Real Estate SIIQ

COIMA RES

COIMA RES
Half-yearly report
as at 30 June 2016

INDEX

CORPORATE INFORMATION

***COIMA RES S.p.A. SIIQ** is a commercial real estate company listed on the Italian Stock Exchange. COIMA RES manages real estate transactions, primarily focused on commercial properties (primarily offices properties), aimed at generating rental income from the 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 a Real Estate Investment Trust (REIT) in other jurisdictions. The investment strategy of COIMA RES is focused on creating a high-quality portfolio of real estate assets, with a view to generating stable, growing and sustainable cash flows for investors by acquiring, managing, and selectively disposing of properties intended mainly for use in the services and commercial sector and with the potential for their capital value to increase over time.*

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 a company with shares listed on the the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A.

GOVERNANCE

Board of Directors

Caio Massimo Capuano	Chairman, not executive Director
Feras Abdulaziz Al-Naama	Vice President, Independent Director
Manfredi Catella	Key Manager (CEO)
Gabriele Bonfiglioli	Key Manager
Matteo Ravà	Key Manager
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

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
Internal Audit is outsourced to a specialized company named **Tema S.r.l.,** which has indicated **Mr. Arturo Sanguinetti** as responsible for such function.

Risk Manager
Risk management is outsourced to a specialized company named **Macfin,** which has indicated **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 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 is Fulvio Di Gilio, CFO of COIMA RES.

BOARD OF DIRECTORS' REPORT

INITIAL PORTFOLIO AS OF JUNE 30TH, 2016

As of June 30th, 2016, COIMA RES' Initial Portfolio includes the Deutsche Bank portfolio and three buildings that compose the real estate complex known as "Vodafone Village". The net rentable area is equal to 106,293 square meters and gross initial rents equal to approximately 21.5 million Euros. The overall Initial Portfolio WALT is ca. 10.5 years and expected net stabilized yield is 5.5%.

Below a summary of the Initial Portfolio[1]:

		Deutsche Bank Portfolio	Vodafone Village	Blended (Deutsche Bank Portfolio + Vodafone Village)
General	City	Various	Milan	**-**
	Address	Various	Via Lorenteggio 240	**-**
	Sub-market	Various	Lorenteggio BD	**-**
	Asset class	Bank branch	Office	**-**
Areas	NRA incl. Parkings (sqm)	61,761	44,532	**106,293**
	Office portion (% of total NRA)	0%	100%	**42%**
	Occupancy rate (on NRA)	77%	100%	**87%**
Leasing	Number of tenants	1	1	**2**
	WALT (years)	10.3	10.6	**10.5**
	Gross initial rent (Euro/million)	7.7	13.8	**21.5**
	Gross initial rent (Euro/sqm)	161	311	**233**
	Net inital rent (Euro/million)	6.2	12.7	**18.9**
	Net inital rent (Euro/sqm)	130	286	**205**
	Gross stabilized rent (Euro/million)	7.7	13.8	**21.5**
	Gross stabilized rent (Euro/sqm)	161	311	**233**
	Net stabilized rent (Euro/million)	6.2	12.7	**18.9**
	Net stabilized rent (Euro/sqm)	130	286	**205**
	Expected Gross stabilized rent (Euro/million)	7.7	13.8	**21.5**
	Expected Gross stabilized rent (Euro/sqm)	161	311	**233**
	Expected Net stabilized rent (Euro/million)	6.2	12.7	**18.9**
	Expected Net stabilized rent (Euro/sqm)	130	286	**205**
Value	Fair Value (Euro/million)	140.1	206.3	**346.4**
	Fair Value (Euro/sqm)	2,268	4,633	**3,258**
Entry Yield	Gross initial yield	5.5%	6.7%	**6.2%**
	EPRA Net inital yield	4.4%	6.2%	**5.5%**
	Gross Stabilized Yield	5.5%	6.7%	**6.2%**
	Net Stabilized Yield	4.4%	6.2%	**5.5%**
	Expected Gross Stabilized Yield	6.1%	6.7%	**6.5%**
	Expected Net Stabilized Yield	4.9%	6.2%	**5.7%**

[1] Excludes the acquisition of 86,67% of the MH Real Estate Crescita fund ("MHREC") that contains Palazzo Sturzo and Gioiaotto with combined gross asset value of 146 million Euros and expected gross stabilized rents of 7.4 million Euros. The acquisition is expected to be consolidated within 3Q 2016.

Note on forward looking information

The condensed interim consolidated financial statements contain forecasts and estimates which reflect the current management expectations on future events and developments and, therefore, by their nature, 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 more negative) 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.

LETTER TO THE SHAREHOLDERS - Chairman's Statement

I am honored to introduce the first financial report of the newly listed COIMA RES S.p.A. SIIQ.

On May 11th, 2016 we announced the completion of COIMA RES comprising an offering for the 21,500,000 ordinary shares. As from May 13th , 2016 COIMA RES' shares started trading on the Mercato Telematico Azionario, organized and managed by Borsa Italiana S.p.A.

We are proud to be the first IPO SIIQ listed in the Italian real estate market in the last 10 years thanks to the support of leading investors in Italy, continental Europe, the United Kingdom and the United States.

Following completion of the IPO our management has been focused on securing favourable financing for our future acquisitions and finalizing the first acquisition of "Vodafone Village" in Milan on June 30th, 2016.

Our management, led by our CEO Manfredi Catella, has many years of experience and a solid track record in acquisition, management and development of real estate. We coordinate teams with outstanding diversified skill-sets and capabilities, with an acquisition track record in excess of 5 billion Euros in Italian Real Estate assets. Additionally we have navigated major redevelopment projects such as Porta Nuova in Milan following the financial crisis in 2008 generating positive returns for investors. This showed great determination and we are equally determined to make COIMA RES a success for our shareholders.

Our corporate governance is designed to align shareholder interests with management. The Board of Directors, a majority of which are independent, has been chosen to create a diverse and complementary array of skills encompassing international real estate expertise, diversified legal experience, as well as, advisory and regulatory capabilities. After the listing, the Board of Directors has appointed three specialised committees to assist in its duties.

The Investment Committee is composed of five individuals, one of which is an international independent board member and an expert in the field of real estate transactions. Members of the Compensation Committee are all non-executive members and the majority are independent; the Risk Control and Related Parties Committee are all non-executive board members and independent.

Risk is managed in a structured way through the oversight of these committees and on a daily basis we have embedded into our day-to-day decision making process. Our goal is to deliver attractive risk-adjusted returns to shareholders .by balancing value-creative acquisition activity with shrewd risk management.

In light of the current Italian banking conditions, the further effects of Brexit and the upcoming Italian referendum planned for this fall we will maintain a prudent approach in what we expect to be volatile markets.

All said, we are optimistic about both the investment opportunities available presently as well as about the long term prospects for Italian investment markets. We feel we have an important role to play in creating a transparent vehicle offering investors access to Italian real estate markets and we thank you for supporting us in this initial phase.

Massimo Capuano
Chairman
COIMA RES S.p.A. SIIQ

LETTER TO THE SHAREHOLDERS - CEO's Report

I am pleased to report the first financial results of COIMA RES as a listed company.

I would first like to thank all those who expressed their confidence by buying our shares and supporting us in our IPO in May 2016.

I want to take this opportunity to focus your attention on some significant elements of the report regarding our operations, our views on market conditions, and the future outlook for COIMA RES.

IPO raises 215 million Euros of cash, in addition to 145 million Euro cornerstone-sponsor contribution
COIMA RES shares commenced trading on Borsa Italiana on May 13th, 2016 following our IPO led by Joint Global Coordinators and Joint Book runners Citi, Mediobanca and Joint Book runners Kempen, Banca IMI and UniCredit. In the IPO gross proceeds of 215 million Euros were generated in addition to the 145 million Euros in property value contributed by Qatar Holdings in exchange for shares in COIMA RES.

Bank financing of 216 million Euros agreed
On June 29th, 2016 COIMA RES entered into a loan agreement with a pool of primary banking istitutions for 216 million Euros for a term of 5 years (3 years for the VAT financing amounting to 44 million Euros). Interest costs are based on 3-month Euribor plus 180bps (150bps for the VAT financing).

Initial asset acquisitions totalling 346 million Euros completed, as expected
We have closed the two acquisitions outlined in our IPO prospectus:

- The **Deutsche Bank** portfolio was acquired for an all-in cost of ca. 144.5 million Euros from Qatar Holdings in exchange for shares in COIMA RES. Net rentable area equals to 61,761 square meters. The estimated EPRA Net Initial Yield on the transaction, based on leases in place, is 4.4%. Just under 70% of value is considered core (WALT on this element is 10.3 years), while the balance is held for disposal or redevelopment.
- The LEED-certified **Vodafone** properties were acquired for an all-in cost of 204.3 million Euros for 44,532 square meters net rentable area in an off-market agreement. The estimated EPRA Net Initial Yield on the transaction is 6.2%, with a WALT of ca. 10.6 years.

First financial results delivered
The financials as of June 30th are based on 7 weeks of operations[2].

[2] Excludes the acquisition 86,67% of MHREC real estate fund that contains Palazzo Sturzo and Gioiaotto. The acquisition is expected to close within 3Q 2016. Expected EPRA NAV per share including the MHREC acquisition is 9.9 Euros.

(in milion Euros)

	June 30th 2016
Total property value	346.4
EPRA Net Initial Yield	5.5%
EPRA NAV	352.6
EPRA NAV per share (in Euros)	9.8
Debt Position	213.6
Cash Position	183.9
Portfolio Loan To Value	54.6%
Net Loan To Value	7.6%
Revenues	4.5
Profit for the period	2.7
EPRA Earnings	(0.40)

Well positioned for asset management, growth and further management alignment
COIMA RES employs a seasoned in-house team. We supplement this structure with asset and property management expertise from COIMA SGR and COIMA Srl, respectively in line with the agreement with COIMA RES outlined in our IPO Prospectus, and under the oversight of our majority-independent board of directors led by Massimo Capuano. With this structure, we are well placed to respond in a fast and flexible manner to market opportunities.

In addition COIMA SGR and COIMA Srl together with myself have already invested approximately 2.5 million Euros in the shares of the Company, comparing to the expected initial investment of 1 million Euros, and will continue to add to our positions to reach a target of 5 million Euros, in an effort to fully align management's interest with public shareholders.

Further acquisitions of 145.5 million Euros in gross asset value under contract bringing total portfolio size to approximately 500 million Euros
As announced on July 21th 2016, COIMA RES has reached a preliminary agreement to acquire, through the purchase of the fund units of MH Real Estate Crescita, two prime, 100% leased, multi-tenant properties:

- **Gioiaotto (Porta Nuova district, Milan)**, which is the first LEED Platinum property in Milan, has a net rentable area of 13,621 square meters. The property – which was valued 65.3 million Euros – is leased to leading tenants, such as Roland Berger and Bernoni Grant Thornton among others and generates initial annual gross rental income of 2.4 million Euros and **expected stabilised gross rental income of approximately 4.0 million Euros following the renegotiation of the hotel portion after December 2016 expiry, that would reflect an expected Net Stabilized Yield of approximately 5.5% for the building.** WALT is equal to 4.8 years.

- **Palazzo Sturzo (EUR District, Rome)** has a net rentable area of 13,712 square meters. The property – which was valued 80.2 million Euros – is leased to leading tenants, such as Fastweb and Axa, and generates initial annual gross rent income of 4.9 million Euros and **expected stabilised gross rental income of 5.1 million Euros**, with an **expected Net Stabilized Yield of 5.7%. WALT is equal to 5.9 years.**

Robust pipeline of additional attractive deals
Our current pipeline, totalling over 1 billion Euros of potential acquisition opportunities provides numerous investment options. Based on review of our pipeline we estimate that EPRA Net Yields between 5.0% - 6.0% are achievable for acquisition of quality assets that meet COIMA RES risk-adjusted return targets. Our focus is on attractively priced, off-market, income-oriented assets with the potential for asset management upside.

Looking to the future

We remain confident in the prospects for our completed and future acquisitions, as well as our ability to manage and grow COIMA RES. We are mindful of the current macro-economic and political risks at the global, European and Italian level, accordingly we are selecting assets that will perform well under these market conditions. We also believe that the current environment will generate attractive investment opportunities which we are ready to exploit. Our local roots and long history in the Italian real estate market provides our team with a consistent track record across cycles that is devoted to generate long term value for COIMA RES.

Our objective is to build a focused portfolio of assets, with a diversified tenant base, and good risk adjusted returns. We are confident about our near and medium-term outlook and look forward to implementing a sustainable growth strategy for the benefit of our shareholders. As we consider investment opportunities, we are mindful of the current relationship between COIMA RES' share price and NAV and we will remain very disciplined with respect to our growth strategy.

Manfredi Catella
CEO
COIMA RES S.p.A. SIIQ

ITALIAN ECONOMIC AND REAL ESTATE MARKET CONDITIONS

Macroeconomic developments bring both risks and opportunity

Two key developments that occurred in the second quarter of 2016 could have important effects on Italian real estate:

Both the Renzi administration and the European Commission showed growing concern about the state of the Italian banking system. In particular, 18% of all bank loans were classified as non-performing at the end of 2015, very high by global standards. Italian authorities responded by creating Atlante, a 5 billion Euros private initiative with government backing to provide liquidity to banks needing urgent financial assistance.

Irrespective of the manner in which the Italian banks are supported, it is expected that they will be forced to sell bad loans, including distressed property holdings, in order to raise capital. This would provide an attractive entry opportunity for longer term investors in Italian real estate.

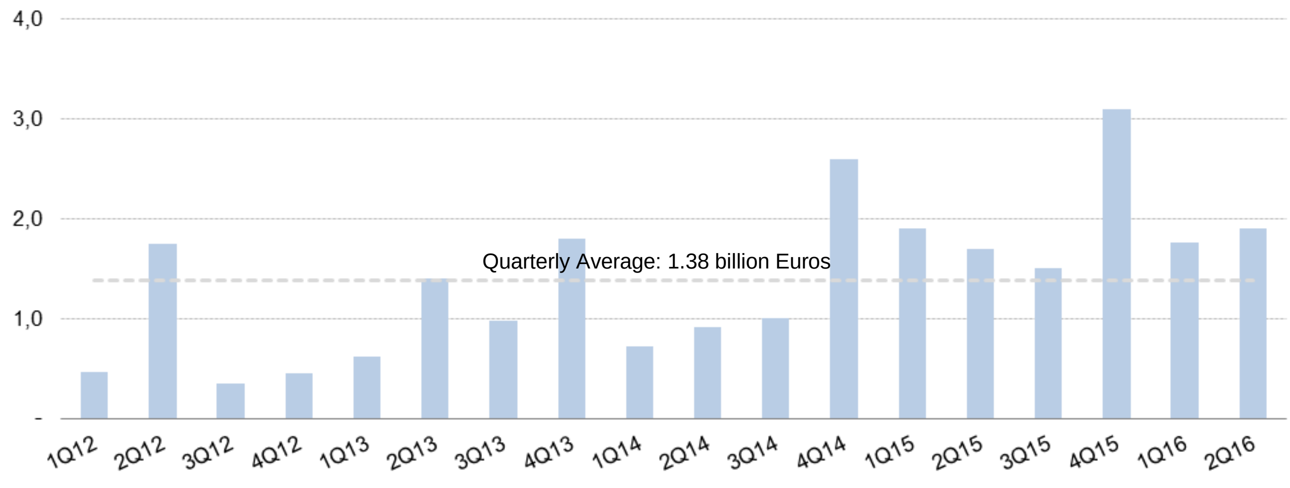
In the referendum held on June 23rd, 2016 UK voters decided that the country should leave the European Union. Although the decision will not be implemented immediately, and could take two years or more to become effective, European equity markets were affected by the Brexit vote. Specifically, European banks, including several Italian banking institutions, suffered significant reduction in share prices due to the British vote. The index of Italian bank shares has dropped by approximately 40% since the Brexit decision was announced.

The decline in stock market capitalization has increased the urgency of the need for liquidity and additional capital for Italian banks. Therefore, we believe that the Brexit vote has the potential to bring more property to the market at attractive prices.

The Italian Real Estate market continues to see increasing investment activity

In the first six months of 2016, the Italian Real Estate Market continued its growth trend, in line with 2015 performance. The current low interest rates environment is pushing investors towards alternative, higher-yielding asset classes.

Italian commercial real estate – i.e. office, retail, logistic and hotels – investments reached 3.6 billion Euros, recording a slight increase of 1.5% with respect to H1 2015. The office sector (43% of the total invested volume) continues to represent investors' favoured asset class, followed by retail, which gained market share compared with the previous year.

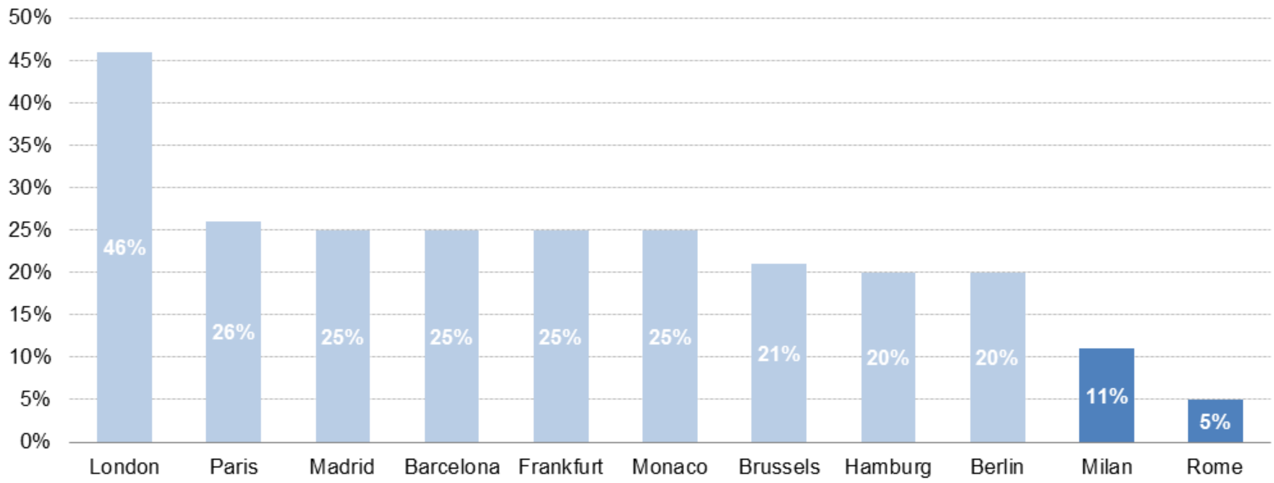


Graph 1. Italian CRE Investment Volume[3]

[3] Source: CBRE Report – H1 2016

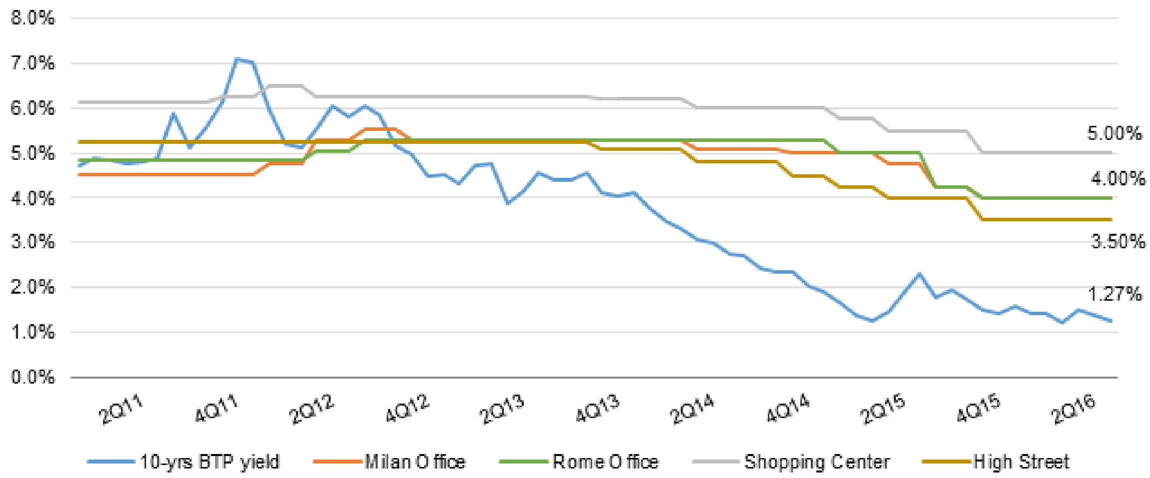
With almost 2.8 billion Euros, foreign investors are still the most significant contributors to the Italian CRE investment volume in H1 2016 accounting over all for 78%. Domestic share is continuing to grow, with a total of 756 million Euros of new investments over the semester, up from 660 million Euros recorded in the same period of the previous year.

The Italian Real Estate market continues to suffer from a structural shortage of quality assets, showing the lowest percentage of Grade A buildings among European top markets.



Graph 2. Grade A office stock over total office stock[4]

The strong mismatch between offer and demand for quality assets has resulted in broad based prime yield compression, reaching lows of 4.0% for offices in Milan's CBD and 3.5% for high street retail.

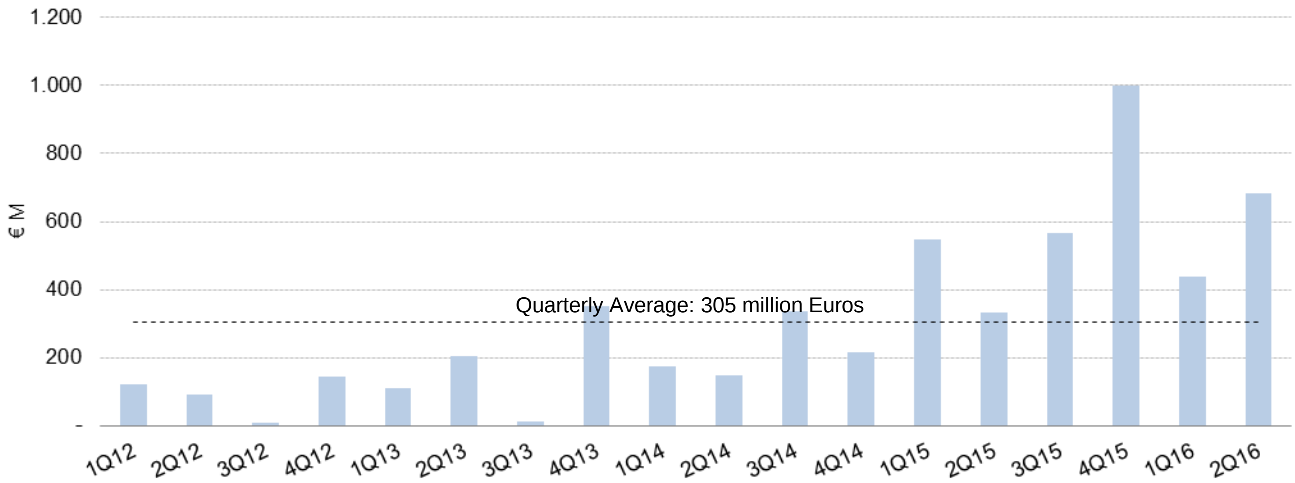


Graph 3. Italian CRE Prime Net Yields[5]

Milan Office Market

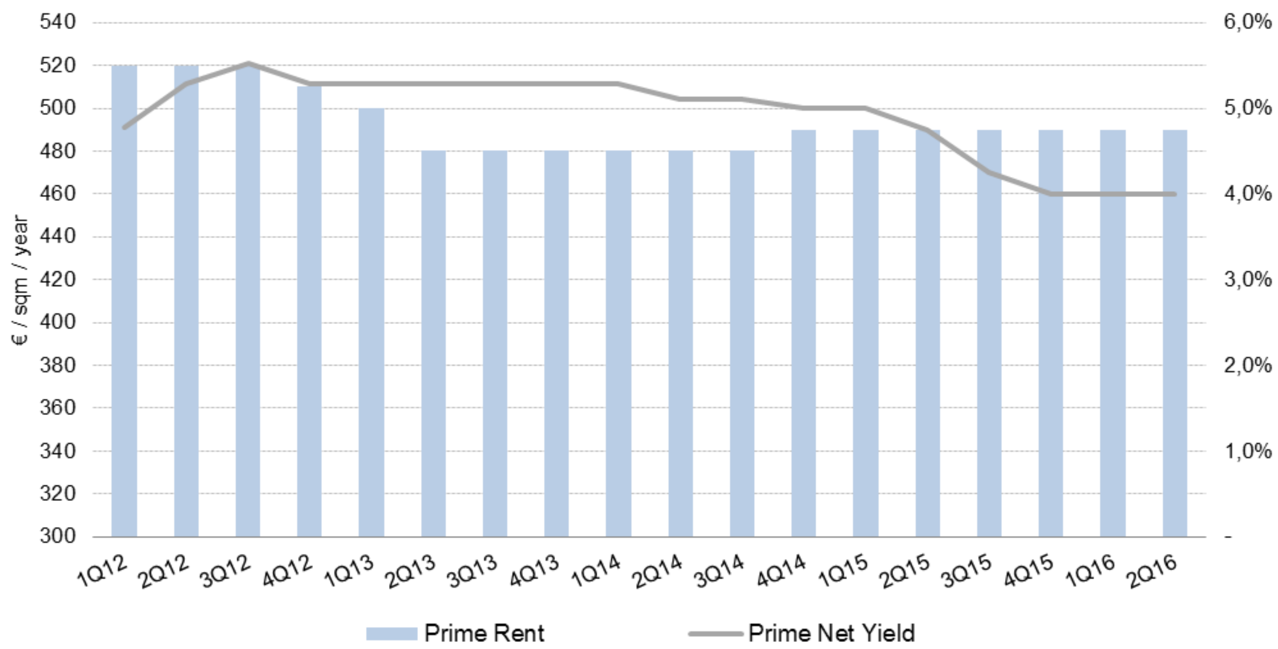
In H1 2016, approx. 1,121 million Euros were invested in the Milan Office Market, a 27% increase with respect to the volume seen in the first six months of 2015.

[4] Source: CBRE Report – H1 2016
[5] Source: JLL Data – H1 2016



Graph 4. Milan Office Market Investment Volume[6]

Prime rent remained stable at 490 Euro/sqm/year, with the highest values recorded in the CBD and Porta Nuova business district. Office sector prime net yields were unchanged from levels recorded in the quarter of 2015 at 4.0%.

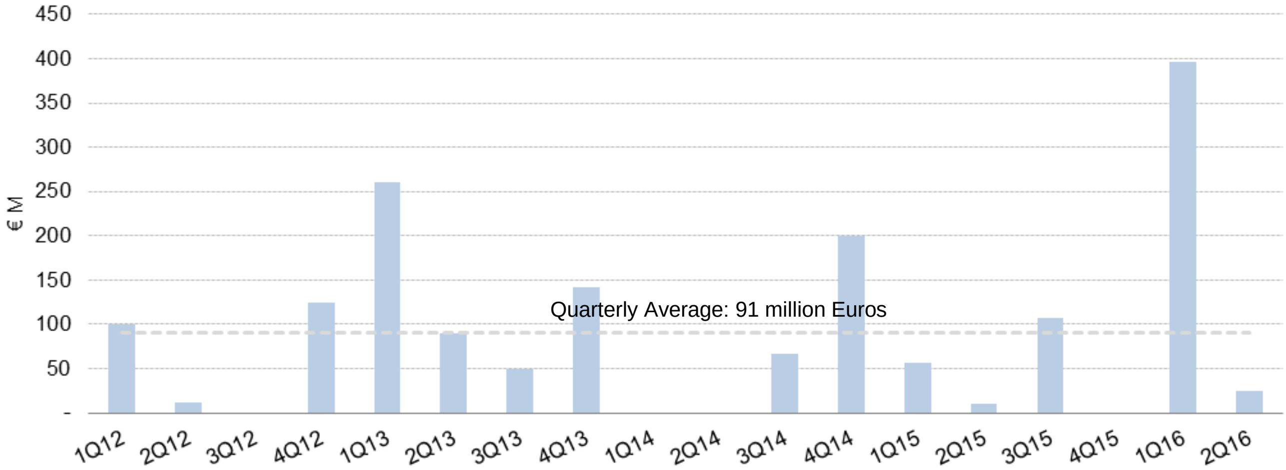


Graph 5. Milan Office Market Prime Rent and Net Yield[7]

Rome Office Market

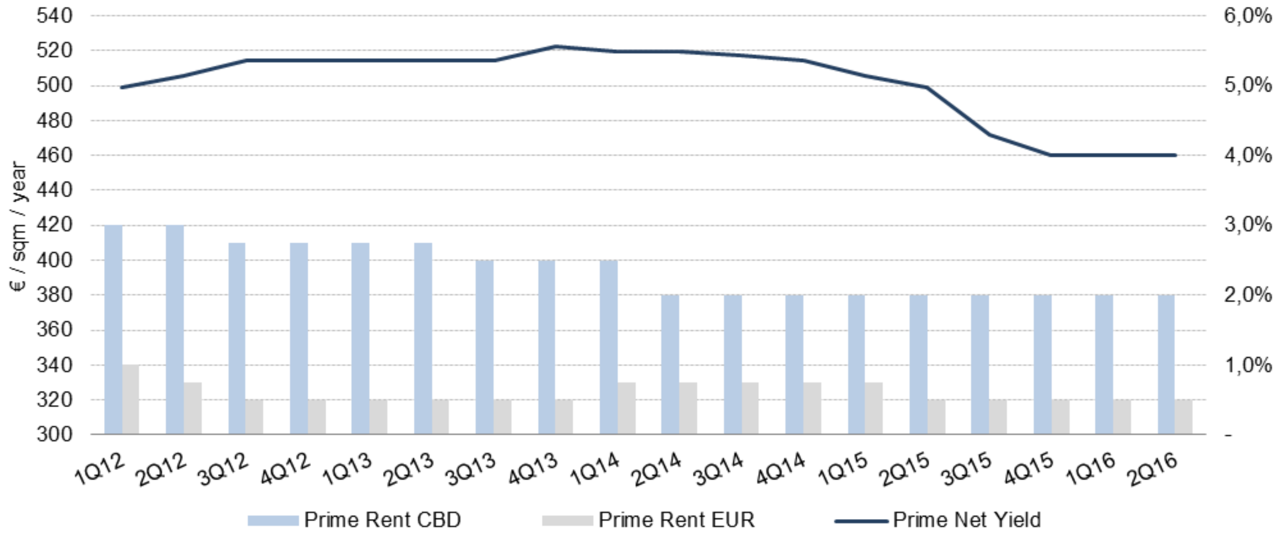
Investments in the Rome office market totaling 421 million Euros in H1 2016 increased considerably compared to previous period, as evidenced in the following graph, mainly thanks to the closing of key transactions started in 2015.

[6] Source: CBRE Report – H1 2016
[7] Source: CBRE Report – H1 2016



Graph 6. Rome Office Market Investment Volume[8]

Due to the strong competition in the market, prime net yield remained in line with levels recorded during the last quarter of 2015 at 4.0%, while prime rent remained stable both in the CBD and the EUR area, at 380 Euro/sqm/year and 320 Euro/sqm/year respectively.



Graph 7. Rome Office Market Prime Rent and Net Yield[9]

[8] Source: CBRE Report – H1 2016

Statement of the Chief Executive Officer and the Manager responsible for preparing the Company's financial reports regarding the condensed interim consolidated financial statements as of June 30, 2016, pursuant to art. 154-*bis*, paragraph 5, of the Legislative Decree No. 58 of February 24, 1998 and art. 81-*ter* of the Consob Regulation No. 11971 of May 14, 1999

1. We, the undersigned, Manfredi Catella, as Chief Executive Officer, and Fulvio Di Gilio, as Manager responsible for preparing the financial reports 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 24, 1998, hereby certify:
    - the adequacy, with regard to the nature of the Company; and
    - the effective application during the period from January 1, 2016 to June 30, 2016 of the administrative and accounting procedures adopted in preparing the condensed interim consolidated financial statements.
2. In this regard, we also note that:
    a. the adequacy of the administrative and accounting procedures adopted in preparing the condensed interim consolidated financial statements has been verified by means of the evaluation of the internal control system on the financial information.

    b. no material aspects have been detected from the evaluation of the internal control system on the financial information.
3. We also certify that:

    3.1. The condensed interim consolidated financial statements:

    a. 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 19, 2002;
    b. are consistent with the entries in the accounting books and records;
    c. 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.

    3.2. The interim report on operations provides a reliable analysis of significant events occurring during the first six months of the financial year and their impact on the condensed interim financial statements, as well as a description of the main risks and uncertainties facing us in the second half of the year.

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

Milan, July 27th, 2016

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*]

FINANCIAL RESULTAS OVERVIEW

COIMA RES S.p.A. SIIQ began operations on May 13th,2016. The table below shows a recap of the first 7 weeks of activity[10] [11] and highlights the movements of the key figures of the Company from the pro-forma balance sheet as of December 31st, 2015, included in the Offering Circular, to the half year consolidated financial statements as of June 30th, 2016.

(in million Euros)	Pro-forma Financial statements December 31,2015	IPO Proceeds	Vodafone Closing	Adjustments	Reclassified financial statements June 30, 2016
Real Estate Properties	331.5			14.9	346.4
Financial Asset	0.8			(0.8)	-
VAT Receivable	44.0			0.6	44.6
Total LT Assets	**376.3**				**391.0**
Inventories (vacant properties)	14.2			(14.2)	-
Trade Receivables	0.3			(0.1)	0.2
Other assets				0.4	0.4
Cash	6.2	210.0	(30.4)	(1.9)	183.9
Total Current Assets	**20.7**	**210.0**	**(30.4)**	**(15.8)**	**184.5**
Total Assets	**397.0**	**210.0**	**(30.4)**	**(15.8)**	**575.5**
Debt	44.0		169.6		213.6
Other Liabilities				0.4	0.4
Trade Payables	1.6			7.5	9.1
Total Liabilities	**45.6**	**-**	**169.6**	**7.9**	**223.1**
NAV	**351.4**				**352.4**
NAV per Share					9.8
Portfolio Loan to Value					*54.6%*
Net debt Loan to Value					*7.60%*

In the column named “Adjustments” is included the reclassification of the inventories in order to show the total value of the real estate properties of the Company. In addition it is included the movements of the balance sheet figures for the period.

As of June 30th, 2016 the Company has executed the acquisition of the “Vodafone Village” as planned and has secured financing for a total of 216.25 million Euros on the Vodafone Village acquisition.

148 million Euros of the newly agreed financing has been used to fund the acquisition of the Vodafone Village (of which 44 million Euros to fund VAT payable on the acquisition). Remaining capacity available under the financing agreement will be used to finance future acquisitions of the Company.

Investment property includes 140.1 million Euros related to Deutsche Bank portfolio and 206.3 million Euros related to Vodafone Village.

The VAT receivables are substantially related to the VAT paid for the Vodafone acquisition which are expected to be reimbursed by the Inland Revenue Agency within 18-24 months.

The Company has a net debt position of 29.9 million Euros as of June 30th, 2016.

The trade payables include the transfer tax (in the amount of 4 million Euros) to be paid for the Vodafone acquisition and other costs related to the IPO process.

[10] Excludes the acquisition of 86,67% of the MHREC real estate fund that contains Palazzo Sturzo and Gioiaotto with combined gross asset value of 146 million Euros and expected gross stabilized rents of 7.4 million Euros. Expected EPRA NAV per share including the MHREC acquisition is 9.9 Euros.
[11] The COIMA RES portfolio LTV and net debt LTV are 54.1% and 32.5%, respectively after inclusion of the MHREC acquisition.

The net asset value amounts to 352.5 million Euros corresponding to a NAV per share of Euro 9.8.
The semi-annual figures as of June 30th, 2016 show a net profit of 2.7 million Euros. The following table summarizes the Profit & Loss for the six month period[12].

(in million Euros)	June 30th 2016
Net Revenues	1.3
Operating expenses	(1.0)
Personnel expenses	(0.3)
Other expenses	(0.4)
Gross operating profit	**(0.4)**
Net movement on fair value	2
Operating Profit	**1.6**
Finance Income	0.1
Income from subsidiaries	1
Profit before taxation	**2.7**
Income tax	-
Profit for the period after taxation	**2.7**
Earnings per share	**0.27**

The net revenues include only the rents collected on the Deutsche Bank portfolio for the period starting from the May 1st, 2016. The Vodafone Village complex will contribute to the profit of the Company starting from July 1st, 2016.

The operating expenses include the pro-rata of asset management fee and governance and control function costs as well as consultancies, auditors, IT, marketing and communication and other costs.

The personnel expenses include the costs for the two employees of the Company for the seven weeks of operation, the long term incentive compensation granted and estimated of the bonuses for the period.

The net movement in fair value of the property portfolio is based on the report of the Independent Appraiser CBRE Valuation S.p.A. issued on July 15th, 2016.

The finance income is related to the bank deposit remunerated at 40bps on an annual basis.

The income from subsidiaries is badwill emerging from the business combination with COIMA CORE FUND IV related to the difference between the price fixed as of November, 2015 and the net equity as of April 30th, 2016.

The Earnings per share amounts to Euro 0.27 and it is calculated taking into account the average number of shares outstanding during the first semester.

The table below summarizes the key performance indicators of COIMA RES as of June 30th 2016.
No comparative information could be provided due to start-up of operations in May 2016.

12 The annual net profit pro-forma including the acquisition of 86,67% of the units of the real estate fund MH Real Estate Crescita that contains Palazzo Sturzo and Gioiaotto is 13.2 million Euros.

		June 30th 2016
EPRA Earnings	million Euros	**(0.40)**
EPRA Earnings per share	Euros	**(0.01)**
EPRA NAV	million Euros	**352.6**
EPRA NAV per share	Euros	**9.8**
EPRA NNNAV	million Euros	**352.6**
EPRA NNNAV per share	Euros	**9.8**
EPRA Net Initial Yield (NIY)	%	**5.5**
EPRA topped-up NIY	%	**5.5**
EPRA Vacancy Rate	%	**4.1**
EPRA cost Ratios (including direct vacancy costs)	%	**136.4**
EPRA cost Ratios (excluding direct vacancy costs)	%	**137.7**

The economic EPRA performance indexes are not meaningful for COIMA RES due to recent start-up of activities.

The EPRA NAV amounts to 352.6 million Euros, 0.2 million Euros higher than the NAV calculated according to IFRS principles[13].

The key elements at the base of NAV calculation are the following:

- Contribution of the Deutsche Bank banking branches portfolio which assures income as from May 1st, 2016;
- Successful completion of the Initial Public Offering for an amount of 215.0 million Euros;
- Execution of debt financing agreements for an amount of 216.3 million Euros with the draw down on June 30th, 2016;
- Acquisition of Vodafone Village which assure income starting from July 1st, 2016.

EPRA Earnings are negative because the income producing assets contributed to the operating profit only for 49 days for the Deutsche Bank portfolio and 0 for the "Vodafone Village" during the semester.

The table below sets forth the Company's net liquidity as of June 30th, 2016 determined in accordance with the recommendation ESMA/2013/319.

(in million Euros)	June 30th 2016
(A) Cash	183.9
(B) Cash equivalent	-
(C) Trading securities	-
(D) Liquidity (A)+(B)+ (C)	**183.9**
(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)	**183.9**
(K) Non-current bank loans	(213.6)
(L) Bonds issued	-
(M) Other non-current loans	(0.2)
(N) Non-current financial indebtedness (K)+(L)+(M)	**(213.8)**
(O) Net debt (J)+(N)	**(29.9)**

[13] EPRA earnings pro-forma is 11.2 million Euros while the EPRA NAV pro-forma is 354.6 million Euros assuming full year figures.

RISKS

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

	Risks	Mitigating Measures of COIMA RES
1	**Market Risks**	
	Cyclical Market – the property market is cyclical and as such values and market conditions can be volatile. This could have a potential adverse impact on property values and rental levels, impacting shareholder returns.	- Assets are mainly concentrated in Milan, which is a property market historically characterized by low volatility - Company investment strategy foresees a progressive focus on ○ key office within the Milan and Rome areas which proved to be the most stable asset class in adverse market conditions ○ Grade A offices asset within consolidated business districts, which have demonstrated superior profitability and good resilience during market downturns - The asset manager is experienced in managing property portfolios through adverse market conditions
	Slowdown in economic growth - as a any open economy, the Italian economy is highly exposed to the wider European and world market dynamics. Any slowdown or unexpected market downturn could reduce the demand for space in the main Italian cities, and therefore negatively impact rental levels and property values, while increasing the level of tenant default.	- Company investment strategy is focused on acquiring high quality office buildings within large and populated city centers, which are more resilient to market cycles - Company targets top tier international tenants, with long term lease contracts and strong covenants, and operating in different industry sectors in order to enhance portfolio diversification - The company, supported also by asset management team, is highly experienced in facing market downturns
	Exit of early cycle investors - risk of adverse impact on property values and liquidity if there was to be a glut of supply of assets for sale from these investors, for example if their funds had redemption requirements or if Italian property as an asset class was seen to be less attractive.	- We have prime and good quality secondary assets in good locations, the demand for which will be more resilient and less volatile than lesser assets in lesser locations
2	**Interest Rate Risk**	
	Interest Rate Risk – global interest rates are currently at record low levels but may increase in the short to medium term. An increase in interest rates could have an adverse impact on the Company's property values, as the risk premium applied to property yields would increase.	- Company covers the interest rate risk with appropriate derivative transactions in order to minimize the underlying risk.
3	**Liquidity Risk**	
	Liquidity risk - the risk that the Company does not have adequate resources to finance the operations and to pay the	The Company monitors the cash position by planning its cash flows and currently this risk is mitigated by the significant cash availability in place. In order to mitigate

	charges related to the loan agreements.	the liquidity risks the Company has a policy of maintaining leverage at 50%, which can be reduced, in order to have adequate flows that enable the Company to meet its obligations on time.
4	**Income Sustainability Risks**	
	Leasing Risk – risk of existing tenants leaving the space they rent, in occasion of brake options and expires. These events may negatively impact revenues, cash flows and asset valuations.	- Company consolidated practice is to work closely with tenants to understand their needs and to ensure ongoing satisfaction - Should tenants choose to release the assets, we are confident we would be able to re-let vacated space within a short-medium time, with reasonable levels of tenant incentives
	Counterparty Risk – risk of the existing tenants not meeting their contractual obligations as a result of a distressed financial situation	- Largest tenants are Vodafone Group and Deutsche Bank, top tier international investment grade companies - Company strategy is to diversify the tenancy in terms of i) number of tenants and ii) industry sectors in order to enhance portfolio diversification
5	**Regulatory Risk**	
	Risks Related to Our Status as SIIQ – Risk that the Company will be not in the position to meet all the requirements by the statutory terms to be eligible for the SIIQ regime.	- The Company will perform continuously the asset and the profit test to monitor that, even on a forward looking basis, all the requirements required by the laws and by the statutory terms to maintain the SIIQ Status are met.

SUBSEQUENTS EVENTS

As announced on July 21th 2016, COIMA RES has reached a preliminary agreement to acquire through the units of MH Real Estate Crescita fund two prime, 100% leased, multi-tenant properties:

- **Gioiaotto (Porta Nuova district, Milan)**, which is the first LEED Platinum property in Milan, has a net rentable area of 13,621 square meters. The property – which was at valued 65.3 million Euros – is leased to leading tenants, such as Roland Berger and Bernoni Grant Thornton among others and generates initial annual gross rental income of 2.4 million Euros and **expected stabilised gross rental income of approximately 4 million Euros, with an expected Net Stabilized Yield of approximately 5.5%.** WALT is equal to 4.8 years;
- **Palazzo Sturzo (EUR District, Rome)** has a net rentable area of 13,712 square meters. The property – which was valued at 80.2 million Euros – is leased to leading tenants, such as Fastweb and Axa, and generates initial annual gross rent income of 4.9 million Euros and **expected stabilised gross rental income of 5.1 million Euros**, with an **expected Net Stabilized Yield of 5.7%. WALT is equal to 5.9 years.**

The acquisition of the MHREC fund units, with net asset value equal to 78 million Euros, comprises 145.5 million Euros of appraised property value for the two real estate assets Gioiaotto and Palazzo Sturzo, 10.5 million Euros of other net assets, and includes the assumption of 78 million Euros in debt (bullet financing with first expiration on June 2018 and second expiration on June 2020 with a margin of 175bps). The price has been defined on financial accounts as of December 30th 2015, and a price adjustment based on the variation of working capital and net financial position will be determined based on financial accounts as of June 30th and recognized in September 2016. The acquisition is 100% cash financed using part of the remaining IPO proceeds.

FORECAST ON FUTURE COMPANY ACTIVITIES

Considering the current macro-economic and political risks at the global, European and Italian level we are selecting assets that will perform well under these market conditions. We also believe the current environment will make for attractive investment opportunities which we stand ready to exploit.
Our objective is to build a focused portfolio of assets, with a diversified tenant base, and good risk adjusted returns. We are confident about our near and medium-term outlook. We look forward to implementing a sustainable growth strategy for the benefit of our shareholders based on the current pipeline of over 1 billion Euros and a Net Yield between 5.0% - 6.0% on quality assets with total target returns in line with COIMA RES expectations.

On the assumptions included in this document COIMA RES expects positive results in the second semester which will contribute to make 2016 a profitable year.

HALF YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2016

CONSOLIDATED INCOME STATEMENT

(in thousands Euros)	Notes	First half 2016	*of which related parties*	First half 2015	*of which related parties*
Revenues	4,5	1,286			
Change in inventories					
Costs for raw materials and services	6	(1,052)	(474)	(13)	
Personnel costs	7	(320)	(284)		
Other operating expenses	8	(382)	(104)		
Depreciation					
Adjustment fair value property	9	2,045			
Operating Earnings		**1,577**	**(862)**	**(13)**	**-**
Financial income	10	108			
Income (loss) from investments	4	1,022			
of which non recurring		*1,022*			
Financial expense					
Profit before tax		**2,707**	**(862)**	**(13)**	**-**
Taxes					
Profit for the period		**2,707**	**(862)**	**(13)**	**-**
Earnings per share:					
- Base, net income (loss) attributable to ordinary shareholders	11	0.27		(2.66)	

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

(in thousands Euros)	Notes	First half 2016	First half 2015
Profit for the period		**2,707**	**(13)**
Other subsequent recyclable components in the result for the period, net of tax		0	0
Other subsequent components in the result for the period, net of tax	16	**(10,070)**	0
Consolidated comprehensive income		**(7,363)**	**(13)**

CONSOLIDATED BALANCE SHEET

(in thousands Euros)	Notes	First half 2016	*of which related parties*	First half 2015	*of which related parties*
Assets					
Real estate investments	12	332,200			
Other tangible assets		1			
Total non-current assets		**332,201**			**-**
Inventories	13	14,150			
Trade receivables and other current receivables	14	45,162	46	795	46
Cash Equivalents	15	183,972		390	
Total current assets		**243,284**	**46**	**1,185**	**46**
Total Assets		**575,485**	**46**	**1,185**	**46**

(in thousands Euros)	Notes	First half 2016	*related parties*	First half 2015	*related parties*
Liabilities					
Share capital	16	14,451		71	
Share premium reserve	16	335,549		499	
Gains (losses) carried forward	16	(320)			
Profit / (loss) for the period	16	2,707		(320)	
Total net equity		**352,387**		**250**	**-**
Bank borrowings and other non-current lenders	17	213,622			
Payables for post-employment benefits		1	1		
Provisions for liabilities and charges	18	124	124		
Trade and other non-current payables	19	204	204	100	
Total non-current liabilities		**213,951**	**329**	**100**	**-**
Trade and other current payables	20	9,147	1,076	835	
Current income tax liabilities					
Bank borrowings and other current lenders					
Total current liabilities		**9,147**	**1,076**	**835**	**-**
Total liabilities		**223,098**	**1,405**	**935**	**-**
Total liabilities and net equity		**575,485**	**1,405**	**1,185**	**-**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Half year at June 30th, 2016

(in thousands Euros)

	Share capital	Share premium reserve	Gains (losses) carried forward	Profit / (loss) for the period	Total net equity
Balance at 8 June 2015	**50**				**50**
Capital incerease 30 September 2015	21	499			520
Profit / (loss) for the period				(320)	(320)
Other comprehensive income					
Balance at 31 December 2015	**71**	**499**		**(320)**	**250**
Balance at 1 January 2016	**71**	**499**	**(320)**		**250**
Capital increase 11 May 2016	5,780	138,720			144,500
Capital increase 13 May 2016	8,600	206,400			215,000
Profit / (loss) for the period				2,707	2,707
Other comprehensive income		(10,070)			(10,070)
Balance at 30 June 2016	**14,451**	**335,549**	**(320)**	**2,707**	**352,387**

CONSOLIDATED STATEMENT OF CASH FLOWS

Half year period at June 30th, 2016

(in thousands Euros)	Notes	First Half 2016	31 December 2015
Operating activities			
Profit (loss) before taxes		3,457	(320)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation			
Adjustment fair value property	9	(2,045)	
Financial income			
Financial expense			
Other operating expenses		228	99
Changes in working capital:			
Increase in trade receivables and other short-term receivables		(44,260)	(796)
(Increase) / decrease in inventories			
Increase in trade payables and other short-term debts		7,983	837
Taxes on income paid			
Net cash flows from operating activities		**(34,637)**	**(180)**
Investing activities			
Revenues from sales of property, plant and equipment			
Share purchase	4	3,923	
Purchase of property, plant and equipment		(204,256)	
Net cash flows (loans) from financial activities		**(200,333)**	
Financing activities			
Shareholders' contributions	16	204,930	570
Proceeds from loans	17	213,622	
Repayment of loans		-	
Net cash flows (funds) from financing activities		**418,552**	**570**
Net (decrease)/increase in cash equivalents and short-term deposits		183,582	390
Cash equivalents and short-term deposits at the beginning of the period		390	-
Cash equivalents and short-term deposits at the end of the period	15	**183,972**	**390**

NOTES TO THE CONDENSED HALF YEAR CONSOLIDATED FINANCIAL STATEMENTS

1. Company facts

The publication of the condensed half-year consolidated financial statements of COIMA RES S.p.A. SIIQ and its subsidiaries for the period ended June 30th, 2016 was authorised by the Board of Directors on July 27th, 2016.

COIMA RES S.p.A. is a public company listed on the Mercato Telematico Azionario (screen-based stock exchange) organised and managed by the Italian Stock Exchange since May 13th, 2016. The Company is incorporated and registered in Italy, and has its registered office in Milan, Via della Moscova no. 18.

The Company started its operations with the contribution of Deutsche Bank's portfolio and the subsequent commencement of trading.

2. Principles of preparation and changes in accounting standards of the Group

2.1 Principles of preparation

The condensed half-year consolidated financial statements at June 30th, 2016 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, at June 30th, 2016.

The condensed half-year consolidated financial statements at 30 June 2016 have been prepared in accordance with IAS 34 *Interim Financial Reporting.*

The condensed half-year consolidated financial statements do not expound upon all the information required during preparation of the annual consolidated financial statements.

This condensed half-year consolidated financial statements of COIMA RES S.p.A. SIIQ (hereinafter referred to as "COIMA RES", or the "Company") for the period ended 30 June 2016 represent the first consolidated financial statements of the Company; therefore, no comparative information is available.

The condensed half-year consolidated financial statements have been prepared under the historical cost principle, except for investment properties, land and buildings, derivative financial instruments, contingent consideration 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 condensed half-year consolidated financial statements comprise the Balance Sheet, the Income Statement, the Comprehensive Income Statement, the Statement of Changes in Equity, the Cash Flow Statement and the Notes to the condensed half-year consolidated financial statements.

In accordance with art. 5, paragraph 2, of Legislative Decree no. 38 of February 28th, 2005, the financial statements were prepared in EUR. Unless otherwise specified, all amounts of the condensed half-year consolidated financial statements are stated in EUR. Rounding of the data in the notes to the condensed half-year consolidated financial statements is intended to ensure consistency with the figures reported in the balance sheet and income statement.

The condensed half-year consolidated financial statements has 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:

(i) the statement of assets has been prepared by classifying assets and liabilities according to the "current / non-current" criterion;
(ii) the income statement and comprehensive income statement have been prepared by classifying operating expenses by nature;
(iii) 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

<u>Scope of consolidation</u>

The consolidated financial statements have been drawn up on the basis of the financial statements as of 30 June 2016, prepared by the consolidated companies and adjusted, where necessary, to align them with the IFRS-compliant accounting and classification policies. The consolidation perimeter include COIMA RES S.p.A. SIIQ and the COIMA CORE FUND IV. The Company consolidate the mentioned Fund 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.

<u>Consolidation methods</u>

The consolidated financial statements include the financial statements of COIMA RES S.p.A. SIIQ and COIMA CORE FUND IV as of 30 June 2016. The subsidiaries' accounts are prepared each year using the same accounting standards as the Company. 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 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 completely eliminated.

2.3 Main balance sheet items

Real estate investments

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

Investment property is initially recognised at cost including incidental expenses and acquisition, consistent with 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 costs incurred relating to subsequent interventions are capitalised 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 derecognised when sold or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses arising from the retirement or disposal of an investment property are recognised in the income statement in the year of the withdrawal or disposal.

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

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

In accordance with IFRS 13, the fair value valuation of a non-financial asset considers the ability of a market operator to generate economic benefits from using the asset at its *highest and best use,* or selling it to another market participant that would employ such at its highest and best use.
According to IFRS 13, an entity must employ valuation techniques appropriate to the circumstances and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The fair value is measured based on observable transactions in an active market, adjusted if necessary, depending on the specific characteristics of each investment property. If such information is not available, so as 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 by an external independent valuation company, duly recognised in terms of professional qualification and recent experience in the leasing and characteristics of the property evaluated.

Financial instruments
Assets and financial liabilities are accounted for in accordance with IAS 39 - Financial Instruments: Recognition and Measurement, and IAS 32 - Financial instruments: presentation and supplementary information.
Loans and receivables that the Company does not hold for trading (loans and receivables originated during operational activities), securities held with the intention of keeping such in the portfolio until maturity, and all financial assets not listed in an active market and whose fair value cannot be determined reliably, are measured, if featuring a fixed term, at amortised cost using the real interest rate calculation method. When financial assets have no fixed maturity, such are valued at acquisition cost.
Receivables due beyond one year, non-interest bearing or which bear interest below market are discounted using market rates. Valuations are carried out regularly as to whether there is objective evidence that a financial asset or a group of assets may have suffered an impairment loss. If any such evidence exists, the impairment loss is recognised as an expense in the income statement for the period.
Financial liabilities are initially recognised at fair value and subsequently carried at amortised cost method using the real interest rate calculation method.

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.

Net Equity
Share capital
The share capital represents the nominal value of payments and contributions made in this regard by shareholders.

Recording of revenues, income and expenses in the income statement

Revenues
Revenue is recognised 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:

(i) *Rental income:* rental income from the investment property owned by the Company is recognised on an accrual basis, conforming to extant lease contracts.

(ii) *Supply of services:* revenues from services rendered are recognised in the income statement based on the completion percentage and only when the result of such service can be reliably estimated.

Costs

The costs and other operating expenses are recognised as components of the fiscal year result when incurred on an accrual basis, and when such cannot be recognised as assets in the balance sheet.

Financial income and charges

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

Taxes

Current taxes

Current income taxes are calculated on the basis of estimated taxable income. Liabilities for current taxes are recognised in the balance sheet net of any advance taxation.
Tax payables and receivables for current taxes are measured at the amount expected to be paid /received to/from the tax authorities on the basis of the nominal tax rates in effect at the balance sheet date, except for those directly recorded in shareholders' equity, in that such relate to adjustment of assets and liabilities recognised directly to equity. Other non-income taxes, such as taxes on property and capital, are included in the operating costs.
The Company is Under the SIIQ tax regime. SIIQs are subject to neither corporate income tax (“**IRES**”) nor regional tax on productive activities (“**IRAP**”) on the business income deriving from letting real property and on other real estate related items of income. On the other hand, the earnings and profits corresponding to the exempt income are subject to taxation in the hands of the shareholders upon distribution.

Deferred tax

Pre-paid tax is recognised using the liability method on temporary differences.
It is calculated on the temporary differences between the carrying amounts of assets and liabilities recorded in the balance sheet and their tax value. The deferred tax assets on tax losses carried forward and on deductible temporary differences are recognised to the extent in which it is likely that future taxable profit will be available against which such can be recovered.
The tax assets and liabilities are measured using the tax rates expected to be applicable during the years when temporary differences will be reversed. Deferred tax assets and deferred tax liabilities are classified as non-current assets and liabilities.
The assets and current and deferred tax liabilities are offset when the income taxes are levied by the same taxation authority, when there is a legally enforceable right to offset, and when the expected repayment time is the same.

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

Basic earnings per ordinary share diluted 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 property and taxes.
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 a large number of subjective opinions, assumptions and estimates:

- Investment property: is initially recognised at cost including incidental expenses and acquisition, consistent with 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;
- 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;

Rating of the financial instrument. The financial instrument is recognised initially at fair value recording the related cost in the income statement, and by subsequently evaluating at each balance sheet date the effects of the change in the fair value recognised in the income statement during the period in which such occur. The fair value at the closing date of the period is determined by estimates made by management, including through the support of independent experts, subject to hypotheses and assumptions.

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

The accounting standards adopted in the preparation of the condensed half-year consolidated financial statements are consistent with those in effect at the balance sheet date, inclusive of new standards, amendments and interpretations effective from January 1st, 2016. The Company has not adopted any new policy, interpretation or amendment issued but not yet effective.
The type and effects of these changes are described below. Although these new policies and amendments are applicable for the first time in 2016, such do not significantly impact the consolidated financial statements or the condensed half-year consolidated financial statements of the Company. The type and impact of any new policy/amendment are listed below:

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity whose activities are subject to rate regulation to continue to apply, upon initial adoption of IFRS, most of the previous accounting standards adopted for the amounts relating to rate regulation. Entities adopting IFRS 14 must present the rate regulation-balances in separate lines of the statement of financial position, and present changes to these accounts in separate lines of the profit/ (loss) statement for the year and other comprehensive income. The standard requires that information be presented on the nature and associated risks, the tariff regulation and the effects of this on the entity's financial statements. IFRS 14 is effective for financial periods starting January 1st, 2016 or subsequently. This standard does not apply to the Group, since this already employs the IFRS.

Amendments to IFRS 11 *Accounting for acquisitions of interests in joint operations*

The amendments to IFRS 11 require that a joint operator recording the acquisition of a stake in a joint-control agreement or joint-control agreement whose activities represent a business, must apply the relevant IFRS 3 standards on accounting for business combinations. The changes also clarify that in the case of joint-control maintenance, the previously held stake in a joint venture agreement is not subject to re-measuring at the time of the acquisition of an additional stake in the same joint-control agreement. In addition, there was added an exclusion from the scope of IFRS 11 to clarify that the changes do not apply when the parties sharing control, including the amount of the reporting entity, are under the common control of the same ultimate controlling party.
The changes apply to both the acquisition of the initial stake in a joint-control agreement, and to the acquisition of each additional share in the same joint-control agreement. The amendments shall be applied retrospectively for financial periods beginning on or after January 1st, 2016; early application is permitted.

These changes have no impact on the Group since, during the period, no acquisitions of interests in joint-controlled activities occurred.

Amendments to IAS 16 and IAS 38 *Clarification on acceptable methods of depreciation*

The changes clarify the content of the principle laid down in IAS 16 *Property, plant and equipment* and IAS 38 *Intangible fixed assets* that revenues reflect a pattern of economic benefits generated from the management of a business (of which the asset is a part) rather than economic benefits that depreciate with use of the item. It follows that a margin-based method cannot be used for depreciation of property, plant and equipment, and may be used only in very limited circumstances for depreciation of intangible assets. The amendments shall be applied retrospectively for financial periods beginning on or after January 1st, 2016; early application is permitted. These changes have no impact on the Group, as the Group does not employ revenue-based methods for depreciation of its non-current assets.

Amendments to IAS 16 and IAS 41 *Agriculture: fruit-bearing plants*

Modifications change the accounting of biological assets that qualify as a fruit tree. According to such changes, the biological assets that qualify as fruit tree no longer fall within the scope of IAS41. Instead, IAS 16 applies. After initial recognition, the fruit trees will be valued in accordance with IAS 16 at accumulated cost (before the ripeness of the fruit) using the cost model or the revaluation model (after ripening of the fruit). The changes also provide that a product that grows on fruit trees will remain in the scope of IAS 41, thus assessing the fair value net of selling costs. As regards government grants related to fruit trees, IAS 20 applies *Accounting for Government Grants and Disclosure of Government Assistance.* The amendments shall be applied retrospectively for financial periods beginning on or after January 1st, 2016; early application is permitted. These changes have no impact on the Group as this does not own fruit-bearing plants.

Amendments to IAS 27 *Equity method in the separate financial statements*

The changes will enable entities to use the equity method to account for investments in subsidiaries, joint ventures and associated companies in their own separate financial statements. Entities that are already applying IFRS and revise the accounting criterion through the equity method in the separate financial statements shall apply the change retrospectively. In case of first-time adoption of IFRS, the entity that decides to use the equity method in the separate financial statements will have to apply such from the date of transition to IFRS. The amendments take effect for financial periods beginning January 1st, 2016 or subsequently; early application is permitted. These changes have no impact on the Group's consolidated financial statements.

Annual improvements to IFRS - Cycle 2012- 2014

These improvements take effect for financial periods beginning January 1st, 2016 or subsequently. Such include:

IFRS 5 *Non-current assets held for sale and discontinued operating activities*

The assets (or non-current assets held for sale) are generally transferred by sale or distribution to shareholders. The amendment states that moving from one to another of these disposal methods should not be considered as a new sale plan, but rather a continuation of the original plan. Therefore, there is no interruption in the application of the requirements of IFRS 5. This amendment must be applied retrospectively.

IFRS 7 *Financial instruments: Disclosures*

(i) Servicing contracts

This amendment clarifies that a servicing contract, which includes compensation, may entail an ongoing involvement in a financial asset. An entity shall determine the nature of the compensation agreement and based on IFRS 7 guidelines on the continuing involvement to evaluate if disclosures are required. The definition of such a servicing contract involves continuous involvement retrospectively. However, the information required will not be submitted for the years preceding the first application of this amendment.

(ii) Applicability of amendments to IFRS 7 to synthetic interim financial statements
The amendment clarifies that the disclosure requirements on compensation do not apply to synthetic interim financial statements, unless this statement does not provide a significant updating of the information presented in the most recent annual financial statements. This amendment must be applied retrospectively.

IAS 19 *Employee Benefits*
This amendment clarifies that the active market (market depth) of high-quality corporate bonds must be defined by reference to the currency of the bond, rather than the country in which the bond is located. When there is an active market for high quality corporate bonds in that currency, the corresponding interest rates on government bonds must be used. This amendment must be applied retrospectively.

Amendments to IAS 1 *Disclosure initiative*
The amendments to IAS 1 clarify, rather than change significantly, some of the already existing requirements of IAS 1. These amendments set forth:

- The requirement of materiality in IAS 1;
- The fact that specific lines in the operating profit / (loss) statements or components of other comprehensive income or in the statement of financial position can be broken down;
- That entities have flexibility with respect to the order in which they present the notes to the financial statements;
- That the section of other comprehensive income statement relating to associates and joint ventures accounted for using the equity method should be presented in aggregate in a single row, and ranked among the items that will not be subsequently reclassified to the income statement.

In addition, the amendments clarify the requirements that apply when sub-totals are presented in the operating profit/(loss) statement or components of other comprehensive income or in the statement of financial position. The amendments take effect for financial periods beginning January 1st, 2016 or subsequently; early application is permitted. These changes bear no impact on the Group.

Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception*
These changes deal with issues arising in the application of the exception concerning investment entities as set forth in IFRS 10 Consolidated Financial Statements. The amendments to IFRS 10 clarify that the exemption to present the consolidated financial statements applies to the parent company of an investment entity when the investment entity evaluates all its subsidiaries at fair value.
In addition, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not itself an investment entity, and that supplies support services to an entity, is consolidated. All other subsidiaries of an investment entity are evaluated at fair value. The amendments to IAS 28 *Investments in associates and joint ventures* allow investors to maintain, in the application of the equity method, the fair value assessment of the associated or joint venture of an investment entity in the valuation of its investments in subsidiaries.
These amendments shall be applied retrospectively and take effect for financial periods beginning on or after January 1st, 2016; early application is permitted. These changes bear no impact on the Group in that this does not apply the consolidation exemption.

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 40% of the total property portfolio.
Information about the Company's revenue and results for the half-year ended June 30th, 2016 is given below:

(in thousands Euros)

	Administrative Buildings	Bank Branches	Other real estate	Sector total	Adjustments and eliminations	Consolidated
Leasing instalments	-	1,280	-	1,280	-	1,280
Operating expenses	-	-	-	-	-	-
Other expenses	-	6	-	6	-	6
Total operating Revenues	-	**1,286**	-	**1,286**	-	**1,286**
Adjustment to *fair value*	2,045	-	-	2,045	-	2,045
Other incomes	-	-	-	-	1,022	1,022
Total income	**2,045**	-	-	-	**1,022**	**3,067**
Sector result	**839**	**846**	-	**1,685**	**1,022**	**2,707**

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, Company financial income, operating costs and other costs.
Adjustments and eliminations include the negative goodwill resulting from the first consolidation of the COIMA CORE FUND IV.

The distribution of the assets and liabilities based on the intended use of the real estate is listed below.

(in thousands Euros)

	Administrative Buildings	Bank Branches	Other real estate	Sector total	Adjustments and eliminations	Consolidated
Sector Assets	**428,840**	**146,645**	**-**	**575,485**	**-**	**575,485**
Sector Liabilities	**222,822**	**276**	**-**	**222,958**	**-**	**222,958**

Sector assets and liabilities are divided based on the relationship with the real estate divided by the various categories.

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

(in thousands Euros)

	Milan	Rome	Secondary cities	Sector total	Adjustments and eliminations	Consolidated
Leasing instalments	116	66	1,098	1,280	-	1,280
Operating expenses	-	-	-	-	-	-
Other expenses	1	-	5	6	-	6
Total operating revenues	**117**	**66**	**1,103**	**1,286**	**-**	**1,286**
Adjustment to fair value	2,045	-	-	2,045	-	2,045
Other incomes	-	-	-	-	1,022	1,022
Total income	**2,045**	**-**	**-**	**-**	**1,022**	**3,067**
Sector result	**913**	**50**	**722**	**1,685**	**1,022**	**2,707**

The geographic breakdown has also been chosen with regard to the Company's investment strategy which is aimed primarily at the markets of Milan and Rome, without excluding investments in secondary cities with certain characteristics.

The distribution of the assets and liabilities based on the geographic location of the real estate is listed below.

(in thousands Euros)

	Milan	Rome	Secondary cities	Sector total	Adjustments and eliminations	Consolidated
Sector assets	**450,945**	**8,460**	**116,080**	**575,485**	**-**	**575,485**
Sector liabilities	**223,098**			**223,098**	**-**	**223,098**

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

4. Acquisition of the COIMA CORE FUND IV

On May 11th, 2016, the Company acquired 100% of the COIMA CORE FUND IV (the "Fund") through a reserved share capital increase in kind. The acquisition was recorded in accordance with the acquisition method. The condensed half-year consolidated financial statements include the result of the Fund for the two months from May 1st, 2016.

The fair value of the Fund assets and liabilities at the acquisition date was:

(in thousands Euros)

Assets	**Fair value paid at the time of acquisition**
Real Estate Investments	125,900
Inventories	14,150
Cash and cash equivalents	7,496
Other asset items	64
Total assets	**147,610**
Liabilities	
Trade payables	(178)
Accrued liabilities and deferred income	(1,380)
Other liability items	(530)
Total liabilities	**(2,088)**
Total net assets	145,522
Negative goodwill resulting from the acquisition	(1,022)
Consideration paid for the acquisition	**144,500**

Acquisition cash flows analysis:

Net cash acquired	7,496
Consideration paid	(144,500)
Acquisition net cash flow	**(137,004)**

The fair value of the real estate investments and the property inventories was valued based on the expert opinion of CBRE Valuation S.p.A. issued on March 15th, 2016. The above values were also confirmed by an expert from the same valuers issued on July 8th, 2016.

During the first consolidation negative goodwill of €1,022 thousand emerged. This negative goodwill was recorded in the income statement as it represents the change in cash that took place between the time the price was established and the time the Company gained control of the Fund.

Since the acquisition date the Fund has contributed €1,286 thousand to the income of the Company and €846 thousand to the net profit of the Company. If the acquisition had taken place at the beginning of the year, the contribution to the income for the period would have been €3,858 thousand and the contribution to the earnings for the period would have been €2,618 thousand.

The cash available of the Fund as of June 30th, 2016 amounts to €6,551 thousand, of which €3,923 thousand refers to the cash available as of December 31st, 2015.

5. Revenue

The revenue for the period is equal to €1,286 thousand and refers entirely to the contribution received from the Fund. Specifically, the revenue refers to the portion of leasing instalments relating to the Deutsche Bank branches which have accrued to the Company at the date of acquisition of control of the Fund. With regard to the real estate complex called Vodafone Village, note that it will start to generate income from July 1st, 2016, having been acquired by the Company on June 30th, 2016.

6. Costs for raw materials and services

The costs for raw materials and services break down as follows:

(in thousands Euros)	First half of 2016	First half of 2015
Description		
Professional services	756	13
Governance and control functions	155	
Communication, marketing and PR	65	
IT services	50	
Purchases of and subscriptions to magazines, books and various services	9	
Insurance	16	
Rental and lease liabilities	1	
Total	**1,052**	**13**

7. Personnel expenses

At the date of this half-year consolidated financial report, the Company has two employees.

The breakdown of personnel expenses is given in the table below:

(in thousands Euros)	First half of 2016	First half of 2015
Description		
Remuneration	32	
Accruals	13	
Bonuses	53	
LTI	124	
Contributions	36	
Provisions to Employee Leaving Indemnities (TFR).	2	
Compensation of associate directors	59	
Other personnel expenses	1	
Total	**320**	**-**

8. Other operating costs

Other operating costs at 30 June 2016 stood at €382 thousand. See the summary table below.

(in thousands Euros)	First half of 2016	First half of 2015
Description		
IMU (Italian Council Tax)	221	
TASI (Tax on non-divisible services)	6	
Service charges	11	
Membership fees	18	
Other taxes and duties	13	
Other management costs	109	
Other administrative costs	1	
Office costs and services	1	
Rounding-off, rebates and contingencies	1	
Other overheads	1	
Total	**382**	**-**

9. Adjustment to fair value of the real estate

The amount for this item stands at €2,045 thousand and refers entirely to the real estate complex called Vodafone Village. The above-mentioned real estate complex was revalued based on the expert opinion prepared by the independent expert CBRE Valuation S.p.A.. The table below gives the parameters used by the expert to make their evaluation.

Description	Instalment discounting rate	Restructuring discounting rate	Gross Cap Out Rate	Expected inflation rate	Plan years
Building B-C-C1	5.55%	6.10%	5.90%	1.50%	12

With regard, on the other hand, to the valuation of the Deutsche Bank portfolio, the parameters used by the expert are given below.

Description	Discounting rate	Restructuring discounting rate	Gross Cap Out Rate	Expected inflation rate	Plan years
Leased properties (87)	5.40%	min. 5.30% max 7.10%	min. 4.68% max 6.95%	1.50%	12.5/17
Leased properties with break option (3)	5.40%	min. 6.00% max 6.60%	min. 6.03% max 6.50%	1.50%	2.5/3.5
Unleased properties (6)	5.40%	min. 6.40% max 8.00%	min. 6.35% max 8.10%	1.50%	3/4

There were no revaluations of the Deutsche Bank portfolio following the contribution date which is usually considered to be April 30th, 2016.

10. Financial income

The financial income, equal to €108 thousand refers mainly to the interest accrued on the liquidity investments made by the Company. Specifically, the Company, in anticipation of completing its investment strategy, has invested the income from the IPO in a short-term time deposit which pays at 40 bps.

11. Earnings Per Share

Basic earnings (losses) per share are calculated by dividing the net profit for the period attributable to ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares during the period.
There is no difference between diluted earnings (losses) per share and basic earnings (losses) per share.

The profit and information for shares used for the purpose of calculating the basic losses per share are illustrated below:

	30 June 2016	30 June 2015
Profit (loss) (thousands Euros)	**2,707**	**(13)**
Outstanding shares (weighted average)	**9.974.659,34**	**5,000**
Earnings (losses) Per Share (Euros)	**0.27**	**(2.66)**

The following changes for the half-year are used for the purpose of calculating the weighted average of the number of outstanding shares:

- Existing capital at January 1st, 2016 equal to 70,800 for 57,000 shares;
- Capital increase on May 11th, 2016 for a total of €144,500 thousand through the issuing of 14,450,000 shares;
- Capital increase on May 13th, 2016 for a total of €215,500 thousand through the issuing of 21,500,000 shares;

There were no transactions involving ordinary shares between the reference date of the financial statements and the date of preparing the financial statements.

12. Real Estate Investments

The changes in real estate investment at June 30th, 2016 are listed below:

(in thousands Euros)

	Real Estate
Balance at 8 June 2015	
Acquisitions	
Other ancillary costs	
Adjustement to fair value	
Balance at 31 December 2015	**-**
Balance at 1 January 2016	-
Acquisitions	325,900
Other ancillary costs	4,255
Adjustement to fair value	2,045
Balance at 30 June 2016	**332,200**

Other ancillary costs refers to transfer taxes and notary and consultancy fees incurred for the acquisition of the real estate complex called Vodafone Village.

Net revaluations refer to the revaluations carried out by the independent expert for the real estate complex called Vodafone Village. The valuations carried out by the Fund’s independent expert did not involve any changes in the valuation compared with the figure recorded during the contribution of the real estate.

13. Inventories

The changes in inventories at June 30th, 2016 are listed below:

(in thousands Euros)

	Inventories
Balance at 8 June 2015	
Acquisitions	
Other ancillary costs	
Adjustement to fair value	
Balance as at 31 December 2015	**-**
Balance at 1 January 2016	-
Acquisitions	14,150
Other ancillary costs	-
Adjustement to fair value	-
Balance as at 30 June 2016	**14,150**

The real estate of the Deutsche Bank portfolio not leased and which will shortly be disposed of by the Fund were classified under inventories. In this regard, note that on May 20th, 2016, COIMA SGR S.p.A., on its own account and on behalf of the Fund, signed a preliminary agreement for the sale of a property located in Lecco for €1,500 thousand which is slightly higher than the fair value at June 30th, 2016. The definitive agreement is expected to be signed in September 2016.

14. Trade receivables and other current receivables

The breakdown of trade receivables and other current receivables at June 30th, 2016 is given below.

(in thousands Euros)

Description	30 June 2016	31 December 2015
Other current receivables	-	620
Receivables from the tax authorities	44,632	126
Accrued income and deferred charges	434	3
Receivables from directors	46	46
Other receivables	50	-
Total	**45,162**	**795**

Receivables from the tax authorities are almost entirely made up of VAT receivables resulting from the acquisition of the real estate complex called Vodafone Village and from other Company operating costs. Accrued income and deferred charges relate to liquidity investments and deferred charges involving insurance.

15. Cash and cash equivalents

The Company's cash and cash equivalents are held at the following institutions:

(in thousands Euros)

Description	30 June 2016	31 December 2015
Banca Passadore	1,635	390
Intesa SanPaolo – Distribution account	9,758	
Banco Popolare	6,028	
BNP Paribas Securities Services	6,551	
Banco Popolare – Time Deposit	160,000	
Total	**183,972**	**390**

The Intesa Sanpaolo account - known as a distribution account - was opened following the signing of the loan agreement which will be described below. There is no pledge on this account and it includes the sums that should be distributed to shareholders.
At the date of these financial statements it retains the residual amount of equity used for the acquisition of the Vodafone Village real estate complex and which will be partly used to pay the transfer taxes and consultants who worked on the transaction.
The interest income on the current account at Banco Popolare is accruing at a rate of 40 bps.
In anticipation of completing its investment strategy, the Company has invested the net income from the IPO in a short-term time deposit as detailed in the table below:

(in thousands Euros)

Instrument	Amount	Start date	Due date	Rate
Time Deposit	160,000	17/05/16	12/07/16	40bps

Note that the time deposits were originally agreed for a sum of €200,000 thousand. On June 28th, 2016, €40,000 thousand was released in order to complete the purchase of the Vodafone Village real estate complex. The interest accrued on the amount was equal to €24 thousand. This item was included in the cash and cash equivalents as the due date is within three months.

16. Shareholders' equity

The breakdown of the consolidated shareholders' equity is given in the table below.

(in thousands Euros)

	Share capital	Share premium reserve	Gains (losses) carried forward	Profit / (loss) for the period	Total net equity
Balance at 8 June 2015	**50**				**50**
Capital increase 30 September 2015	21	499			520
Profit / (loss) for the period				(320)	(320)
Other comprehensive income					
Balance at 31 December 2015	**71**	**499**		**(320)**	**250**
Balance at 1 January 2016	**71**	**499**	**(320)**		**250**
Capital increase 11 May 2016	5,780	138,720			144,500
Capital increase 13 May 2016	8,600	206,400			215,000
Profit / (loss) for the period				2,707	2,707
Other comprehensive income		(10,070)			(10,070)
Balance at 30 June 2016	**14,451**	**335,549**	**(320)**	**2,707.0**	**352,387**

The share capital comprises 36,007,000 ordinary shares with no nominal value. There have been three share capital increases since the incorporation date of the Company on June 8th, 2015:

- Share capital increase on September 30th, 2015, reserved to the founding shareholders for 52,000 ordinary shares at €10 per share, of which €0.4 was the share capital and €9.60 was the share premium;
- Share capital increase on May 11th, 2016, reserved to Qatar Holding for 14,450,000 ordinary shares at €10 per share, of which €0.4 was the share capital and €9.60 was the share premium;
- Share capital increase on May 13th, 2016, reserved to the market for 21,500,000 ordinary shares at €10 per share, of which €0.4 was the share capital and €9.60 was the share premium;

As laid down by international accounting standards, costs related to share capital increases are directly attributable to shareholders' equity against the share premium reserve for an amount equal to €10,070 thousand, mainly attributable to fees paid to placement banks and various professionals involved in the IPO activities.

17. Non-current payables to banks and other lenders

At June 30th, 2016, the Company signed a pool loan agreement for a total of €216,275 thousand with the following banks: Banca Imi ("**Agent Bank**"), Unicredit, BNP Paribas and ING Bank, all participants with a 25% stake of the total loan.

The loan was taken out to fund the purchase of the Vodafone Village real estate complex in Milan and to indirectly refinance the acquisition of the Deutsche Bank portfolio (the "**Portfolio**").

The level of debt is equal to 50% of the value of the two real estate projects.

The table below summarises the financial details of the loan:

(in thousands Euros)

Description	30 June 2016	Due date	Rate	Arrangement fee	Agency fee
Senior line	172,275	30/06/21	Euribor 3M +180bps	90 bps	30 k
VAT line	44,000	30/06/19	Euribor 3M +150bps	90 bps	
Total	**216,275**				

Based on the provisions of the loan agreement, the Company should sign a hedging contract for a minimum of 60% of the total amount of the loan in the form of an interest rate swap or an interest rate cap.

The transaction will take the form of hedging the financial flows and will come under the scope of hedge accounting.

The main financial covenants of the Company are:

- Loan to value at portfolio level: 60%
- Loan to value at Company level: 60%
- Interest coverage ratio at portfolio level: x 1.80
- Interest coverage ratio at Company level: x 1.40

The Company has also granted the following security package to the lending banks:

- First-rank mortgage for €432,550 thousand;
- Pledge on the Fund units;
- Pledge on the current accounts linked to the loan agreement, with the exception of the account into which the sums to be distributed as dividends are paid into;
- Sale of receivables from the Vodafone Village rental agreement, the insurance receivables and any receivables resulting from disputes with regard to consultants used for the due diligence in respect of Vodafone Village.

The first testing date for financial covenants will be 31st, December 2016.

In addition, the sale of the receivables resulting from any request for the repayment of the VAT receivables generated from the purchase of Vodafone Village and from the signing of the hedging contracts shall be completed.

18. Provisions for risks and charges

The provision for risks and charges, equal to €124 thousand (amounting to zero as of December 31st, 2015), includes the discounted value of the Long Term Incentive granted to an employee. The incentive makes provision that employees be paid if they are still in the company on December 31st, 2018. As the company is a start-up, and there are no statistics for the turnover of personnel, no considerations were made regarding the probability that the employee will remain in office until the above-mentioned date because it is deemed highly probable.

19. Trade payables and other non-current payables

Trade payables and other non-current payables are valued at the fair value of the financial instrument granted to executive directors. The instrument was issued by the Company and acquired by management for a nominal value of €1,000. The instrument was revalued at €204 thousand (amounting to €100 thousand as of December 31st, 2015) following an independent expert report specially prepared by an external consultant at June 30th, 2016.

The expert expressed their opinion regarding the fair market value of the instrument issued by the Company in favour of certain managers on the basis of the regulation of the instrument, the fact that the Company is listed and the forecast cash flows in three different scenarios (base, mid and best). The instrument gives the right to the owners to receive an annual return of 10% of the Company's return in excess of an annual total shareholder return of 8%, and 20% of the Company's return in excess of the annual total shareholder return of 10%.

The valuation was conducted applying the financial criterion. It estimates the value of an asset as the sum of expected financial flows, discounted at a rate expressing the systematic risk of the investment. The valuation model was set as follows:

- The estimate was made taking into consideration alternative scenarios representing possible situations of the market in which the instrument is positioned;
- The forecast instrument cash flows were estimated as the average of the cash flows in the weighted base, mid and best scenarios, based on the likelihood of occurrence estimated based on the business and the underlying events in the scenarios defined;
- The weighted average cash flows were discounted at a discount rate that expresses the average return expected from investments in European real estate companies;
- The value of the instrument was also valued taking into account the uncertainty associated with the conditions (first and foremost the Listing) which need to occur so that the said instrument is potentially capable of generating returns for its owners.

The value of the instrument resulting from the application of the valuation model described in brief above is equal to €204 thousand to the instrument.

20. Trade payables and other current payables

The breakdown of trade payables and other current payables is given in the table below.

(in thousands Euros)	30 June 2016	31 December 2015
Description		
Payables to personnel	70	
Payables to social security institutions	42	
Payables to corporate bodies	59	
Payables to the tax authorities	243	
Suppliers	845	608
Invoices to be received	7,681	227
Accrued liabilities and deferred income	131	
Payables to promissory purchasers	50	
Other payables	26	
Total	**9.147**	**835**

Invoices to be received are mainly made up of pro-forma invoices received from the notary which include mortgage and land registry taxes, for a sum equal to €4,000 thousand, relating to the purchase of the Vodafone Village real estate complex, incentive fees for a total of €1,199 thousand, banks which have taken care of the Company's admission to a listing and other costs of the consultants which have taken care of the Company's admission to a listing.

21. Information on transfers of financial asset portfolios

The Company has not made any transfers between financial asset portfolios in the half-year.

22. Information on fair value

A comparison between the book value and the fair value of the Company's assets and liabilities at June 30th, 2016 is given below.

(in thousands Euros)	30 June 2016		31 December 2015	
	Book Value	**Fair Value**	**Book Value**	**Fair Value**
Assets				
Real Estate Investments	332,200	332,200		
Inventories	14,150	14,150		
Liquidity investments	183,972	183,972	390	390
Total	**530,322**	**530,322**	**390**	**390**
Liabilities				
Loans and funding				
Variable-rate loans	213,622	213,622		
Payables for financial instrument	204	204	100	100
Total	**213,826**	**213,826**	**100**	**100**

The Company does not own capital instruments valued at cost.

The summary table below shows the hierarchy in the measurement of the fair value at 30 June 2016.

(in thousands Euros)

30 June 2016	Total	Listed prices on active markets (Level 1)	Significant data that can be observed (Level 2)	Significant data that cannot be observed (Level 3)
Assets				
Real Estate Investments	332,200	-	332,200	-
Inventories	14,150	-	14,150	-
Liquidity investments	183,972	-	-	183,972
Liabilities				
Floating rate financings	213,622	-	-	213,622
Payables for financial instrument	204	-	204	-

(valori in migliaia di Euro)

31 December 2015	Total	Listed prices on active markets (Level 1)	Significant data that can be observed (Level 2)	Significant data that cannot be observed (Level 3)
Assets				
Real Estate Investments	-	-	-	-
Inventories	-	-	-	-
Liquidity investments	390	-	-	390
Liabilities				
Floating rate financings	-	-	-	-
Payables for financial instrument	100	-	100	-

23. Risks and commitments

The risks to which the Company is exposed and the related mitigation are described in a specific paragraph of the Directors' Report.

Note that the Company signed a preliminary agreements for the acquisition of 86.67% of the Alternative Investment Fund named MH Real Estate Crescita. The price for the acquisition will amount to 67,600 further to the transfer of the Fund debt amounting to 78,000 thousands.

The above mentioned acquisition will have a significant impact on the economic and financial figures of the Company.

24. Related-party transactions

The table below summarises the breakdown of the transactions with related-party :

(in thousands Euros)

	Receivables	Payables	Revenue	Costs
COIMA SGR S.p.A.	-	930	-	458
Senior Managers		195		224
Directors	46	280		180
Total	**46**	**1,405**	**-**	**862**

Note, however, that the Company has signed the following service agreements with related-parties, namely:

- An Asset Management Agreement with COIMA SGR S.p.A.;
- A Contract with COIMA S.r.l. for the supply, by the latter, of development & project management services, as well as property & facility management services.

PUBLICATION OF THE AUDIT FEES PURSUANT TO ARTICLE 2427 paragraph 1, letter 16-*bis* of the Italian Civil Code

This table contains the details of the fees paid to the independent auditors appointed to conduct the audit pursuant to Legislative Decree 58/98, and the other organisations of the network to which the independent auditors belong:

(in thousands Euros)

Type of services	Party providing the service	Amounts
Auditing	EY S.p.A.	74
Certification services	EY S.p.A.	463
Tax advice services.		
Other services		

The certification services refer to the costs suffered by the Company to be admitted to the listed market organized and managed by Borsa Italiana S.p.A..

GLOSSARY

	Definition
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.
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, as amended by a shareholders' meeting of the Company held on April 1, 2016, 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 for Euro 215,000,000, and divisible (*scindibile*) amount for Euro 385,000,000, 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 office prime market is mainly located.
CBRE	CBRE Valuation S.p.A., with registered office in Milan, Via del Lauro, 5/6.
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 to third party investors (including COIMA and COIMA SGR) way of a cash subscription to be subscribed by December 31, 2016.
COIMA	COIMA S.r.l., with registered office in Milan, Via Fatebenefratelli, 9.
COIMA Agreement	The agreement entered into on October 15, 2015 by and between us and COIMA.
COIMA SGR	COIMA SGR S.p.A., with registered office in Milan, Via Moscova, 18.
Company	COIMA RES S.p.A. (formerly Itares S.p.A.), with registered office in Milan, Via della Moscova, 18.
Coupon	The value accrued by the Financial Instrument.
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 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.
Good Secondary	Good quality properties located in semi-central areas or suburbs of the primary cities.
Initial Portfolio	The Deutsche Bank branches and the Vodafone properties.
LEED Certification	Certification of building efficiency issued by the U.S. Green Building Council.
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.
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.

INDIPENDENT APPRAISERS' REPORTS

VALUATION REPORT

Vodafone Village Office Scheme
Via Lorenteggio 240 – Milan

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

COIMA RES S.p.A. SIIQ
Via della Moscova, 18
20121 - MILANO

Valuation Date: 30 June 2016

TABLE OF CONTENTS

The contents of this Report may only be relied upon by:

- *Addressees of the Report.*

This Report is to be read and construed in its entirety and reliance on this Report is strictly subject to the disclaimers and limitations on liability on page 15. Please review this information prior to acting in reliance on the contents of this Report. If you do not understand this information, we recommend you seek independent legal counsel.

1

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The Property

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

Main Use: Offices

The subject property comprises 3 buildings within the recently built office scheme called "Vodafone Village", located in the western periphery of Milan. In details it comprises the buildings called "B", "C" and "C1", for a total area of some 61,000 sq m of office and ancillary spaces, together with a canteen, an auditorium and some 1,047 covered car/motorbike parking spaces located in the multi-storey car parking, which is shared between the entire scheme.

Tenure

We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. As communicated by the Client, we understand that the Property is held on freehold basis by "Coima RES S.p.A. SIIQ".

Tenancies

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

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

Market Value

We are of the opinion that the Market Value of the freehold interest in the subject property as at 30 June 2016 is:

€ 206,300,000

(TWO HUNDRED SIX MILLION THREE HUNDRED THOUSAND EUROS)

exclusive of VAT and acquisition costs

Yield Profile

Net Initial Yield	6.16%
Net Exit Cap rate	5.90%
Gross Exit Yield	6.51%

Comments

Strengths

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

Weaknesses

- The micro-location is not ideal both from the context and accessibility by public transports point of view;
- Wide size for the reference market;
- High availability of office spaces (some are grade A) within the Lorenteggio Business Park, both in terms of medium and large size spaces.

Opportunities

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

Threats

- Large size asset fully let to a single tenant, which, in the event of vacancy, would bring to the reference market a wide amount of sq m, with a negative impact on the vacancy level in the area, and as a consequence on the achievable rental levels.

2

VALUATION REPORT

VALUATION REPORT

CBRE VALUATION S.P.A.
Via del Lauro, 5/7
20121 Milano
Tel. 02.655670.1
Fax 02.655670.50

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

Report Date	15 July 2016
Addressees	COIMA RES S.p.A. SIIQ Via della Moscova, 18 20121 – Milano *To the kind attention of: The Board of Directors*
The Properties	Via Lorenteggio, 240 20147 Milano (MI)
Property Descriptions	The subject property comprises 3 buildings within the recently built office scheme called "Vodafone Village", located in the western periphery of Milan. In details it comprises the buildings called "B", "C" and "C1", for a total area of some 61,000 sq m of office and ancillary spaces, together with a canteen, an auditorium and some 1,047 covered car/motorbike parking spaces located in the multi-storey car parking, which is shared between the entire scheme. All of the properties are fully let to Vodafone Omnitel N.V.
Ownership Purpose	Investment.
Instruction	To value on the basis of Market Value the relevant interests in the Properties as at the Valuation Date in accordance with the letter of instruction and terms of engagement dated 14 June 2016. This present *condensed report* is the summary of the full valuation report, dated 15 July 2016.

Valuation Date	30 June 2016
Capacity of Valuer	External.
Purpose	Half-yearly valuation
Market Value	Market Value as at 30 June 2016: **€ 206,300,000** (TWO HUNDRED SIX MILLION THREE HUNDRED THOUSAND EUROS) exclusive of purchaser's costs and VAT. Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using comparable recent market transactions on arm's length terms.
Compliance with Valuation Standards	The valuation has been prepared in accordance with The RICS Valuation – Professional Standards (January 2014) ("the Red Book"). We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the valuation competently. Where the knowledge and skill requirements of The Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of The Red Book.
Special Assumptions	No.
Assumptions	We have made various assumptions as to tenure, letting, and town planning as per information provided by the Client. If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.
Variation from Standard Assumptions	None.

Market Conditions

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

Following the Referendum held on 23 June 2016 concerning the UK's membership of the EU, a decision was taken to exit. It is not clear to what extent other EU markets will be affected by this decision and we will be monitoring the markets closely. We recommend that the valuation(s) is kept under regular review.

Valuer

The Property has been valued by a valuer who is qualified for the purpose of the valuation in accordance with the RICS Valuation – Professional Standards (The Red Book).

Independence

The total fees, including the fee for this assignment, earned by CBRE Valuation S.p.A. (or other companies forming part of the same group of companies within Italy) from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the total Italy revenues.

Conflicts of Interest

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

Reliance

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

Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

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

Yours faithfully

Mirko Baldini

Managing Director

For and on behalf of

CBRE VALUATION S.p.A.

E: mirko.baldini@cbre.com

Yours faithfully

Laura Mauri MRICS

Executive Director

RICS Registered Valuer

For and on behalf of

CBRE VALUATION S.p.A.

E: laura.mauri@cbre.com

CBRE VALUATION S.P.A.

Valuation & Advisory Services

T: 02 6550701

F: 02 65567050

W: www.cbre.it

Project Reference: 8444

SCOPE OF WORK & SOURCES OF INFORMATION

Sources of Information

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

- Floor plans (partial)
- Cadastral documentation
- Building areas
- LEED Platinum certification
- Lease contract
- Rent Roll
- Property taxes (I.M.U., TA.S.I.)
- Building insurance
- Encumbrances or restrictions on the property.

The Properties

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

Inspection

An internal and external inspection of the subject property was undertaken CBRE Valuation S.p.A. valuers on 23 July 2015.

Areas

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

Unless advised specifically to the contrary, we have made the Assumption that the floor areas supplied to us have been calculated in accordance with local practice as appropriate. All areas quoted in this Valuation Report are approximate.

During the inspections, we did not verify any of the measurements provided by the Client, nor did we verify the functional purposes of the various properties and have therefore assumed all data provided to be correct.

We have taken into consideration Gross Areas, as provided by the Client, for each asset with a breakdown of the surfaces as per use and floor, and excluding technical spaces, shafts, staircases and elevator blocks.

Environmental Matters

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

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

Repair and Condition

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

Town Planning

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

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

Titles, Tenures and Lettings

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

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

VALUATION ASSUMPTIONS

Capital Values

Each valuation has been prepared on the basis of "Market Value" (RICS edition 2014), which is defined as:

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

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

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

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

VAT

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

Rental Values

Rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes nor do they necessarily accord with the definition of Market Rent.

The Properties

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

Environmental Matters

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

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

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

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

(b) any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities.

Energy Performance Certificates

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

Repair and Condition

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

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

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

(c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, have been used in the construction of, or subsequent alterations or additions to, the Properties; and

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

Title, Tenure, Planning and Lettings

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

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

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

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

(d) all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;

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

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

(g) tenants will meet their obligations under their leases.

Fiscal Aspects

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

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

LEGAL NOTICE

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

CBRE's maximum aggregate liability to all parties, howsoever arising under, in connection with or pursuant to reliance upon this Report, and whether in contract, tort, negligence or otherwise shall not exceed the lower of:

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

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

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

VALUATION REPORT

Market Value of n. 90 properties owned by the Investment Closed Fund called COIMA CORE FUND IV

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

COIMA S.G.R. S.p.A.
via della Moscova 18
20121 Milano
Valuation Date: 30 June 2016

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EXECUTIVE SUMMARY

CBRE

EXECUTIVE SUMMARY

CBRE VALUATION S.P.A.
Via del Lauro 5/7
20121 Milano

T +39 02 65 56 701
F + 39 02 65 56 7050

milan@cbre.com
www.cbre.com

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

Report Date	18 June 2016
Addressee (Client)	**COIMA S.G.R. S.p.A.** **for and on behalf of the Fund** **"COIMA CORE FUND IV"** via della Moscova 18 20121 Milano (MI) - Italy
The Property	The property consists of n. 90 properties, bank agency, situated on Italian territory, used by Deutsche Bank Group. For further details please refer to the attached detailed table.
Ownership Purpose	Investment.
Instruction	To value asset by asset, on the basis of Market Value, the freehold-equivalent interest in the Property as at the Valuation Date in accordance with your letter of instruction dated 22 October 2014
Valuation Date	30 June 2016
Capacity of Valuer	Independent Valuer

Sede Legale e Amministrativa: Milano – Via del Lauro, 5/7 – 20121 – t +39 02 6556 701 – f +39 02 6556 70 50
Sedi Secondarie: Roma – Via L. Bissolati, 20 – 00187 – t +39 06 4523 8501 – f +39 06 4523 8531
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iscriz. reg. imprese presso c.c.i.a.a. n.04319600153 cod. fisc./partita i.v.a. 04319600153 cap. soc. € 500.000 i.v.
c.c.i.a.a. Milano 1004000

Società soggetta all'attività di direzione e coordinamento da parte della Società CBRE Ltd

Market Value

Market Value as at 30 June 2016:

€140,050,000.00

(ONE HUNDRED AND FORTY MILLION FIFTY THOUSAND EUROS)

exclusive of VAT.

We have valued the Property individually, without considering discounts or rewards which could be negotiated on the market, if all or part of the portfolio were disposed at the same time, lot by lot or entirely; please see the summary table attached at the end of the present valuation certificate.

Compliance with Valuation Standards

The valuations have been prepared in accordance with the RICS Valuation – Professional Standards (January 2014) ("the Red Book").

Besides, the valuations have been prepared in accordance with the valuation criteria specified in the Provision of Banca d'Italia dated 19 January 2015 regarding the "Regulation of savings management", Title V, Chapter IV, Section II, paragraphs 2.5 "Real estate" and 4 "Independent Valuers".

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.

Special Assumprions

No

Assumptions

Each valuation is based on the information (relative to tenure, town planning and project planning) provided by the Client.

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

None.

Assumptions

Market Conditions

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

However, we cannot exclude the presence of further demand and/or supply segments which could modify, even if not considerably, the adoption of the unit parameters chosen as reference.

Following the Referendum held on 23 June 2016 concerning the UK's membership of the EU, a decision was taken to exit. It is not clear to what extent other EU markets will be affected by this decision and we will be monitoring the markets closely. We recommend that the valuation(s) is kept under regular review.

Verification

We recommend that before any financial transaction is entered into based upon these valuations, you obtain verification of the information contained within our report and the validity of the assumptions we have adopted.

We would advise you that whilst we have valued the Properties reflecting current market conditions, there are certain risks which may be, or may become, uninsurable.

Before undertaking any financial transaction based upon this valuation, you should satisfy yourselves as to the current insurance cover and the risks that may be involved should an uninsured loss occur.

Valuer

The Property has been valued by a valuer who is qualified for the purpose of the valuation in accordance with the RICS Valuation – Professional Standards (The Red Book).

Independence

The total fees, including the fee for this assignment, earned by CBRE Valuation S.p.A. (or other companies forming part of the same group of companies within

Italy) from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the total revenues in Italy.

Disclosure

The principal signatory of this report has not continuously been the signatory of valuations for the same addressee and valuation purpose as this report. CBRE Valuation S.p.A. has not continuously been carrying out valuation instructions for the addressee of this report.

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

Conflicts of Interest

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

Reliance

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

Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear

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

We inform that the present report has been prepared by:

- Barbara Crupi (MRICS)

under the supervision of Marco Dalla Costa.

Yours faithfully

Laura Mauri

Consigliere

RICS Registered Valuer

For and on behalf of

CBRE Valuation S.p.A.

T: 039 02 6556 701

E: laura.mauri@cbre.com

Yours faithfully

Marco Dalla Costa

Executive Director

For and on behalf of

CBRE Valuation S.p.A.

T: 039 02 6556 701

E: marco.dallacosta@cbre.com

CBRE Valuation S.p.A. – Valuation & Advisory Services

T: 039 02 3037 771

F: 039 02 6556 7050

W: www.cbre.it

Project Reference: 8288

CBRE

SCOPE OF WORK & SOURCES OF INFORMATION

Sources of Information

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

- Floor area subdivided according to floor and use;
- Property Tax;
- Tenancy schedule.

Other potential sources of information are specified in the single valuation short report.

The Property

Our report contains in attachment short reports including a brief summary of the property details on which our valuation has been based as well as the relative valuation scheme.

Inspection

We inspected the Property internally and external.

Areas

We have not measured the Property but have relied upon the floor areas provided.

Environmental Matters

We have been instructed not to make any investigations in relation to the presence or potential presence of contamination in land or buildings or the potential presence of other environmental risk factors and to assume that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value.

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

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 Property. We are unable, therefore, to give any assurance that the Property is free from defect.

Town Planning

We have made Planning enquiries by the public administration. Information included in the present report have been collected on the web site of the municipality of Milano.

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 Property is held and of lettings to which it is subject are as supplied to us. 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.

The subject analysis aims to determine the Market Value of the subject property and not potential commercial licenses and/or relative start-ups.

CBRE

VALUATION ASSUMPTIONS

Capital Values

The valuations have been prepared on the basis of "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".

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

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

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

Rental Values

Rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes nor do they necessarily accord with the definition of Market Rent stated in the "RICS Valuation – Professional Standards".

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 Property is not contaminated and is not adversely affected by any existing or proposed environmental law;

(b) any processes which are carried out on the Property which are regulated by environmental legislation are properly licensed by the appropriate authorities;

(c) the Property possesses current energy performance certificates (APE) as required under government directives

Repair and Condition

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

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

(b) the Property is free from rot, infestation, structural or latent defect;

(c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, have been used in the construction of, or subsequent alterations or additions to, the Property; and

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

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

Title, Tenure, Planning and Lettings

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

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

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

(c) the Property is not adversely affected by town planning or road proposals;

(d) all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;

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

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

(g) tenants will meet their obligations under their leases;

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

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

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

Fiscality

No legal, fiscal or financial aspect has been taken into consideration in our valuation unless specifically stated in the following pages.

As per Italian market practice, we have not taken into consideration any deduction related to purchaser costs taxes, legal cost transaction costs; etc..

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SCHEDULE OF MARKET VALUES

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SCHEDULE OF MARKET VALUES

8288 Market value at 30.06.2016

COIMA CORE FUND IV

Cod.	TOWN	ADRESS		MARKET VALUE 30 June 2016
26	Abbadia Lariana	Via Nazionale, 44	€	380,000.00
85	Acquaviva Delle Fonti	Piazza Vittorio Emanuele, 50	€	430,000.00
85b	Acquaviva Delle Fonti	Piazza Vittorio Emanuele, 50	€	100,000.00
59	Albenga	Via Martiri Della Liberta', 72	€	1,200,000.00
11	Asso	Piazza Mons. Ratti, 5	€	460,000.00
65	Barga	Via Pascoli, 23/25	€	220,000.00
84	Bari	Via Della Resistenza, 54	€	890,000.00
27	Barzio	Via Roma, 47/49	€	470,000.00
82	Battipaglia	Piazza Della Repubblica, 7	€	790,000.00
54	Biella	Via Losanna, 22	€	860,000.00
64	Bologna	Via Emilia Levante, 113	€	760,000.00
28	Brivio	Piazza Della Vittoria, 3/4/5	€	500,000.00
49	Brugherio	V.le Lombardia, 179	€	2,030,000.00
75	Caivano	Via Buonfiglio, 34	€	290,000.00
12	Canzo	Via Mazzini, 12/14	€	350,000.00
9	Capriate	Via Vittorio Veneto, 28/B	€	580,000.00
29	Casargo	Via Italia, 5	€	180,000.00
30	Casatenovo	Via Cavour, 10/12	€	850,000.00
80	Caserta	Piazza Matteotti, 68/70	€	980,000.00
81	Caserta	Via Roma, 38	€	700,000.00
76	Casoria	Via Marconi, 109/115 - Via Pio XXII	€	640,000.00
31	Cassago Brianza	Piazza Visconti, 10	€	410,000.00
52	Castellanza	Corso Matteotti, 19/A	€	880,000.00
57	Cicagna	P.zza Garibaldi, 1/R / Via Queirolo, 77	€	110,000.00
32	Civate	Via Manzoni, 1	€	420,000.00
13	Civenna	Via Provinciale, 52	€	110,000.00
33	Colico	Via Nazionale, 126 / Via Baronia, 1	€	1,240,000.00
10	Como	Viale Cavallotti, 3/A	€	9,340,000.00
34	Dervio	Via Diaz, 62	€	300,000.00
50	Desio	Corso Italia, 65/67	€	1,170,000.00
14	Erba	Via Volta, 2	€	1,020,000.00
87	Francavilla Fontana	Via Roma, 49/51	€	810,000.00
35	Galbiate	Piazza Don Gnocchi, 12 / Via Crocefisso	€	640,000.00
56	Genova	Largo S. Francesco Da Paola, 20/D	€	530,000.00
55	Genova	Via Garibaldi, 5 / P.zza Portello, 6	€	5,400,000.00
15	Grandate	Via Statale Dei Giovi, 11/B	€	650,000.00
16	Gravedona ed Uniti	Viale Stampa, 3	€	330,000.00
36	Introbio	Piazza del Sagrato, 9	€	480,000.00
58	Lavagna	Via Nuova Italia, 89/91	€	1,170,000.00
89	Lecce	Via Salandra, 49/65 / Via Japigia, 12/D	€	1,530,000.00
23	Lecco	Corso E. Filiberto, 108/110	€	460,000.00
22	Lecco	Piazza Carducci, 8	€	1,010,000.00
24	Lecco	Via Alla Spiaggia, 7	€	1,450,000.00
21	Lecco	Via Belfiore, 15/A / Via G.Vittorio, 30	€	600,000.00
25	Lecco	Viale Turati, 48 / Via Petrarca, 4	€	1,030,000.00

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Cod.	TOWN	ADRESS		MARKET VALUE 30 June 2016
37	Lierna	Via Roma, 124/126	€	510,000.00
17	Lipomo	Via Belvedere, 1	€	700,000.00
17b	Lipomo	Via Belvedere, 1	€	810,000.00
66	Livorno	Via Carabinieri, 30	€	2,100,000.00
18	Lurago D'Erba	Via Roma, 23	€	1,190,000.00
38	Malgrate	Via San Leonardo, 14/B/C	€	390,000.00
39	Mandello Del Lario	Via Manzoni, 21	€	1,240,000.00
7	Melzo	Largo Gramsci, 1	€	950,000.00
40	Merate	Via C. Baslini, 6 / Via Trento, 29	€	1,760,000.00
61	Mestre	Riviera XX Settembre, 15	€	3,170,000.00
3	Milano	Corso Sempione, 77	€	1,620,000.00
2	Milano	Piazza De Angeli	€	3,400,000.00
6	Milano	Via Dei Martinitt, 3	€	2,840,000.00
1	Milano	Via Larga, 16	€	2,890,000.00
4	Milano	Via Pierluigi Da Palestrina, 2	€	2,150,000.00
5	Milano	Viale Famagosta, 7	€	560,000.00
68	Montemurlo	Via Provinciale Scarpettini, 413	€	870,000.00
74	Napoli	Corso Novara, 3	€	830,000.00
73	Napoli	Via Santa Brigida, 10	€	10,400,000.00
73b	Napoli	Via Santa Brigida, 10	€	9,360,000.00
19	Novedrate	Via Prov. Novedratese, 8	€	790,000.00
19b	Novedrate	Via Prov. Novedratese, 8	€	540,000.00
41	Oggiono	Via M. D'oggiono, 15	€	1,020,000.00
42	Olgiate Molgora	Via Canova, 39	€	790,000.00
43	Olginate	Via Redaelli, 24	€	680,000.00
88	Oria	Piazza D. Albanese, 11	€	390,000.00
44	Paderno d'Adda	Via Volta, 10/12	€	860,000.00
62	Padova	Piazza Alcide De Gasperi, 34/35/45 A	€	690,000.00
62b	Padova	Piazza Alcide De Gasperi, 34/35/45 A	€	2,050,000.00
72	Pescara	Via Tibullio / Viale Marconi, 260/262	€	900,000.00
77	Piano di Sorrento	Corso Italia, 64	€	1,860,000.00
69	Pisa	Via Bonaini 115 / Via Puccini	€	510,000.00
83	Pontecagnano Faiano	Corso Umberto I, 131	€	610,000.00
78	Portici	Via Roma, 54/56	€	500,000.00
67	Prato	Via F. Ferrucci, 41	€	3,220,000.00
71	Roma	Piazza Ss Apostoli, 70	€	8,600,000.00
45	Rovagnate	Via V.Veneto, 8 / Via Rododentro, 20	€	570,000.00
86	Rutigliano	Via San Francesco D'Assisi, 16	€	290,000.00
70	Sesto Fiorentino	Via Lucchese, 4/R	€	440,000.00
79	Sorrento	Piazza Angelina Lauro, 22/27	€	4,450,000.00
90	Taranto	Corso Umberto, 137/139/141/143	€	1,280,000.00
63	Thiene	Piazza Cesare Battisti, 5	€	900,000.00
53	Torino	Via Arcivescovado, 7	€	6,530,000.00
8	Trezzano Sul Naviglio	Viale C. Colombo, 23 / Viale Fermi	€	1,140,000.00
20	Valbrona	Via Vittorio Veneto, 9/11	€	220,000.00
46	Valmadrera	Via Stoppani, 2	€	650,000.00
47	Varenna	Via IV Novembre, 4	€	300,000.00
51	Vedano al Lambro	Viale C. Battisti, 42/B	€	2,030,000.00
48	Vercurago	Via Roma, 66	€	450,000.00
60	Verona	Corso Porta Nuova, 135	€	4,190,000.00
60b	Verona	Via Locatelli, 6	€	110,000.00
		Total	€	140,050,000.00

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INDIPENDENT AUDITORS' REPORT

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 statement of financial position, the statements of income, the statement of comprehensive income, the statement of changes in equity and cash flows and the related explanatory notes of COIMA RES S.p.A. SIIQ and its subsidiaries (the "COIMA RES Group") as of 30 June 2016. 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, 2016 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.

Other matters

Milan, July 29, 2016
EY S.p.A.
Signed by: Aldo Alberto Amorese,
Partner

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