><td>COIMA RES SIINQ I</td><td>19,678</td><td>January 16, 2022</td><td>Eur 3M +160bps</td><td>90 bps</td><td>N/A</td><td>LTV: <55%
ICR >3.00x</td><td>80%</td><td>ING Bank N.V.</td></tr>
</table>

On March 31st, 2017, MHREC Fund signed a refinancing agreement to reduce the outstanding loan amount to Euro 73 million, based on a repayment of Euro 5 million. The new loan is extended by almost 3.7 years from the original maturity date with a margin reduction of 25 bps.

Weighted average “all in” cost of debt for COIMA RES is 1.97%, 80% hedged.

14. Provision for liabilities and charges

The provision for risks and charges, amounting to Euro 125 thousand, includes the discounted value of the long term incentive plan granted to an employee. The incentive will be paid if the employee remains at the company until December 31st, 2018.

15. Trade payables and other non-current payables

Trade payables and other non-current payables, amounting to Euro 577 thousand, are comprised of:

- Euro 391 thousand related to the fair value of the financial instruments granted to executive directors, which fair value was determined by an independent appraiser in February 2017;
- Euro 186 thousand related to cash deposits received from tenants.

16. Trade payables and other current payables

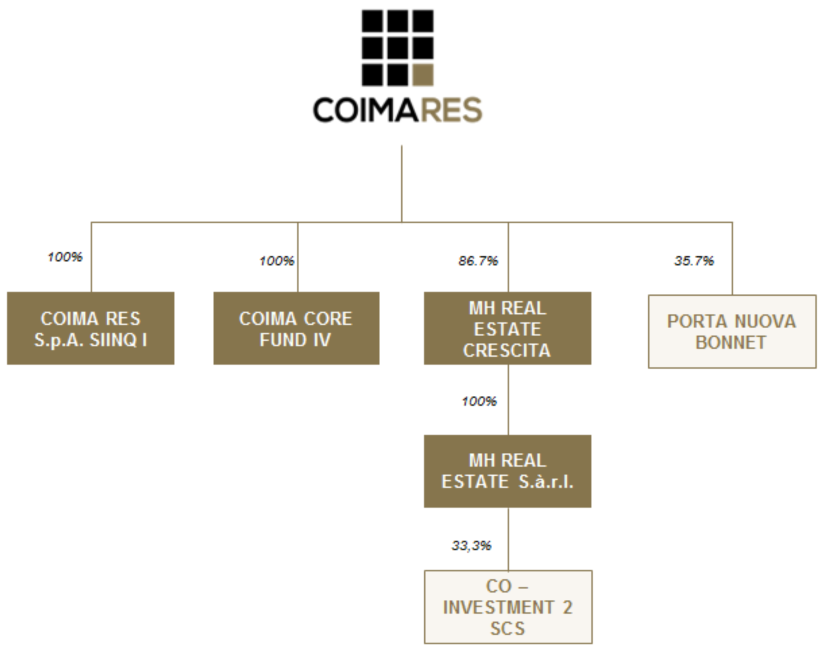
The trade payables and other current payables, amounting to Euro 9,885 thousand include the following:

- payables for dividends to be paid to shareholders of Euro 4,068 thousand;
- trade payables to suppliers and invoiced to be received of Euro 2,769 thousand;
- accruals and deferred income of Euro 2,381 thousand;
- security provisions, personnel debts and other payables of Euro 667 thousand.

Criteria for the preparation of the interim consolidated financial statements

The Interim consolidated Financial Statements have been prepared adopting the same principles of consolidation and measurement criteria described in the last annual report as at December 31st, 2016. The interim consolidated financial statements do not disclose all the information required during preparation of the annual consolidated financial statements nor all the information required by IAS 34.

The consolidation perimeter as of March 31st, 2017 is reported below:



GLOSSARY

	Definition
Accounting Period	Accounting period means the period commencing on the Trading Date and ending on December 31 of the same year and thereafter each successive period of 12 calendar months each of which starts on the end of the preceding Accounting Period and ends at midnight on 31 December in each year.
Admission	Admission to the exchange of ordinary shares on the MTA segment Italian stock exchange.
ALM	Asset Liabilities Management is the practice of managing risks stemming from mismatches between assets and liabilities. The process is a cross between risk management and strategic planning.
Asset Management Agreement	The agreement entered into on October 15, 2015 by and between COIMA RES and COIMA SGR and modified on November 15, 2015.
Bad Leaver	A serious and repeated breach of obligations provided for by applicable laws and regulations, due to gross negligence or willful misconduct of a member of the Board of Directors, which irreparably compromises the trust relationship between the relevant director and the Company and which does not allow to continue, even temporarily, the management relationship.
Bonnet	Bonnet is the building located in Milan, in via Bonnet, held through Porta Nuova Bonnet investment (35.7%).
Break Option	The right of the tenant to withdraw the lease agreement.
Capital Increase	Capital increase resolved by the shareholders' meeting of the Company on September 14, 2015, for up to Euro 600,000,000 by issuing 60,000,000 Shares at a price equal to Euro 10.00 per share (with a share premium of Euro 9.60), with exclusion of option rights pursuant to Article 2441, paragraph 5, of the Italian Civil Code; such increase is for an indivisible (*inscindibile*) amount of Euro 215,000,000, and divisible (*scindibile*) amount for the remaining part, to be completed in one or more tranches for the purpose of the Offering. Such increase must be fully subscribed by (i) December 31, 2016, or (ii) completion of the activities relating to the Offering, including the Over-Allotment Option.
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.
Co-Founders Increase	Divisible (*scindibile*) capital increase resolved by the shareholders' meeting of the Company on September 14, 2015, for up to Euro 5,000,000, by issuing 500,000 Shares at a price equal to Euro 10 per share (with a share premium of Euro 9.60), with exclusion of option rights pursuant to Article 2441 of the Italian Civil Code, to be reserved for third party investors (including COIMA and COIMA SGR) by way of a cash subscription to be subscribed by December 31, 2016.
COIMA CORE FUND IV	Fund in which the Company owns 100% of the shares.
COIMA RES SIINQ I	COIMA RES S.p.A. SIINQ I, of which COIMA RES owns 100% of the share capital.
COIMA S.r.l.	COIMA S.r.l., with registered office in Milan, Via Fatebenefratelli, 9.
COIMA SGR	COIMA SGR S.p.A., with registered office in Milan, Via della Moscova, 18.
Company	COIMA RES S.p.A. SIIQ (formerly Itares S.p.A.), with registered office in Milan, Via della Moscova, 18.
Coupon	The value accrued on the Financial Instrument.
Deruta 19 o Deruta	Deruta is the building complex located in Milan, Via Deruta 19, acquired on January 26, 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 & Amortization, is the most significant measure of a company's operating performance as it indicates earnings regardless of the company's means of financing, taxes or investment cycle. EBITDA is a proxy for the operating cash flow that the company is capable of generating.

EPRA Cost Ratios	Calculated as administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.
EPRA Earnings	Recurring earnings from core operational activities. EPRA Earnings is a key measure of a company’s operational performance and represents the net income generated from the operational activities.
EPRA NAV	EPRA Net Asset Value is calculated based on the consolidated shareholders' equity adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallize in a long-term investment property business model, as per EPRA's recommendations.
EPRA Net Initial Yield	Calculated as Net Initial Rent divided by the gross market value of the property.
EPRA NNNAV	Triple Net Asset Value is the EPRA NAV adjusted to include the fair value of financial instruments, debt and deferred taxes.
EPRA topped up Net Initial Yield	Calculated as Net Stabilised Rent divided by the gross market value of the property.
EPS	Earnings Per Share calculated as net income divided by the basic number of shares outstanding.
Expected Gross Stabilised Rent	Gross Stabilised Rent adjusted for selected active asset management initiatives.
FFO	Funds From Operations calculated as Core Business EBITDA less net interest expense. FFO is the indicator most commonly used to evaluate a REIT’s performance.
Gioiaotto	Gioiaotto is the building located in Milan, in Melchiorre Gioia 6-8, held through the MHREC Fund.
Good Leaver	Cases of Good Leaver are: (i) failure to appoint the members of the Board of Directors according to the terms and conditions set forth in the Director Service Agreement and/or non-confirmation/ratification of such members after Listing; (ii) termination of the office of the member of the Board of Directors upon occurrence of one of the termination events set forth in the Asset Management Agreement; (iii) failure to re-appoint the member of the Board of Directors for a subsequent three-year period, upon expiration of the first and second three-year periods; (iv) refusal of a member of the Board of Directors of the proposed reappointment at conditions which are worse than those of the previous three-year period; (v); revocation of the member of the Board of Directors without cause; (vi) resignation by a member of the Board of Directors upon occurrence of a Bad Leaver; or (vii) death of a member of the Board of Directors.
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 taking into account lease incentives such as free rent periods, discounted rent periods and step rents.
Gross Initial Yield	Calculated as Gross Initial Rent divided by the gross market value of the property.
Gross Stabilised Rent	Annualised rents being received as at a certain date adjusted for unexpired lease incentives. The adjustment includes the annualised cash rent that will apply at the expiry of the lease incentive.
Gross Stabilised Yield	Calculated as Gross Stabilised Rent divided by the gross market value of the property.
Initial Portfolio	The Deutsche Bank branches and the Vodafone properties.
Interest Coverage Ratios	Ratio between the EBITDA and interest expense.
LEED Certification	Certification of building efficiency issued by the U.S. Green Building Council.
MHREC or MH Real Estate Crescita	Fund of which the Company acquired 86.67% of the shares on July 27, 2016.
MHREC S.à.r.l.	MHREC Real Estate S.à.r.l., subsidiary of MHREC Fund.
Net Expected Stabilised Rent	Corresponds to Expected Gross Stabilised Rent for the period less, service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Net Expected Stabilised Yield	Calculated as Expected Net Stabilised Rent divided by the gross market value of the property.
Net Initial Rent	Corresponds to gross initial rent for the period less service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Net Liquidity	Net Liquidity or Net Financial Position is the effective Net Debt of the Company.
Net Stabilised Rent	Corresponds to Gross Stabilised Rent for the period less service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.

Palazzo Sturzo o "2331 Eur Center"	It is the building located in Roma, in Piazza Don Luigi Sturzo, held through the MHREC Fund.
Porta Nuova Bonnet	Fund established on October 20, 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 amended to exclude the non-recurring income and expenses.
Shareholder Return	Shareholder Return means, in respect of each Accounting Period, the sum of (a) the change in the EPRA NAV of the Company during such year less the net proceeds of any issues of ordinary shares during such year; and (b) the total dividends (or any other form of remuneration or distribution to the shareholders) that are paid in such year.
Shareholder Return Outperformance	Shareholder Return Outperformance means, in respect of each Accounting Period, the amount in Euro by which the Shareholder Return for the year exceeds the Shareholder Return that would have produced a determined Shareholder Return.
SIINQ	Unlisted real estate invested company regulated by article 1, paragraph 125 of the Finance Act 2007.
SIIQ	Listed real estate investment company regulated by article 1, paragraphs 119-141-bis of the Finance Act 2007.
Weighted Average Debt Maturity	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 amortization or sinking fund payments.

Appendix – COIMA SGR and COIMA S.r.l. remuneration

COIMA SGR

The remuneration scheme involves two types of fees, a management fee and a performance fee.

<table>
<tr><th colspan="2">MANAGEMENT FEE</th><th>PERFORMANCE FEE</th></tr>
<tr><td></td><td>FEE</td><td rowspan="6">• calculated annually
• equal to 40% of the lower amount out of:
(i) the sum of 10% of the Shareholder Return Outperformance in the case of a Shareholder Return in excess of 8% and 20% of the Shareholder Return Outperformance in the event of a Shareholder Return in excess of 10%;
(ii) 20% of the excess of the NAV per share at the end of the Accounting Period in relation to a minimum High Watermark defined level.</td></tr>
<tr><td>(BILLION EURO)</td><td>(BPS)</td></tr>
<tr><td>NAV < 1</td><td>110</td></tr>
<tr><td>1 < NAV < 1.5</td><td>85</td></tr>
<tr><td>NAV > 1.5</td><td>55</td></tr>
<tr><td colspan="2">In addition, from the fourth year of the agreement, subject to the circumstances in which:
1 | Manfredi Catella is confirmed as CEO of the Company;
2 | the CEO is the controlling shareholder of the SGR.
The fixed annual remuneration of the CEO, paid by COIMA RES, will be deducted from the management fee paid to COIMA SGR.</td></tr>
</table>

The performance fee is paid in cash or in shares, at the Company's discretion, with a three year lock-up agreement. As a further alignment of the management, the Key Managers have received certain financial instruments which have a remuneration based on the same performance metrics described above.

COIMA S.r.l.

<table>
<tr><th colspan="2">ANNUAL PAYMENT FOR PROPERTY AND FACILITY MANAGEMENT SERVICES</th><th>PAYMENT FOR DEVELOPMENT AND PROJECT MANAGEMENT SERVICES</th></tr>
<tr><td>1</td><td>leased properties: 1.5% of the annual rents of the properties,</td><td rowspan="3">5% OF THE TOTAL COST OF THE REDEVELOPMENT/DEVELOPMENT PROJECT FOR THE PROPERTY.</td></tr>
<tr><td>2</td><td>properties or areas not leased: 2.25 Euro for each m2 managed, 0.50 Euro for each m2 managed relating to areas used as storage or parking, and</td></tr>
<tr><td>3</td><td>shared areas and facilities managed: equal to the sum of the cost of the staff of the property manager managing the shared facilities and areas and the general overheads of the property manager, plus 15% of this sum.</td></tr>
</table>