COIMARES

ANNUAL REPORT
2016

Milan - GIOIAOTTO - Terrace

All aspects related to sustainability of the Company will be available in the COIMA RES Sustainability Report 2016, in progress.

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Rome - DEUTSCHE BANK - Front view

1 THE COMPANY

COIMA RES IS A COMMERCIAL PROPERTY COMPANY LISTED ON BORSA ITALIANA, SPECIALISING IN THE INVESTMENT AND MANAGEMENT OF REAL ESTATE PROPERTIES IN ITALY.

376.2* MILLION
EURO INVESTED IN 7 MONTHS
SINCE THE IPO
* BONNET ACCOUNTED ON PRO-RATA BASIS (35.7%)

144,000
SQUARE METRES[1] MANAGED,
61% IN MILAN[2]
1_EXCLUDING PARKING 2_BASED ON THE FAIR VALUE

OUR MISSION AND PRINCIPLES

Mission

Our mission is to generate superior risk-adjusted returns for shareholders by increasing the value of the properties in which we invest.

Principles

INDEPENDENCE
Making our strongest commitment to being a trusted independent partner and manager on behalf of the foremost national and international investors and operators.

ENTREPRENEURSHIP
Embracing new challenges to continually hone our knowledge, experience, and creativity.

INTEGRITY
Honesty, transparency and unwavering dedication to our values, with a firm commitment to fully align our interests with those of our shareholders.

EXCELLENCE
Striving for the best possible execution in each and every one of our actions is testament to our passion and commitment on a daily basis.

SUSTAINABILITY
Investing in a socially responsible way and respecting the environment.

"COIMA RES is a dynamic enterprise, fully dedicated to the active management of its investments and portfolio, in an effort to create value for its shareholders. I believe that COIMA RES can and will become the number-one choice for domestic and international investors to gain access to Italian real estate markets through a transparent and well-aligned vehicle."

Caio Massimo Capuano
Chairman, COIMA RES

Rome - DEUTSCHE BANK - Office

2016 HIGHLIGHTS AND EVENTS

IN FIRST SEVEN MONTHS OF OPERATION COIMA RES HAS ACHIEVED STRONG FINANCIAL RESULTS

MAIN CONSOLIDATED ECONOMIC AND FINANCIAL DATA

December 31st, 2016

RENTS
16.6
million euro

NOI
13.7
million euro

EBITDA
7.6
million euro

FFO
5.2
million euro

NET PROFIT
12.1
million euro
(0.34 € per share)

NAV
361.9
million euro
(10.05 € per share)

GAV
526.2*
million euro

NET DEBT
176.9
million euro

NET LOAN TO VALUE
27.4%***

EPRA NAV
362.2
million euro
(10.06 € per share)

EPRA EARNINGS
4.8
million euro
(0.13 € per share)

EPRA NET INITIAL YIELD
5.3%

EPRA VACANCY RATE
4.2%

LIKE FOR LIKE RENTAL GROWTH
2.9%**

WALT (YEARS)
8.7

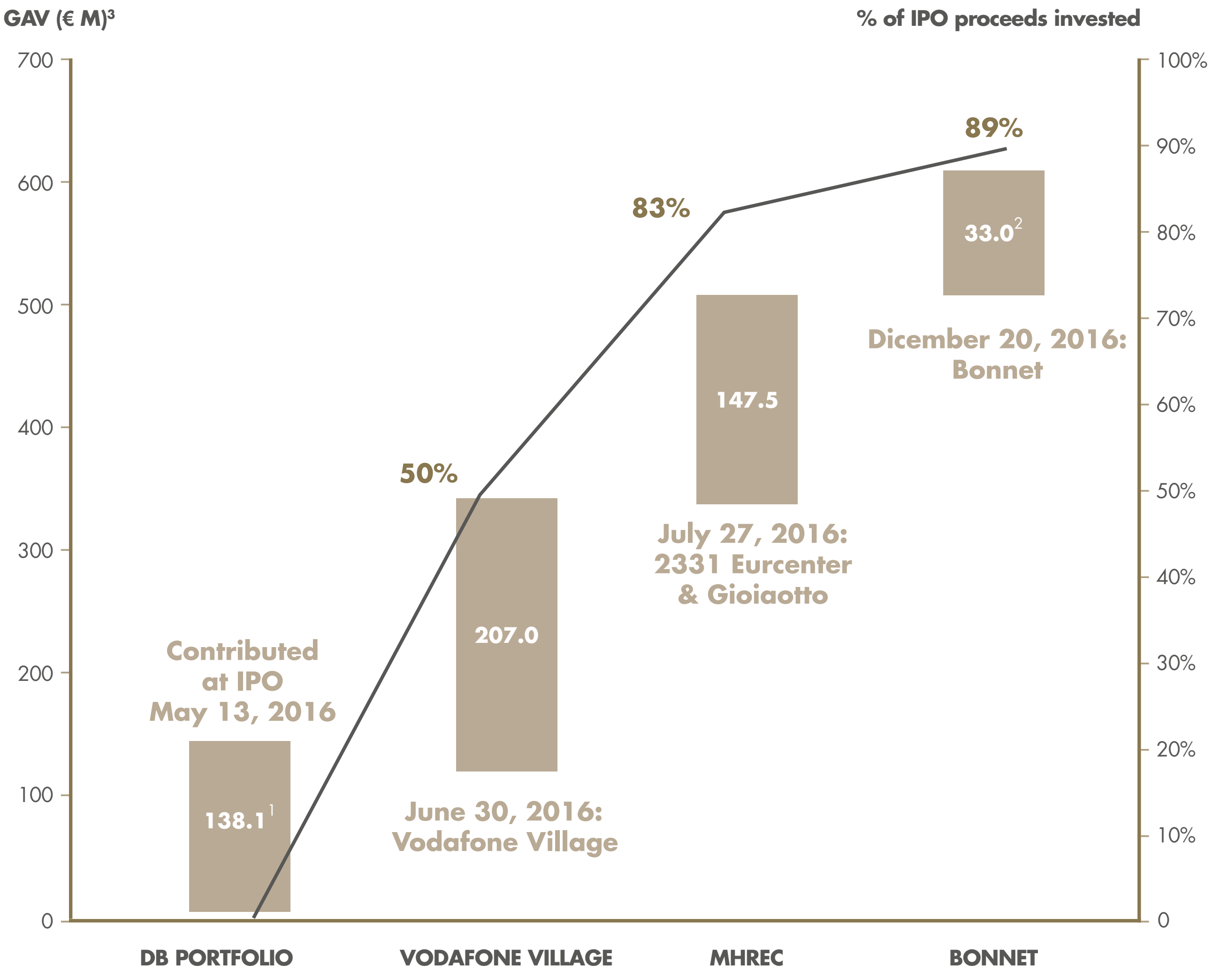
The Company operates as a tax-exempt Italian SIIQ (Società di Investimento Immobiliare Quotata), a structure similar to the Real Estate Investment Trust (REIT) regime popular in the United Kingdom, the United States and numerous other jurisdictions.
The Company started operating when it was admitted to trading on May 13th 2016.

* Bonnet accounted on pro-rata basis (35.7%)
** Calculated on the initial portfolio at IPO (Deutsche Bank portfolio)
*** Net Loan to Value non considering VAT financing

ACQUISITIONS IN 2016

The investment portfolio was assembled through a series of acquisitions during 2016, with the majority of assets located in Italy's most liquid markets: Milan and Rome, account for 61% and 17% of the value of the investment portfolio, respectively. The high quality of our portfolio is underpinned by a low vacancy rate of 4.2%, a long weighted-average lease term of 8.7 years and a strong tenant base, with over 75% of in-place rents contributed by investment-grade tenants.

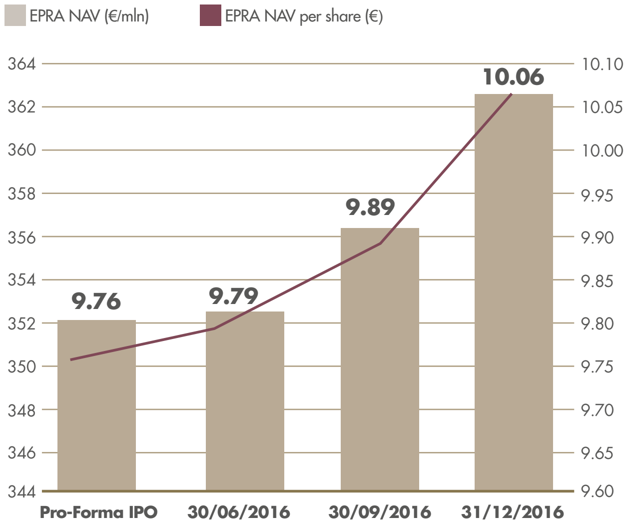
89% of the proceeds from the IPO were invested in 7 months compared to 18 months expected at the time of the IPO



1_ Net of branch disposal of Lecco – Rivabella
2_ Calculated on pro rata basis (35,7%)
3_ At December 31st 2016

In addition, on January 16th 2017, COIMA RES acquired a property complex in Via Deruta, Milan, for a price of 46 million Euro, comprising two buildings with a total area of 13,650 square metres, leased entirely to BNL – BNP Paribas Group, for an annual rent of 3.5 million Euro for a residual term of 5 years.

Total Shareholders Return, equal to 3.1% for the period ending December 31st, 2016 coincides with the Net Asset Value movement.



The EPRA NAV increased 3.1% compared with the initial EPRA NAV calculated at the time of the IPO. The accelerated pace and immediate value creation of our investment program allowed the Company to immediately absorb the impact of the costs associated with the listing process.

TOTAL PROPERTY RETURNS[1] (%) (TPR)

COIMA RES:
7.9%
(on an annualised basis)

IPD ITALIAN INDEX 2015
4.2%

INVESTMENT MANAGEMENT

ACQUISITIONS:
376.2[2] *mEur*

INVESTED PORTFOLIO:
526.2[2] *mEur*

DISPOSALS
1.5 *mEur*

CAPITAL GAINS ON BOOK VALUE:
+3.4%

ASSET MANAGEMENT

TENANT RETENTION RATE:
100%

EPRA VACANCY RATE:
4.2%

NEW LEASE AGREEMENTS/RENEWALS[3]:
1.5 *mEur*

OCCUPANCY RATE
95.8%

100% OFF-MARKET TRANSACTIONS

1_TPR is calculated as the change in capital value, less any capital expenditure incurred, plus net income, expressed as a percentage of capital employed.
2_Bonnet accounted on pro-rata basis (35.7%). Excluding Deruta acquisition for 46 million euro in January
3_Starting from January 2017.

Acquisition of **3 BUILDINGS** *of the real estate complex* **VODAFONE VILLAGE** *(***200 MILLION EURO***)*

Acquisition of the **GIOIAOTTO** *building in* **PORTA NUOVA**, *Milan (***65.3 MILLION EURO***)*

Acquisition of the building **2331 EURCENTER** *in* **EUR**, *Rome (***80.2 MILLION EURO***)*

MAY — **JUNE** — **JULY** — **SEPTEMBER**

2016

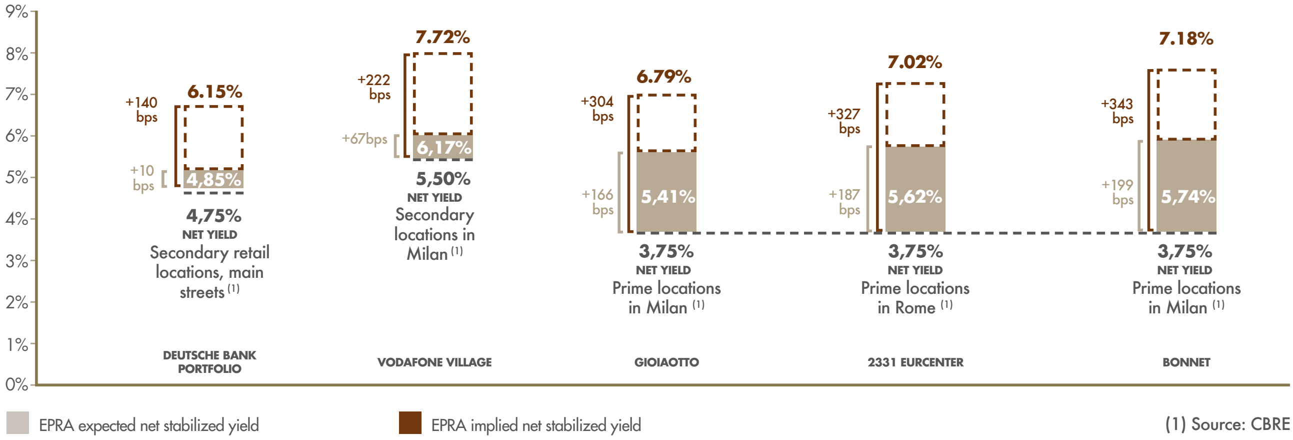
May 13th: **215 MILLION EURO** *raised during* **IPO** *in addition to the* **145 MILLION EURO DEUTSCHE BANK ASSET** *conferred on behalf of* **QATAR HOLDING**

Bank financing of **216 MILLION EUROS** *following* **BREXIT** *in line with target (all in cost < 200 bps) and 5 year duration.*

ROADSHOW LONDON

Participation to **EPRA ANNUAL CONVENTION PARIS**

Current and implicit stabilized initial yields



FINANCIAL MANAGEMENT	December 31st 2016
EPRA Earnings per share	0.13
Loan To Value	27.4%
Interest cover ratio	2.71x
% of debt hedged	69.9%
Weighted average interest rate*	1.99%
Weighted average debt maturity	3.94 years

*all in cost, including spread, commissions and hedging

Acquisition of the building **BONNET** *in* **PORTA NUOVA,** *Milan* (**86 MILLION EURO**)

Acquisition of the building **DERUTA** *in Milan* (**46 MILLION EURO**)

OCTOBER

ROADSHOW USA

Forum **COIMA REAL ESTATE**

NOVEMBER

ROADSHOW LONDON

DECEMBER

Participation to **EPRA ROADSHOW ASIA**

Monthly call **WITH ANALYSTS**

2017 JANUARY

Monthly call **WITH ANALYSTS/ INVESTORS**

LETTER FROM THE CEO

ACQUISITION OF HIGH-QUALITY INVESTMENT PORTFOLIO IN UNDER EIGHT MONTHS. FUTURE GROWTH EXPECTED FROM INTERNAL AND EXTERNAL DRIVERS

Dear Fellow Shareholder,

We are delighted to report strong full-year results for COIMA RES in our first year of operations. We have executed our investment program well ahead of schedule, with more than 90% of IPO proceeds deployed since our initial public offering in May 2016.
COIMA RES is the first successful IPO of an Italian REIT in a decade, while Italy's listed real-estate market remains starkly underrepresented by international comparison. Our objective is to fill this structural gap by providing transparency and local know-how in what has traditionally been a complex playing-field with limited investment options.
Leveraging 40 years of investment and asset-management expertise, the COIMA platform is uniquely positioned to help domestic and international investors participate in the recovery of Italy's property sector and achieve superior risk-adjusted returns.

Following our IPO, and against the backdrop of tightening investment yields, we opted to accelerate original capital-allocation targets: we were able to acquire over 376.2 million euros of mainly income-producing core and core+ office assets in less than 8 months – all in off-market transactions. Our investment portfolio – now valued at 526.2 million Euros on an EPRA net-initial yield of 5.3% – comprises a low-vacancy, long-leased asset-base of office and bank-branch properties, with approx. 80% exposure to Milan and Rome, Italy's most liquid and desirable investment markets. Underlying tenant quality is high, with 75% of rent coming from investment-grade corporate credits.
Our recent investment in the Via Bonnet joint venture – a value-added investment acquired alongside a major world class investor – is intended to enhance shareholder returns beyond the core/core+ spectrum. We may consider future value-added opportunities on a selective basis; however, at this point in time we expect to maintain our primary exposure minimum of 85% to the core/core+ segments in order to preserve our moderate-risk investment profile.

A fair-value uplift of 11.6 million Euros (+2.3% vs. acquisition cost) highlights the high quality of our investment portfolio on one hand and early success of recent asset management initiatives on the other: a key lease was extended at our Goiaotto property, resulting in a rental uplift of circa 120% compared to in-place rents. Additionally, rent increases and removal of break options were achieved on several assets in our Deutsche Bank portfolio. Our current LTV stands at 27.4%, with a revised leverage target below 45%. We decided to lower the target LTV from an original level of 50% to minimize balance sheet risk and insulate COIMA RES from potential shocks to the financial system at a time of political uncertainty and increased macro risk. Our average interest rate is 1.99% with approximately 70% of our loans hedged in an effort to reduce interest rate risk. Additionally, all debt agreements are executed on a standalone, non-recourse basis in order to remove cross-default risk.

Looking ahead, the growth trajectory for COIMA RES will be shaped both by internal and external drivers. Numerous asset-management initiatives, tenanting & redevelopment work at our Via Bonnet joint venture, as well as further asset-sales out of our non-core portfolio are expected to drive shareholder value organically.

In terms of external growth, we will deploy remaining firepower of circa 100 million Euros to acquire new properties. In addition, we will reinvest any proceeds from our non-core disposal program and may also recycle capital from opportunistic asset-rotations, if the opportunity arises.
Ongoing yield-compression notwithstanding, we continue to see attractive opportunities in Italian investment markets – whether based on distressed sales in the banking sector, liquidating closed-end funds, or tenant relocations to more efficient and modern premises. Based on our current deal-pipeline, including various off-market negotiations underway, we are confident to be able to announce more attractive acquisitions during 2017.

Clear and regular communication – to educate the market about our investment case, but also to learn what investors think about us – is key to the success of COIMA RES. To this end, we are planning extensive roadshows, property tours and appearances at public events, in addition to our regularly scheduled conference calls. On these occasions, we will be asking for your feedback – whether positive or negative – in an effort to reflect your insights and suggestions in our business plan and to be responsive to your needs.

Our most important goal for 2017 and beyond is now to remove the discount to our underlying asset value. We acknowledge that certain factors are out of our control – chiefly macro uncertainty, political risk and negative sentiment overshadowing Italian listed markets. Our key focus is on the points we can control – executing the business plan, exploiting internal & external growth drivers, and transparently communicating with investors. Also, while waiting for macro conditions to improve, we would remind investors that current challenges in the Italian market environment are an important contributing factor to the attractive investments we have made to date: we are utilizing our expertise to benefit from uncertainty.

Through our substantial share investment in COIMA RES, I and the other Key Managers are well-aligned with shareholders. We thank you for your support and we look forward to the new year with confidence.

Manfredi Catella
Founder & CEO, COIMA RES

OUR BUSINESS MODEL

OUR AIM IS TO OFFER INVESTORS THE OPPORTUNITY TO BENEFIT FROM OUR PORTFOLIO'S CAPITAL VALUE APPRECIATION OVER TIME AND THEREBY TO PROVIDE ATTRACTIVE RISK-ADJUSTED RETURNS TO OUR SHAREHOLDERS

"In the end, our strategy is simple – to create a high-quality portfolio of Italian properties, specifically in Milan, a market we know very well. We are achieving this through our deep experience in the market, both on the investment and on the asset management side."

Manfredi Catella
Founder & CEO, COIMA RES

The COIMA RES investment strategy is to create a high-quality real estate portfolio with stable, growing and sustainable cash flows, through the acquisition, management and selective sale of Italian properties, mainly in the core and core+ office segments.

Milan - GIOIAOTTO - Terrace

A CLEAR AND WELL-DEFINED INVESTMENT STRATEGY

- » Primary focus on prime (core/core+) properties with a conservative risk/return profile;
- » concentration on the major markets (metropolitan area of Milan, Rome and, selectively, in certain secondary cities);
- » off-market transactions, possible thanks to our extensive network, well-established, presence in the market and deep relationships;
- » prudent financial structure with a target LTV below 45%;
- » possibility of selectively taking advantage of value-added investment opportunities – i.e. properties with more significant asset management and/or refurbishments upsides, primarily through JVs, in order to limit capital exposure and risk.

MAIN CHARACTERISTICS OF THE PROPERTIES WE PURCHASE

High quality of the buildings, both in terms of initial value as well as the property's appreciation potential and prospective value.

Location, focusing mainly on strategic areas in major Italian cities with good links to transport networks, specifically in submarkets with the potential for improvement in occupational demand or cap-rate compression.

Quality of the tenants, with the majority of rental income contributed by tenants with investment-grade ratings.

Type of lease agreements, with the majority of leases signed on lease-terms greater than 5 years, inflation-indexed, and with predictable operating cost profiles.

ACTIVE MANAGEMENT TO INCREASE VALUE FOR OUR SHAREHOLDERS

Active asset management is a vital element in management's effort to maximise performance on the one hand, and, on the other hand, to manage risk: both key factors in the creation of shareholder value. The strategy of COIMA RES has been focused on – and will continue to focus on – the following areas:

- » constant monitoring of tenants' level of satisfaction;
- » renegotiation of agreements, both to unlock rental upside and to extend lease-terms;
- » replacement of tenants where sensible;
- » feasibility assessment of capex initiatives and implementation of improvement measures of rental spaces, when justified by prospective returns-on-investment;
- » repositioning and upgrading of the buildings on a selective basis;
- » evaluation of possible disposals of non-strategic assets and on an opportunistic basis;
- » optimisation of the funding structure.

OUR PORTFOLIO

AS AT DECEMBER 31ST, 2016, COIMA RES HAS INVESTED IN A PORTFOLIO OF 102 PROPERTIES WITH A BOOK VALUE OF 526.2* MILLION EURO AND A TOTAL NET RENTABLE AREA OF 144,000 sqm

*Bonnet accounted on pro-rata basis (35.7%).

"2016 was the first year of operations for COIMA RES. Our activities were focused on deploying the capital raised during our IPO and on formulating an active asset management programme, that will allow us to unlock further value beyond the already attractive net initial yield of 5.3%."

Matteo Ravà
Key Manager, responsible for Asset Management at COIMA RES

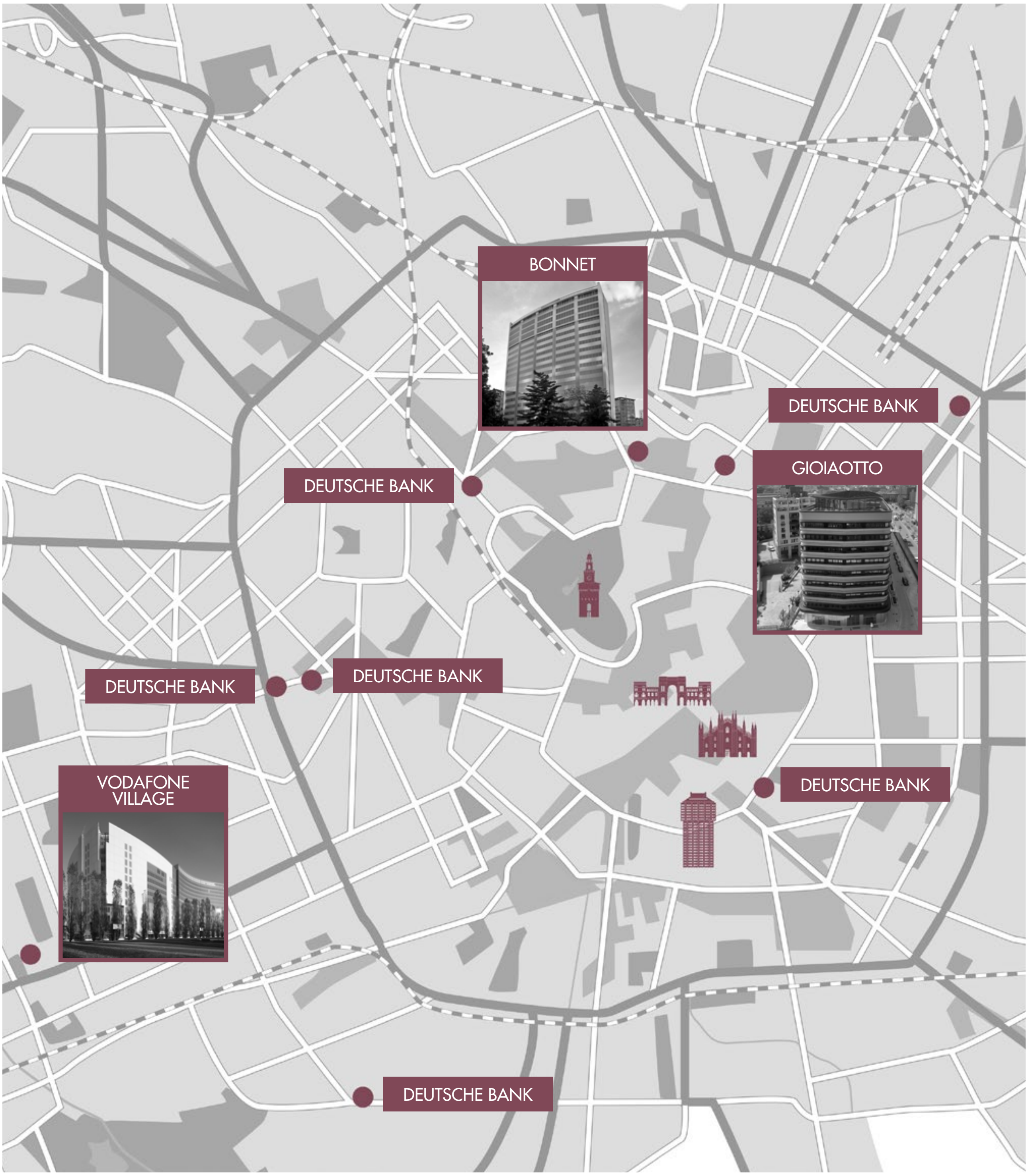
Rome - 2331 EURCENTER - Entrance

Main figures of real estate portfolio as at December 31st, 2016

	Deutsche Bank Portfolio	Vodafone Village	Gioiaotto	2331 Eurcenter	Bonnet	Portfolio Dec 2016
City	Various	Milan	Milan	Rome	Milan	-
Address	Various	Lorenteggio 240	Melchiorre Gioia 6-8	2331 Eurcenter	Via Bonnet	-
Sub-market	Various	Lorenteggio BD	Porta Nuova BD	EUR BD	Porta Nuova BD	-
Asset class	Bank Branches	Office	Office Hotel Retail	Office Retail	Office Retail	-
% of ownership	100.0%	100.0%	86.7%	86.7%	35.7%	-
NRA exluding parking (sqm)	57,836	39,991	13,032	13,530	19,600	**143,989**
EPRA occupancy rate	86%	100%	100%	100%	13%	**95,8%**
Tenants	1	1	9	10	6	**27**
WALT (in years)	9.8	10.1	5.0	5.5	3.0	**8.7**
Gross initial rents (€/mln)	7.9	13.8	2.6	4.9	0.3[1]	**29.5**
Net initial rents (€/mln)	6.5	12.8	2.2	4.3	0.2[1]	**26.0**
Gross stabilized rent (€/mln)	7.5	13.8	3.2	5.1	0.3[1]	**30.0**
Net stabilized rent (€/mln)	6.1	12.8	2.8	4.5	0.3[1]	**26.6**
Expected gross stabilized rent (€/mln)	7.5	13.8	4.0	5.1	3.1[1]	**33.6**
Expected net stabilized rent (€/mln)	6.1	12.8	3.6	4.5	2.9[1]	**30.0**
GAV (€/mln)	138.6	207.0	66.8	80.7	33.0[1]	**526.2**
Grass initial yield[4]	5.7%	6.7%	3.9%	6.0%	n.s.	**6.0%**
ERPA NIY[4]	4.7%	6.2%	3.3%	5.3%	n.s.	**5.3%**
Gross stabilized yield[4]	5.4%	6.7%	4.8%	6.3%	n.s.	**6.0%**
EPRA topped-up NIY[4]	4.4%	6.2%	4.2%	5.6%	n.s.	**5.3%**
Expected gross stabilized yield	5.9%[2]	6.7%	6.1%	6.3%	6.2%[3]	**6.3%**
Expected net stabilized yield	4.8%[2]	6.2%	5.4%	5.6%	5.7%[3]	**5.6%**

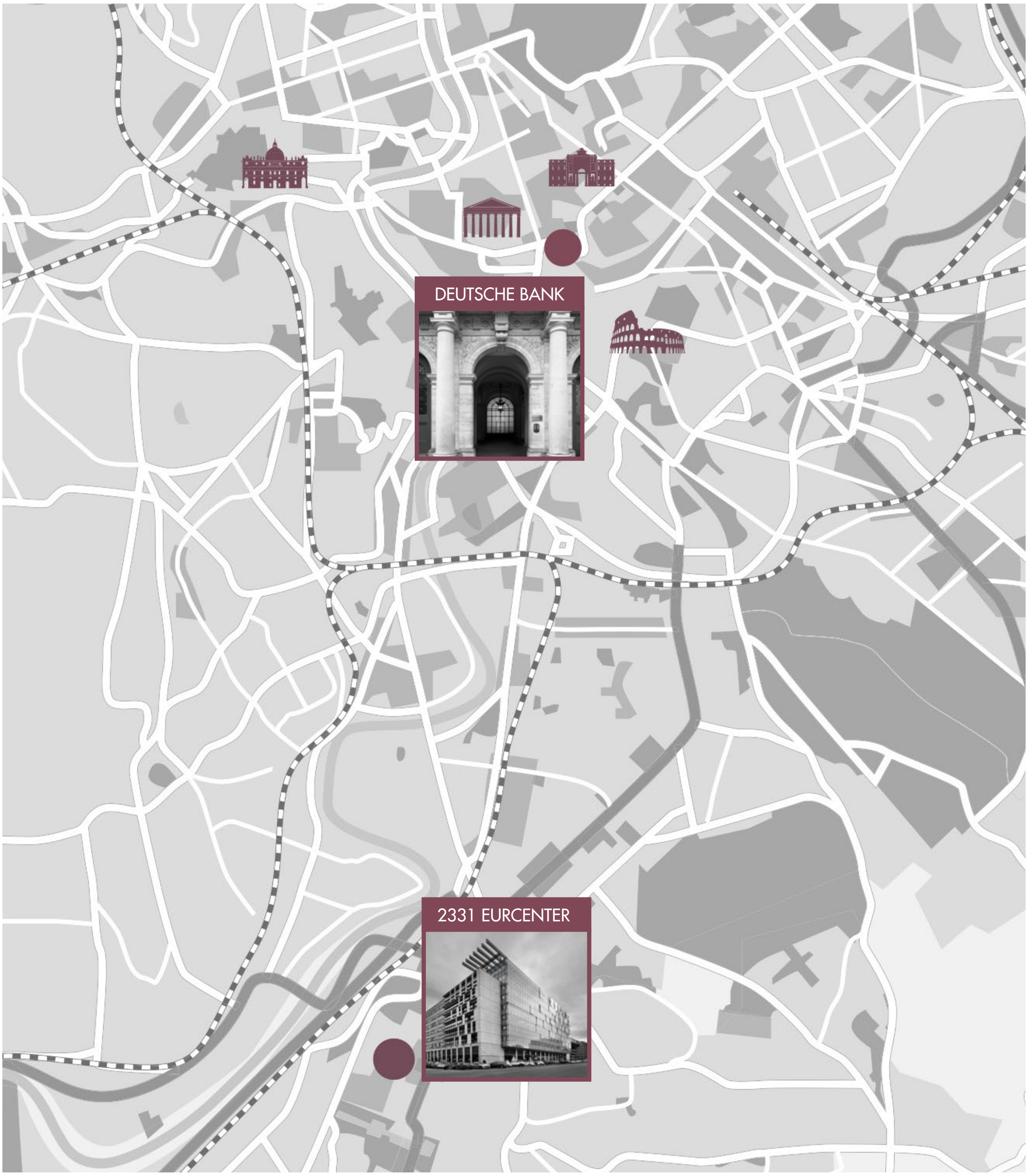
1 On pro-rata basis (35.7%)
2 Vacant buildings excluded from the calculated amount
3 Expected capex taken into account (hard & soft costs)
4 Excluding the redevelopment of Bonnet

MILAN
61% OF THE REAL ESTATE PORTFOLIO IS LOCATED IN MILAN



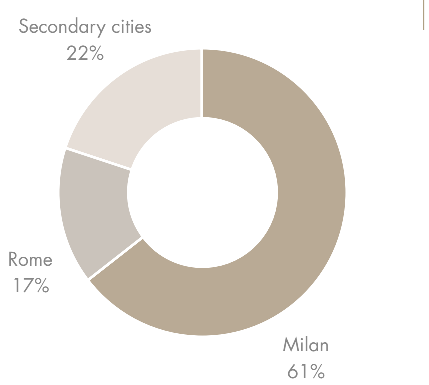
ROME

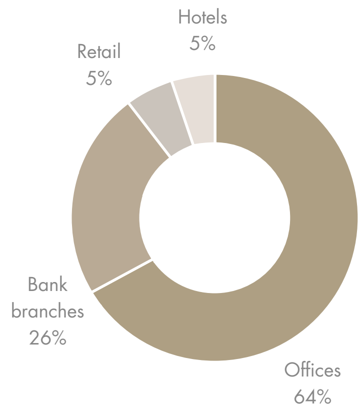
17% OF THE REAL ESTATE PORTFOLIO IS LOCATED IN ROME

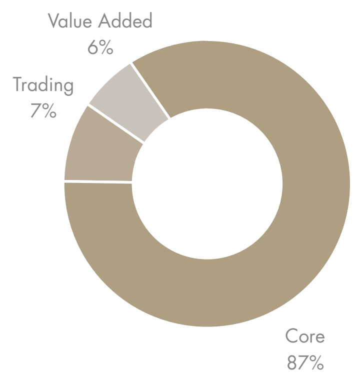


PORTFOLIO

by GEOGRAPHICAL AREA (at market value*)	by INTENDED USE (at market value*)	by STRATEGY (at market value*)



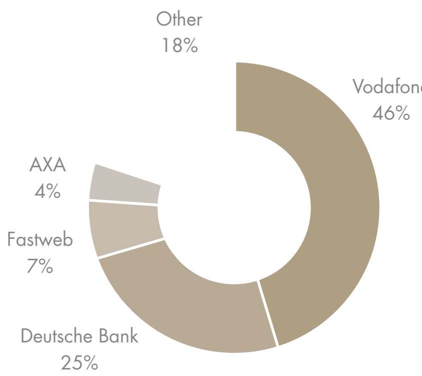


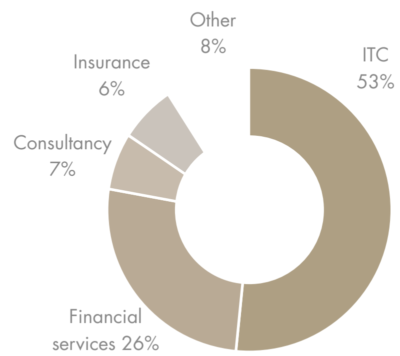


*Bonnet accounted on pro-rata basis (35.7%)

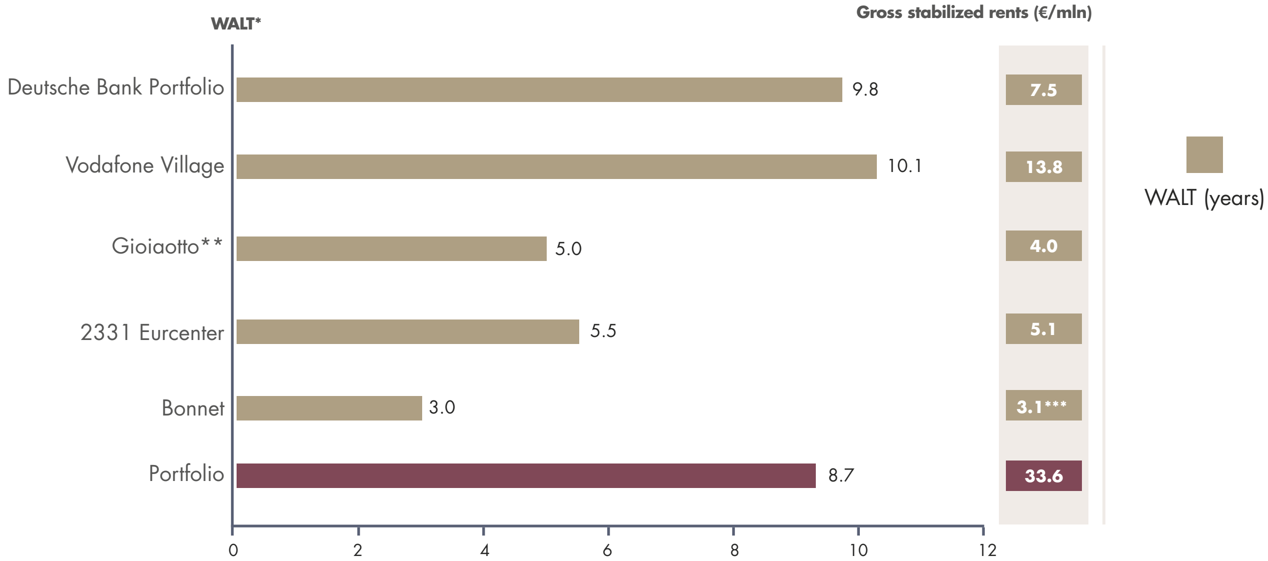
STABILIZED RENTAL CONTRIBUTION

by TENANT	by SECTOR





WALT



* Calculated as at 31 December 2016
** Does not include NH Hotel Group lease agreement renewal (9+6 starting from January 1st, 2017)
*** Bonnet accounted on pro-rata basis (35.7%)

Milan - GIOIAOTTO - View

Rome - DEUTSCHE BANK - Front view

DEUTSCHE BANK PORTFOLIO

RATIONALE FOR THE INVESTMENT

The portfolio, contributed by Qatar Holding LLC at the time of the IPO, currently comprises 95 properties, of which 90 are leased to Deutsche Bank, on a WALT of approximately 10 years. The portfolio was acquired, following a sale and lease back operation, with the aim of securing a stable, long-term rental base with the added potential for capital-value appreciation over the medium/long term. The portfolio is concentrated in northern Italy, with most of the properties centrally-located in primary and secondary cities, allowing for potential repurposing of the assets to high-street retail usage and enabling a potential valuation increase over time.

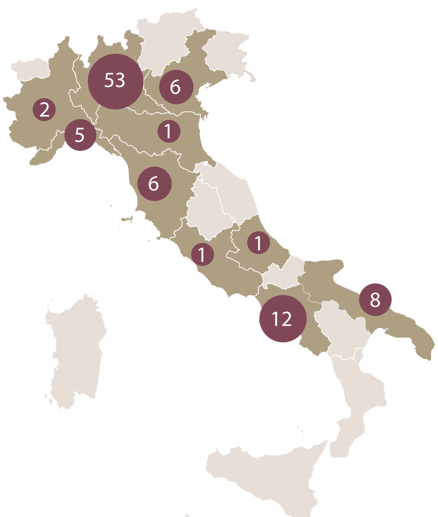
Facts & figures

95 properties located mainly in northern Italy

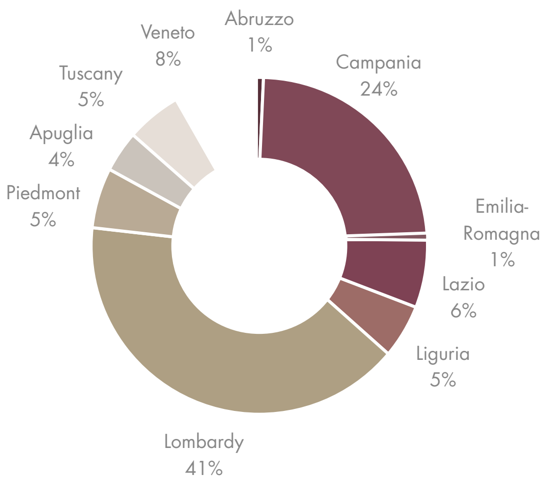
intended use: **Bank branches**	*WALT:* **9.8 years**	*gross annual rent:* **7.9 million euro**
type of investment: **Core**; **trading**	*% occupancy*:* **86.4%** 90 leased branches; 5 vacant	*expected gross stabilized annual rent:* **7.5 million euro**
% stake: **100%**	*fair value:* **138.6 million euro** (seeded)	*TENANT* Deutsche Bank
NRA excluding parking **57,836 sqm**	*EPRA net initial yield* **4.7%**	

* calculated on ERV

PROPERTIES BY GEOGRAPHICAL AREA



FAIR VALUE BY GEOGRAPHICAL AREA



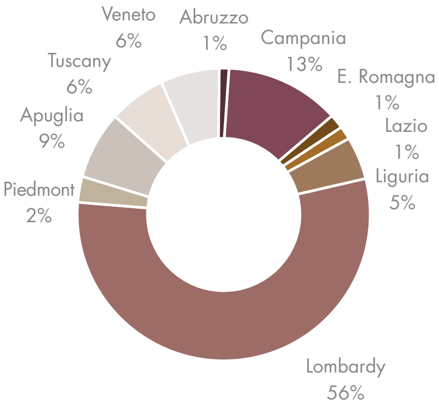
OPTIMISATION OF THE PORTFOLIO

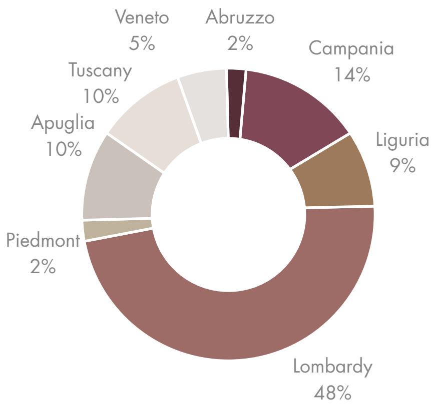
In the context of our asset-management programme, a series of initiatives was identified with the aim of reducing the portfolio's risk profile. In particular, in the 4th quarter of 2016, we launched a non-core disposal programme. To this end, following a competitive tender process, four specialised brokers were selected for the sale of different sub-portfolios and geographical areas.

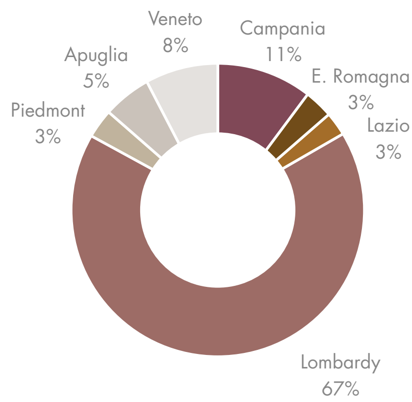
On December 22nd, 2016, the first sale agreement was signed for a vacant property located in the industrial submarket of Rivabella, Lecco, for a price of 1.5 million Euro (+3.4% above the independent appraiser's valuation as at June 30th, 2016).
On completion of the disposal programme, the portfolio will be concentrated mainly in northern Italy, particularly in Lombardy (ca. 67%).

Portfolio evolution (breakdown on number of assets)

ACTUAL PORTFOLIO	PORTFOLIO UNDER DISPOSAL	PORTFOLIO POST DISPOSAL







During the year, an addendum to the lease agreements of six bank-branch assets was signed, providing for an overall rent increase of 220,000 Euro/year – ca.10% above average in-place rents prior to the initiative – effective as of November 1st, 2016.

Additionally, a further lease addendum was signed removing break-options and extending leases for three properties in the portfolio: Genoa, Desio and Prato. An overall rent reduction of 397,768 Euro/year was granted, effective as of January 1st, 2017, in return for the significant risk-reduction achieved through the removal of break options.

The net effect of these lease amendments is a reduction in rental income of roughly 200,000 Euros per year for the Deutsche Bank portfolio, to a stabilized level of 7.5 million euro coupled with a meaningfull reduction in portfolio risk.

Rome - DEUTSCHE BANK - Front view

VODAFONE VILLAGE

RATIONALE FOR THE INVESTMENT

The acquisition of the LEED-certified Grade A building, which houses the headquarters of the Vodafone Group, is an off-market acquisition of an iconic complex, optimally integrated with existing and future transport infrastructures. The EPRA net initial yield of 6.2% constitutes a premium of 70 bps compared to the current market yield quoted by CBRE.

Facts & figures

date of acquisition:
June 30th, 2016

address:
Via Lorenteggio, 240
Milan
(Lorenteggio area)

intended use:
Office

type of investment:
Core

% stake:
100%

NRA (excluding parking)
39,991 sqm

% occupancy:*
100%

* Calculated on ERV

fair value
207.0 million euro Off-market

gross annual rent:
13.8 million euro

expected gross stabilized annual rent:
13.8 million euro

WALT:
10.1 years

EPRA net initial yield:
6.2%

sustainability:
LEED Silver

*TENANT**

vodafone

* Vodafone has invested approximately 40 million Euros (1,000/sqm) in fitting out the property.

Description

Built between 2008 and 2012, Vodafone Village is the largest office complex in Italy with LEED Silver certification. Located on one of the main arterial roads connecting the city centre with the western area, the complex is optimally connected via overland lines and the M1 metro line at Bisceglie station, which is approximately 5 minutes away by use of the building's own dedicated shuttle bus. The new San Cristoforo station on the M4 metro line, which is currently under construction (and which government sources expect to be completed by 2020), will allow for a further direct connection with Linate airport and Milan city center.
The complex comprises five buildings (of which three, for office use, are owned by COIMA RES).

Improvement activities

The building was acquired in June 2016 for a price of 200 million Euro, corresponding to a Gross Entry Yield of 6.9%. Based on an ongoing trend of yield compression, the complex has likely experienced a valuation uplift since the time of acquisition.
In addition, the Company has started to implement best-practices property management services, in line with the high standards applied by COIMA Srl in the management of LEED-certified buildings.

Milan - VODAFONE VILLAGE - Facade

Milan - GIOIAOTTO - Reception

GIOIAOTTO

RATIONALE FOR THE INVESTMENT

The acquisition of the LEED-certified Platinum Grade A building was conducted as an off-market transaction. Located in a strategic position in the Porta Nuova CBD of Milan, various asset management initiatives are planned in order to unlock the full value of this prime property. Early success of these initiatives is evidenced by the renewal of the NH Hotel lease agreement during the 4th quarter (expiry date December 31st 2016), resulting in a significant uplift in in-place rents, an extension of the lease-term and with an EPRA net stabilized yield of 5.4% implying a premium of 166 bps in comparison to prime yields cited by CBRE for the area.

Facts & figures

date of acquisition: **July 27th, 2016**	*% occupancy*:* **100%** * Calculated on ERV
address: **Viale Melchiorre Gioia 6/8 Milan** (Porta Nuova area)	*fair value: (100%):* **66.8 million euro** Off-market *gross annual rent:* **2.6 million euro**
intended use: **Offices, retail and hotel**	*expected gross stabilized annual rent:* **4.0 million euro**
type of investment: **Core**	*WALT*:* **5.0 years** * Excludes the renegotiation of the NH Hotel contract with a duration of 9 years.
% stake: **86.67%**	*EPRA net initial yield:* **3.3%**
leased area: **13,032 sqm**	*sustainability:* **LEED Platinum**

TENANTS

Description

Designed by architect Marco Zanuso, the building was constructed in 1967. In 2014, the asset was completely restructured based on the design of the architecture firm Park Associati, achieving the first LEED Platinum designation in Italy. The total cost of the restructuring was approximately 10 million Euro, a capex investment of 770 euros per rentable square meter.

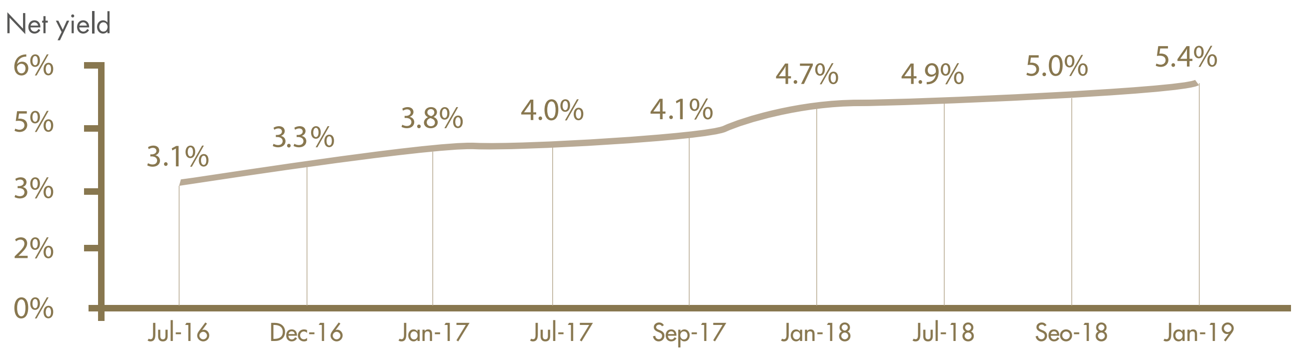
The property comprises two blocks: the first is intended for office use, with a retail/showroom area. The second is intended for hotel use.

The property includes 10 floors above ground and two basement floors, and has 63 covered car parking spaces (of which 20 are for hotel use) and 10 covered motorcycle parking spaces.

Asset management activities

As part of the asset management initiatives aimed at increasing the profitability of the property, the lease agreement with NH Hotel was successfully renegotiated for a term of 9 years without a break option, with a further 6-year renewal option. The fully inflation-indexed lease was agreed for minimum stabilized rent of 1.5 million Euro p.a. (228 euro per square meter), which constitutes an uplift of approximately 120% compared to the previous rental level. The agreement also provides for a potential upside participation in the hotel's operating performance, with total rents to be based on the greater of 30% of the annual turnover of the hotel and the guaranteed minimum rent of 1.5 million Euros. At the same time, NH undertook to conduct, by 2018, modernisation and redevelopment works on the property, amounting to approximately 4 million Euros, to which MHREC FUND will contribute 1.4 million Euros.
The agreement signed with NH Hotel raised the weighted average lease term (WALT) for the Gioiaotto property to over 7 years. As a result of these activities and scheduled contractual step-ups, the net yield on the building is expected to grow by circa 230 bps over the next two years, to a stabilized net yield of 5.4%. Current net prime yields in the Porta Nuova submarket of 3.75% suggest significant valuation upside potential for the Gioiaotto asset over the medium term.

Change in the EPRA net yield over time including the renewal of the NH Hotel agreement and step-ups agreed with the other tenants



Sustainability

First Milan project to obtain LEED Platinum certification and second Italian project by number of points awarded. The low impact on the construction site area, the presence of systems for recycling drinking water for sanitary uses, the use of energy from renewable and local sources, and the selection of natural materials with a high recycled content and locally sourced materials are some of the key factors that have made the building compliant with the sustainability criteria for achieving the LEED target.

Milan - GIOIAOTTO - Technical area

Milan - GIOIAOTTO - Facade

2331 EURCENTER

RATIONALE FOR THE INVESTMENT

Off-market acquisition of a prime building, strategically located in the EUR business district of Rome, leased to major international tenants, with an EPRA net stabilized yield of 5.6% - 187 bps above the market prime yield quoted by CBRE.

Facts & figures

date of acquisition: **July 27th, 2016**	*% occupancy*:* **100%**
address: **Piazzale Don L. Sturzo, 23/31 Rome** (EUR business district)	*fair value: (100%):* **80.7 million euro** Off-market
	gross annual rent: **4.9 million euro**
intended use: **Offices and retail**	*expected gross stabilized annual rent:* **5.1 million euro**
type of investment: **Core**	*WALT:* **5.5 years**
% stake: **86.67%**	*EPRA net initial yield:* **5.3%**
NRA (excluding parking): **13,530 sqm**	*sustainability:* **Class A**

* Calculated on ERV

TENANTS

AXA

CONFINDUSTRIA ENERGIA

FASTWEB

Willis

Description

10-floor building, fully redeveloped by COIMA SGR in 2010 at a total capex cost of approximately 22 million Euro.
The redevelopment, designed by Transit and COIMA Image was focused on improving the property's architectural and technological standards, for example by developing the architectural "double-skin" theme, synonymous with sustainability and reduced energy consumption. The redeveloped equipment and space planning solutions meet the flexibility requirements of a multi-tenant building.
COIMA SRL leads the process of obtaining Energy Efficiency Certificates for the building, accounting for over 3 GWh in energy savings during the useful life of the property.

The property is located in the EUR business district, which accounts for over 30% of the take-up of offices in Rome. Companies such as ENI, Q8, TIM and Wind have established their head-offices in this area. The property is fully leased to major national and international tenants. In July 2016, Fastweb increased its rental area, consolidating its offices in the building and investing approximately 2 million Euro for fit-out of its offices.

Sustainability

Vertical green walls cover the interior skylight passages, equipped with Solar Tubes, increasing light in the spaces and improving energy efficiency.

Constant monitoring and regulation of the direct-expansion air conditioning system, with an energy savings of over 25%, compared with traditional four-pipes system.

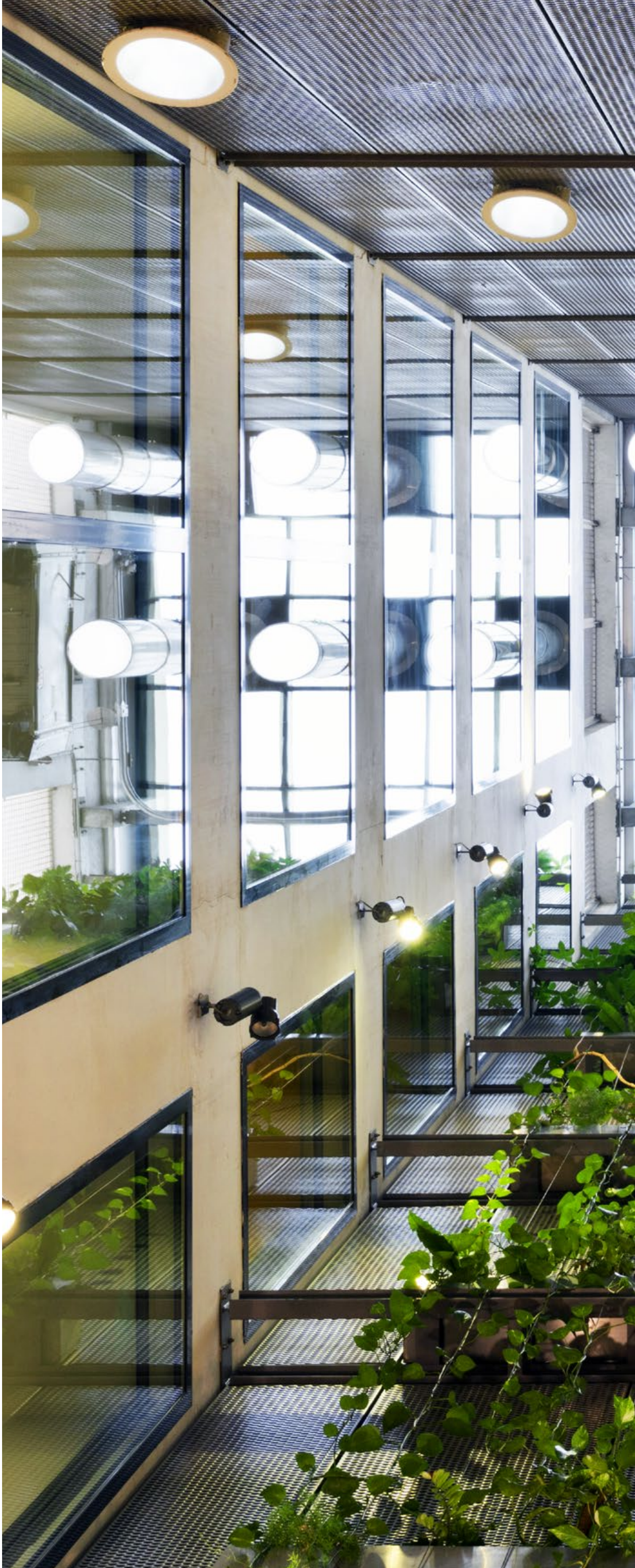
32%
reduction in energy costs over the active term of the leases

48%
reduction in consumption of drinking water for sanitary uses

85%
recycling of construction site waste

25%
recycled materials used in the construction works

25%
locally sourced materials



Rome - 2331 EURCENTER - Inner courtyard

BONNET

RATIONALE OF THE INVESTMENT

Following acquisition of the initial investment portfolio, a low-vacancy, long-leased portfolio of core properties, COIMA RES opted to supplement its asset base with a high-return investment opportunity in the core+ / Value-Added segment. The property, located in the prestigious Porta Nuova business district, was acquired in Joint Venture alongside a well-capitalized and internationally recognized investment partner, in order to limit risk and conserve remaining firepower for further acquisitions.

Facts & figures

date of acquisition:
December 20th, 2016

address:
Via Privata Nino Bonnet 6/8 Milan
(Porta Nuova area)

intended use:
Office and retail

type of investment:
Value Added

% stake:
35.7%

NRA (excluding parking)
19,600 sqm

% occupancy:*
13%

* Calculated on ERV

fair value:*
33.0 million euro – Off-market

* Calculated on pro-rata basis (35.7%)

gross annual rent:*
0.3 million euro

* Calculated on pro-rata basis (35.7%)

gross estimated stabilized rent:*
3.1 million euro

* Calculated on pro-rata basis (35.7%)

WALT:
3.0 years

TENANT

Sisal

Description

The property is adjacent to a major public transport hub, with a high speed train station and 3 metro lines. The complex consists of two buildings: a low-rise building and a high rise tower with a total net rentable area of approximately 19,600 square meters.
Strategy foresees i) the entire refurbishment of the high rise building with intended for retail and office use and ii) the low rise building's valorization through active asset management actions in order to let the residual vacant spaces.
The refurbishment project also includes the design of walkway areas from Corso Como, across Piazza Gae Aulenti up to Piazza della Repubblica and the Isola neighbourhood. The development project is expected to require 36 months until completion.
Total project cost is expected to amount to 140 million Euros, including the initial acquisition cost plus expected capital expenditures. COIMA RES will contribute a 36% pro-rata share of the total investment (51 million Euros, of which approximately 25 million Euros of equity) and the JV partner, COIMA Opportunity Fund II, the development fund backed by a world-class Sovereign Wealth Fund, will contribute the remaining 64%
Target returns based on current market rental level, without assuming any rental growth, are expected to reach a TSR/Levered IRR of approximately 12% and a gross yield on cost of approximately 6%.
COIMA RES will account for its stake in the JV as an equity affiliate and COIMA SGR will not earn any additional fee from the newly set up vehicle. Additionally, the Joint Venture agreement provides to COIMA RES the veto right on any change of the Joint Venture Statute. If the Joint Venture partner decides to sell units, COIMA RES would benefit from its tag-along right. COIMA RES will provide full look through disclosure for its participation in the Bonnet Joint Venture.

Milan - BONNET - Facade

WHY ITALY?

THE REAL ESTATE MARKET IN ITALY IS GROWING AND SO TOO ARE OPPORTUNITIES FROM STRUCTURAL GAPS

Looking ahead, the real estate market in Italy continues to offer significant investment opportunities with more competitive returns than those available in many major European countries. The current investment landscape is characterized, on one hand, by the recovery of capital values and rental rates and, on the other hand, by the prevalence of unique structural gaps in the Italian market: In terms of product-availability, a severe supply/demand imbalance exists for modern Grade-A office space. In terms of listed real-estate market-penetration, the overall market capitalisation of the Italian REIT sector lags well behind most other European economies.
With regard to property returns, significant yield compression in prime, CBD markets over the last 24 months has driven Milan prime office yields to a level of 3.75%. By extension, growing demand and yield pressure for high-quality assets in semi-central and suburban locations is beginning to intensify, where opportunities to acquire attractive properties at yields between 5.5% to 6.0% still exist. Italian real-estate investment volumes during 2016 exceeded 9 billion euros, with both Italian and new international players participating in investment markets and expected to be active during 2017. Both transparency and competition in the sector have increased. Notwithstanding, well-connected local operators, with strong roots and relationships in the area, still benefit from their ability to conduct off-market transactions, which can generate returns superior to those available to new market entrants.
In coming months, numerous new opportunities, unique to Italian investment markets, may become available: disposal of property portfolios by banks and public institutions and the liquidation of maturing real estate funds is expected to add to available investment options. Shifting occupational demand trends, with tenants searching for new and efficient office spaces, which still account for the minority of Italian real estate stock, are expected to provide additional investment opportunities.

REIT: A MARKET WITH SIGNIFICANT GROWTH POTENTIAL

Among the top ten global economies, Italy also ranks second in terms of European manufacturing. With market capitalisation of about 2.3 billion Euros, Italy also ranks last in Europe in terms of REIT-sector weighting as a percentage of overall stock market capitalization.

Major global economies
(billion eur)

Weighting of capitalisation of REIT
on total stock exchange capitalisation

In terms of listed real estate market capitalisation, the leading economies are the United Kingdom and France (60 billion Euro each), followed by Germany (45 billion), Spain (10 billion) and Ireland (3.2 billion). Although considerably smaller in terms of GDP, the latter two countries led the recent wave of IPOs that took place since 2013 and grew the most – albeit off of low bases – in terms of relative size: +200% for Spain and +30% for Ireland. With a market cap of only approximately 2.3 billion Euros and a REIT market that came into existence only in 2016, Italy offers considerable growth potential.

Rome - 2331 EURCENTER - Facade

WHY MILAN?
THE METROPOLITAN AREA OF MILAN IN LOMBARDY IS GROWING, AND THERE ARE OPPORTUNITIES FOR THE FUTURE IN EUROPE

"The metropolitan area of Milan is one of the most economically vibrant in continental Europe with a dynamic and attractive real estate market that still has strong growth prospects. In 2016, against the backdrop of a significant rise in competition coupled with a general decline in real estate returns, COIMA RES was able, in just seven months, to reach and even exceed investment targets set during the IPO, acquiring buildings off-market and at investment yields well above the market average."

Gabriele Bonfiglioli
Key Manager, responsible for Investment Management at COIMA RES

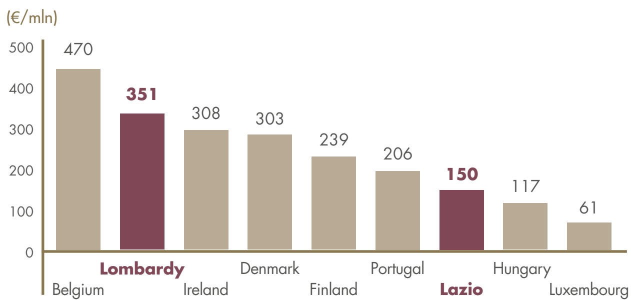
Milan - GIOIAOTTO - Terrace

As the fourth most important region in Europe in terms of GDP, the metropolitan area of Milan is bolstered by almost 3,100 multinational companies (33% of which operate in Italy), of which approximately 120 have a turnover of over one billion Euro and around 280,000 employees.

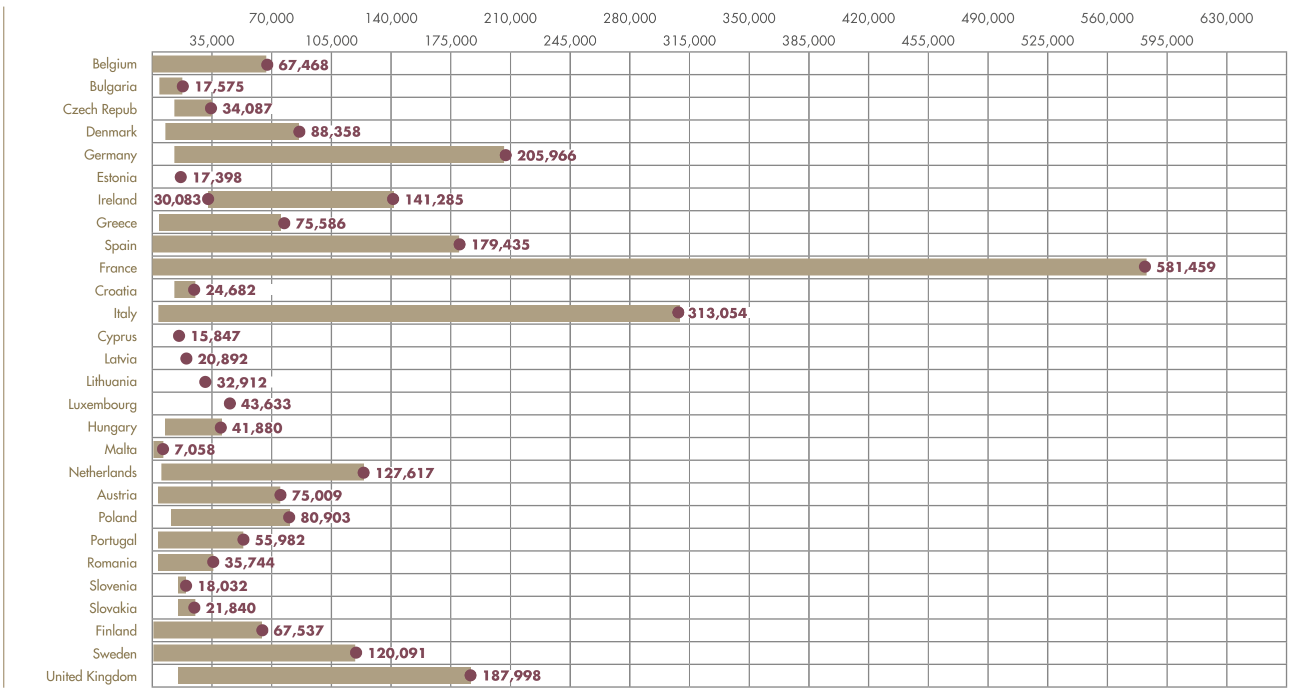
Lombardy VS Italy

DATA 2015	Lombardy	Weighting of Lombardy with in Italy
POPULATION	10 million	17%
GDP	350 billion	17.5%
GDP PER CAPITA	44,700 (Milan)	+50% compared with the Italian average
No of incoming visitors	8,100,000	approximately 16%
Metropolitan area EU classification (GDP)	No 4	

EU economies compared with Lombardy by GDP (2016)



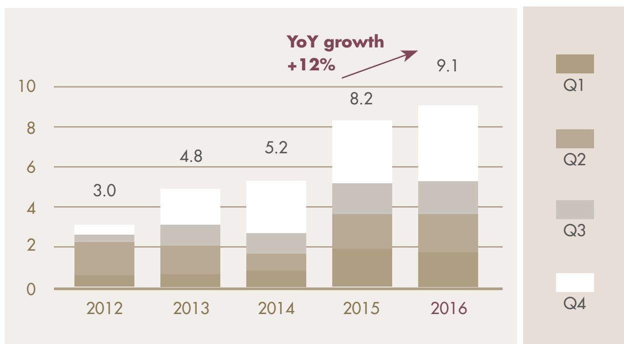
GROSS ADDED VALUE BY MACRO-REGION/COUNTRY IN EUROPE (BILLION EURO)



INVESTMENTS: A MARKET THAT REMAINS HIGHLY ATTRACTIVE

Despite uncertainty surrounding the European and global macroeconomic landscape – driven by Brexit, the US transition to the Trump administration, and post constitutional referendum results in Italy, to name a few - market prospects for Italy remain solid: real estate investment volume grew by 12% (to 9.1 billion Euros), compared with 2015, and by 75%, compared with 2014. Prospects for 2017 also remain good, with increasing demand from Italian institutional investors contributing to the award of various new investment mandates.

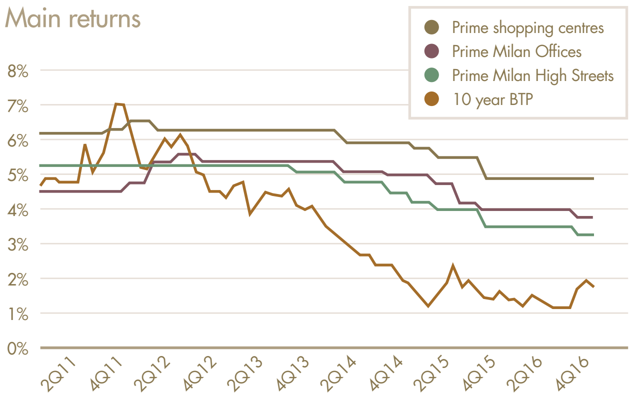
Development of real estate investment volumes in Italy (billion Euro)



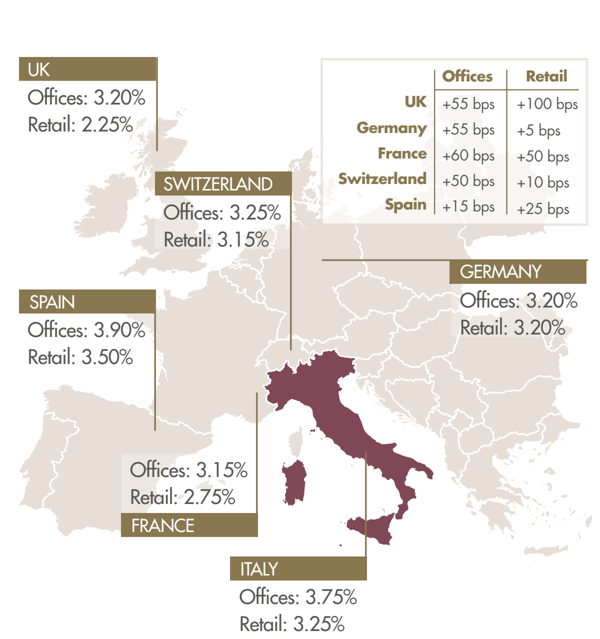
RETURNS: PRESSURE ON REAL ESTATE RETURNS

Growing demand from investors has led to a progressive decline of 150 bps in investment yields for prime offices since 2014, with yield-shift effects particularly noticeable in the most competitive markets – Rome and Milan. Notwithstanding, returns remain higher than those available in many major European countries.

Main returns



Prime returns: offices and retail



RENTAL RATES: UP, ESPECIALLY FOR QUALITY REAL ESTATE

Occupational demand is rising, with numerous new and active tenant searches coupled with a shortage of quality premises, putting increasing pressure on rental rates. Prime rents, both in Milan and Rome, have risen to euro 500/sqm in Milan and euro 400/sqm in Rome, with some ongoing negotiations in the Milan CBD and Porta Nuova at even higher levels, around the euro 525 - euro 550/sqm mark. The average vacancy rate is 12.1% in Milan and 9.0% in Rome. Notably, the vacancy rate for the most undersupplied Grade A segment has now fallen to below 2%. Several locations continue to attract higher demand, specifically the CBD and Porta Nuova in Milan and the EUR district and historical centre in Rome.

REAL ESTATE MARKET OVERVIEW

Main figures 2016	Milan	Rome
Take-up (square metres)	304,220	150,000
Take-up	67% Grade A 33% Grade B and C	44% Grade A 56% Grade B and C
Vacancy rate	12.1%	9.0%
Availability (square metres)	350,000 Grade A 950,000 Grade B and C	280,000 Grade A 970,000 Grade B and C
Prime Rent (euro/square metres/year)	500	400
Office investment (mEur)	2,286	673
Prime net yield (*)	3.75%	4.00 %

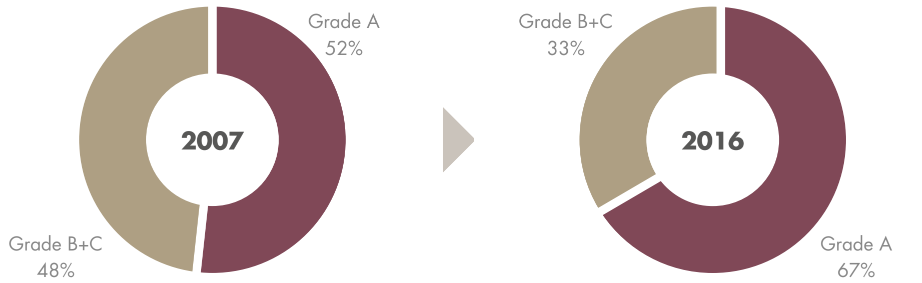
(*) 4° quart. 2016

Rome - 2331 EURCENTER - Offices

TENANTS DEMAND IS CONCENTRATED ON QUALITY PROPERTIES

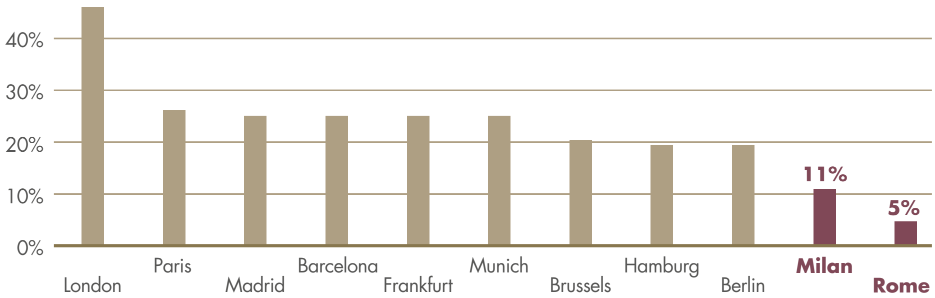
Tenants are looking for modern, high-quality properties: around 70% of office lease transactions in Milan involve Grade A buildings. Notably, the Italian real estate market continues to suffer from a chronic shortage of quality assets compared with other European markets.

2007-2016 DEVELOPMENT IN DEMAND

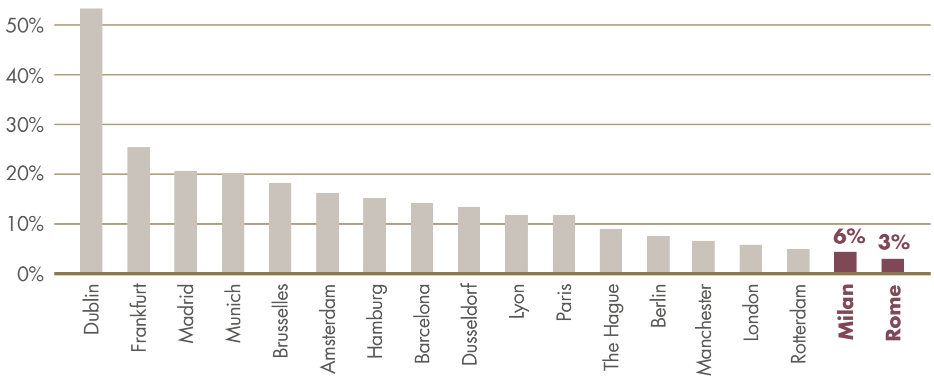


Despite strong and increasing demand for quality properties, Grade A office assets remain starkly underrepresented in Italian rental stock. Shortages in Italian rental stock are partially explained by very low development volumes over the last 15 years.

Italian Grade A stock is far below European average



Limited Grade A pipeline on the horizon



Rome - 2331 EURCENTER - Facade

Rome - 2331 EURCENTER - View

2 MANAGEMENT

COIMA RES IS RUN BY A MANAGEMENT TEAM THAT HAS GAINED EXPERIENCE OVER MANY YEARS IN THE ITALIAN AND INTERNATIONAL REAL ESTATE SECTOR AND IS FULLY ALIGNED WITH INVESTORS.

SENIOR MANAGEMENT TEAM

A TEAM COMPOSED OF A GROUP OF PEOPLE WHO HAVE BEEN WORKING TOGETHER CLOSELY FOR OVER 10 YEARS

Manfredi Catella

Having worked in the real estate sector for almost 25 years, Manfredi Catella has managed assets of over five billion Euros, executed acquisitions of over three billion Euros and negotiated loans of approximately three billion Euros. Specifically, he was responsible for the development of the Porta Nuova business district in Milan, one of the largest and most significant development projects in Europe with an investment volume of over two billion Euros.

Manfredi holds a Bachelor of Economics and Business Studies from the Università Cattolica del Sacro Cuore, a Master of Regional Planning and Real Estate from the Polytechnic of Turin. He has been a financial analyst for and member of the Association of Journalists and is listed on the register of journalists.

Manfredi was Country Head for Hines in Italy and responsible for over 3 billion Euro of Italian assets. He has worked at JP Morgan in Milan, Caisse Centrale des Banques Populaires in Paris, France, at Heitman in Chicago, USA and at HSBC in the European Committee in Paris. Currently he is founding shareholder & CEO of COIMA RES, founder and CEO of COIMA SGR, the external advisor to COIMA RES and Chairman of COIMA, a real estate company founded in 1974, controlled by the Catella family. In addition he is Chairman of the Riccardo Catella Foundation, member of the Advisory Board of the Bocconi University and of Assolombarda.

Author of numerous articles and papers on real estate and land redevelopment.

Gabriele Bonfiglioli

With over 12 years' experience in the real estate sector, Gabriele Bonfiglioli has overseen real estate transactions worth over three billion Euros. During his career, he has negotiated rental agreements covering over 100,000 sqm and loans with a volume of over one billion Euros.

Gabriele holds a Bachelor of Business Administration from the University of Rome. He studied property finance at the UVA University of Amsterdam (NL).

Gabriele has worked at the SGR of the Beni Stabili Group, where he collaborated on the launch of the first Italian property fund for international investors.

Until 2014, he was a member of the Hines Group global investment and performance committee.

He is a Key Manager of COIMA RES and head of investment management in COIMA SGR.

Fulvio Di Gilio

Fulvio Di Gilio has over six years of experience in the real estate sector. Before joining COIMA RES as CFO, he was the CFO of COIMA SGR for five years and is also a tax adviser.

Fulvio graduated in economics from the University of Naples Federico II. He began his career at PriceWaterhouseCoopers, going on to become Senior Manager at the GFSI Group of Deloitte & Touche. In 2011, he became the CFO of Hines Italia SGR, which then became COIMA SGR. Fulvio has been involved in numerous auditing and organisational projects in the financial sector.

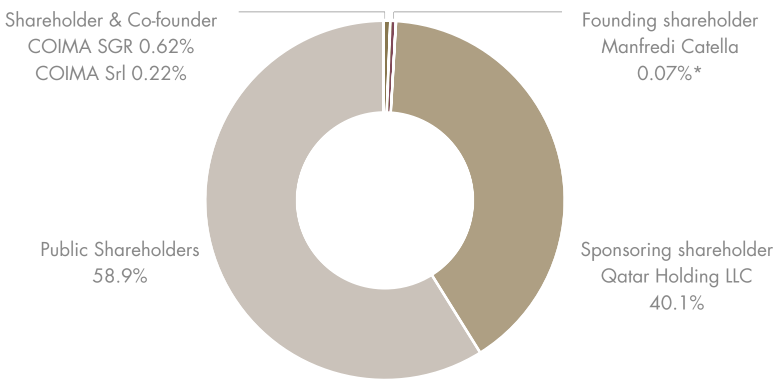
Matteo Ravà

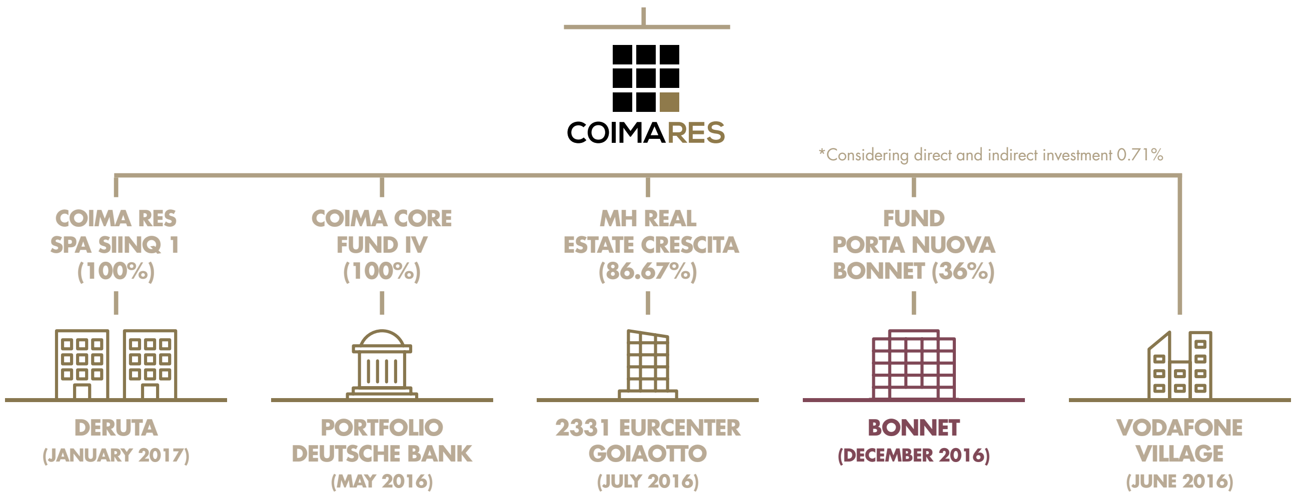
Having worked in the real estate sector for over 12 years, Matteo Ravà is a Key Manager responsible for asset management at COIMA RES.
During his career, he has managed property funds and assets worth over five billion Euros and has negotiated rental agreements for over 100,000 sqm of rental space. Additionally, Matteo has negotiated loans totalling over three billion Euros.

Matteo holds a Bachelor of Economics and Social Sciences from the Bocconi University and a Masters of Corporate Finance from the Bocconi University School of Management.
Matteo has over five years of corporate finance experience, having worked at leading consultancy firms, including Reconta Ernst & Young and Deloitte & Touche, where he carried out valuation and advisory analyses in the context of M&A transactions and IPOs.
He is head of asset management and real estate funds for COIMA SGR.

OUR CORPORATE STRUCTURE

Founded by Manfredi Catella, in agreement with COIMA and COIMA SGR, and with Qatar Holding LLC as the main sponsor of the operation, COIMA RES has been a listed company since 2016 on the Mercato Telematico Azionario, organised and managed by Borsa Italiana S.p.A.





CORE

CORE PLUS/VALUE ADDED

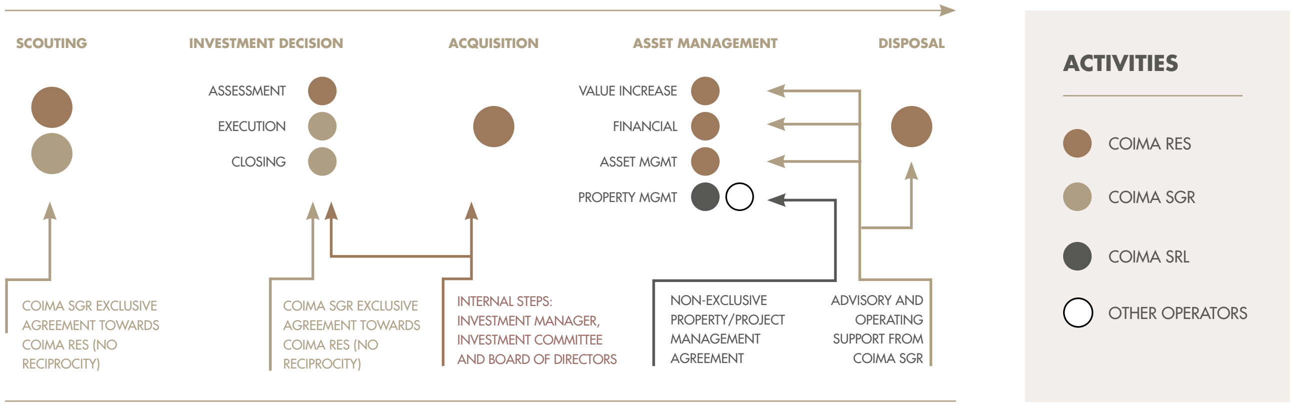
MANAGEMENT OF OPERATIONS

The Company is managed by an in-house team of 4 individuals, which is set to rise to five in 2017, who make use of the external support of resources provided by the companies COIMA SGR and COIMA Srl.
The Board of Directors has all the powers necessary for routine and extraordinary management of the Company.
As far as investments and asset management are concerned, the Company primarily relies on its internal investment manager and is also supported by COIMA SGR, a company managed by Manfredi Catella, Gabriele Bonfiglioli and Matteo Ravà, three professionals with extensive experience in Italian real estate and finance. The internal Investment Manager has the task of identifying potential acquisitions or investment opportunities under the scope of the corporate investment policy and strategy. Each investment is subject to evaluation by the Investment Committee and has to be approved by the Board of Directors.
The Company's portfolio is managed by COIMA Srl regarding property and development management. Thanks to its presence in Italian real estate markets since 1974, COIMA Srl has developed real estate properties encompassing a rental area of over five million square metres, including Porta Nuova, one of the largest regeneration projects of an urban area in European history. COIMA Srl currently manages over one million square metres of rental space, including the largest portfolio of LEED certified offices in Italy.
COIMA SGR and COIMA Srl are both controlled by the Catella family.
The COIMA platform offers the reliability of a team of over 150 market-leading real-estate professionals. Senior management, having worked together for over 10 years, has developed gunmatched expertise in investments and the development and management of real estate projects.

A collaborative and empowering people-culture at COIMA is the basic fundament of our portfolio management system. COIMA professionals operate in adherence to the highest standards of ethical behaviour, based on honesty and transparency applied to everything we do. In an effort to continually improve and evolve, we systematically benchmark our structure and performance to international best-in-class standards.
Management's experience is broad-based, as the team has developed deep investment and management expertise in various types of real estate, including offices, residential properties, logistics assets and hotels. Based on the team's professionalism and consistent performance over the years, our managers have developed strong relationships with lenders, investment funds, government officials responsible for planning, tenants and private investors. This extensive network has provided access to off-market and public opportunities and transactions, as well as a diverse and consistent array of funding sources, despite the often challenging ebbs and tides of the economic cycle over the last 20 years.
Under the scope of the COIMA RES investment strategy, COIMA SGR has granted the Company exclusivity for all services related to the investment and management of core and core+ properties and does not provide such services to any other parties.

Rome - 2331 EURCENTER - Facade

OUR REAL ESTATE INVESTMENT PROCESS



In the summer of 2017, COIMA RES, COIMA SGR and COIMA Srl will move into one building in Porta Nuova, thereby strengthening the integrated and interdisciplinary approach between activities, teams and resources.

MANAGEMENT INVOLVED IN THE COIMA RES OWNERSHIP

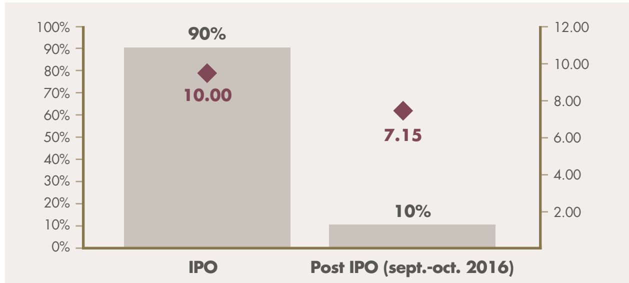
Management has invested a total of 3.1 million Euros in the Company to date, of which Founder & CEO, Manfredi Catella, has invested approximately 2.4 million Euros directly and indirectly.

MANAGEMENT'S ALIGNMENT WITH SHAREHOLDERS

Investments in COIMA RES by the CEO

(EURO)	AVERAGE PRICE	DIRECT INVESTMENT	COIMA SGR INDIRECT (92%)	COIMA SRL INDIRECT (27%)	TOTAL AMOUNT INVESTED	%
IPO	10.00	50,000	2,070,000	72,900	**2,192,900**	**0.61%**
POST IPO (SEPT. - OCT. 2016)	7.15	150,166	-	102,380	**252,546**	**0.10%**
TOTAL		**200,166**	**2,070,000**	**175,280**	**2,445,446**	**0.71%**

Breakdown of investment in COIMA RES shares.



This sum corresponds to approximately 5 times the hypothetical remuneration the CEO of a similar-sized real-estate company would be expected to receive, based on current market benchmarks.

LEGENDA:

- AVG PRICE
- TOTAL AMOUNT INVESTED

FEES PAID TO COIMA SGR AND COIMA SRL

The activities and services provided to COIMA RES by COIMA SGR and COIMA Srl are remunerated in line with market rates paid in similar external management arrangements.

COIMA SGR

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

MANAGEMENT FEE

	FEE
(BILLION EURO)	(BPS)
NAV < 1	110
1 < NAV < 1.5	85
NAV > 1.5	55

In addition, from the fourth year of the agreement, subject to the circumstances in which:

1 | Manfredi Catella is confirmed as CEO of the Company;

2 | the CEO is the controlling shareholder of the SGR.

The fixed annual remuneration of the CEO, paid by COIMA RES, will be deducted from the management fee paid to COIMA SGR.

PERFORMANCE FEE

- calculated annually
- equal to 40% of the lower amount out of:

(i) the sum of 10% of the Shareholder Return Outperformance in the case of a Shareholder Return in excess of 8% and 20% of the Shareholder Return Outperformance in the event of a Shareholder Return in excess of 10%;

(ii) 20% of the excess of the NAV per share at the end of the Accounting Period in relation to a minimum High Watermark defined level.

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

COIMA Srl

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

JOINT VENTURES

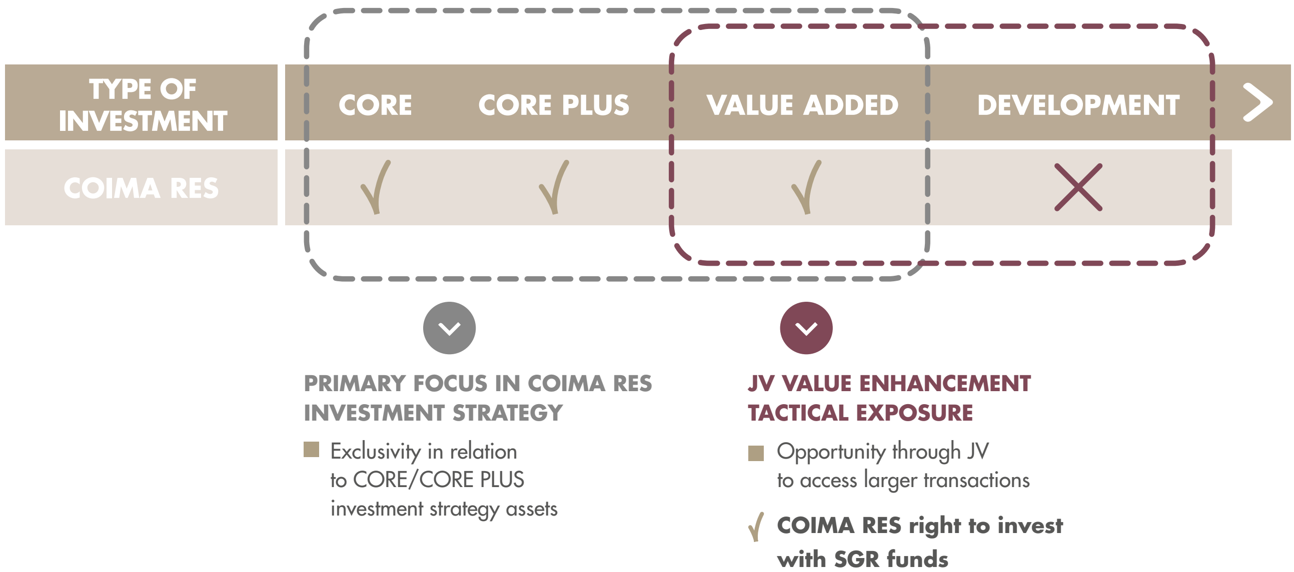
TO BE ABLE TO EXTEND THE OPERATIONAL SCOPE OF THE COMPANY AND OPEN UP NEW INVESTMENT OPPORTUNITIES, WHILE LIMITING CAPITAL CONTRIBUTIONS AND INVESTMENT RISK

The Company selectively uses joint venture structures to make new investments while limiting capital commitments and operational risks. COIMA RES has chosen to focus its initial acquisition programme on properties with low vacancy, long leases and stable income, in line with the moderate-risk investment strategy announced at the time of the IPO and in order to allow the Company to distribute dividends as early as 2017, ahead of expectations.

Following the completion of the initial acquisition program, the Company deemed it appropriate to diversify investment exposure and to participate in opportunities with a higher risk/return profile, providing the opportunity for greater capital appreciation. In order to do this while at the same time limiting capital requirements and risk, the Company has pursued joint ventures.
The first step in this direction was taken through a joint venture with the COIMA Opportunity Fund II, a closed-end real estate fund managed by COIMA SGR on behalf of a group of international investors, focused on value-added investments in the office sector. COIMA RES has been granted the right to co-invest in any acquisition made by the COIMA Opportunity Fund II.

Evaluation of this investment was conducted in adherence to our conflicts of interest policy and vetted by our Investment Committee in order to ascertain the arms-length nature of the transaction. The investment was approved by our independent Board of Directors, with the abstention of the executive members.

COIMA RES - Investment strategy



Milan - GIOIAOTTO - View

3 TRACK RECORD

FUND RAISING
3 Bn EURO
100+ INSTITUTIONAL INVESTORS

3.5 Bn EURO
IN ACQUISITIONS

AUM
5+ Bn EURO*
60% CORE, 40% VA/DEV
*INCLUDING ADVISORY MANDATES

1,270,000 sqm
DEVELOPED

23
LEED
CERTIFIED BUILDINGS

900 MILLION
IN DISPOSALS

LEASING
290,000 sqm
60+ TENANTS

1,271,915 sqm
IN PROPERTY
MANAGEMENT

MANAGEMENT'S TRACK RECORD

MAIN OPERATIONAL ACTIVITIES		
TRANSACTIONS	Total acquisitions executed by the team in 10 years of operations over 3.5 billion Euros in terms of project value Acquisitions completed or secured for over 900 million Euros in the last year, of which c.80% off-market Disposals completed in excess of 900 million Euros	**40%** in Core/Core + **15%** in Value Added **45%** development projects
FUND RAISING	Equity raised of approximately 3 billion Euros (1 billion Euros in the last year) Over 100 domestic and international institutional investors Assets under management in excess of 5 billion Euros (60% Core, 40% VA/ development)	**10** Italian pension Funds **60** international investors **4** banking foundations **8** banks **7** insurance companies **4** SWFs
FINANCING	Secured loans of approximately 4 billion Euros (1.3 billion Euros in the last year) Over 20 different financing banks (domestic and international)	**1.2bn** notional loan amounts repaid **100%** of performing loans over 15 years of operations
LEASING	Negotiated lease agreements for more than 290,000 sqm with over 60 tenants Office HQs (UniCredit, Google, Samsung, BNP Paribas, Nike, HSBC, Deloitte, Amazon, etc.) High street retail for c. 20,000 sqm (Moschino, Louboutin, Hugo Boss, Replay, Nike, etc.)	**55%** financial services **15%** consulting firms **20%** IT and others **10%** retail and fashion
SUSTAINABILITY	First LEED Platinum building certified in Italy 23 buildings developed in Italy with LEED certification* (Platinum, Gold, Silver) 2 LEED Platinum buildings under development, 2 under design	LEED MEMBER OF US GREEN BUILDING COUNCIL
DEVELOPMENT MANAGEMENT	c.1,270,000 sqm of gross buildable area developed 25 Class A buildings developed Development projects completed for 2.6 billion Euros in value	**Built-to-core** expertise **Development risk** managed through the **technical platform**
PROPERTY MANAGEMENT	Total area under property management is over 1,273,000 sqm Diversified uses in office, logistics, residential, public areas/common spaces and retail	**Porta Nuova** is part of the **property management mandates**

COIMA SGR - Managed funds					
Typology	Number of Funds	AUM (billion)*	NAV (billion)*	Expected IRR (avg.)	Dividend yield
Core	12	2.9	1.6	10.5%	5-8%
VA/Core+	4	0.3	0.2	13%	n.a.
Dev	3	0.3	0.1	13.5%	n.a.
Total	**19**	**3.5**	**1.9**		

* Actual and forecast figures as of 31.12.2016

SOME EXAMPLES OF CORE ACQUISITIONS AND DEVELOPMENT AND VALUE – ADDED PROJECTS

PALAZZO APORTI

location:
MILAN

use:
OFFICE

type of investment:
VALUE ADDED

rentable area:
26,000 sqm

tenants:
Amazon, Coty, Disney, Patrizia Pepe, State Street, Valentino

CREDIT SUISSE

location:
MILAN

use:
OFFICE

type of investment:
CORE

rentable area:
10,800 sqm

tenant:
Credit Suisse

FELTRINELLI

location:
MILAN

use:
OFFICE

type of investment:
DEVELOPMENT

rentable area:
9,700 sqm

tenant:
Microsoft

certification:
LEED GOLD

SARCA 235

location:
MILAN

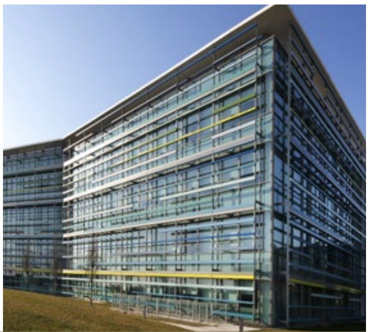
use:
OFFICE

type of investment:
VALUE ADDED

rentable area:
15,900 sqm

tenant:
PHILIPS

certification:
LEED SILVER



ENERGY PARK

location:
VIMERCATE

use:
OFFICE

type of investment:
CORE

rentable area:
60,000 sqm

tenants:
Alcatel, Esprinet, SAP

certification:
LEED PLATINUM

PALAZZO TURATI

location:
MILAN

use:
OFFICE

type of investment:
CORE

rentable area:
10,360 sqm

tenants:
Camera di Commercio di Milano

PORTA NUOVA

ONE OF THE LARGEST URBAN REGENERATION PROJECTS IN EUROPE

PORTA NUOVA
CONCRETE RESULTS

investment:
2 BILLION EURO

gross buildable area:
575,000 sqm

gross rentable area:
280,000 sqm

office occupancy rate:
100%

investment type:
DEVELOPMENT

investment and asset management:
COIMA SGR

development management:
HINES ITALY/COIMA

property management:
COIMA SRL

Sustainability:

20

LEED® CERTIFIED
GOLD

Awards received

UniCredit Tower
HAS BEEN NOMINATED AS ONE OF 10 BEST TOWERS IN THE WORLD FROM EMPORIS BUILDING (2013)

Bosco Verticale
WON THE INTERNATIONAL HIGHRISE AWARDS (2014)

Porta Nuova
WON THE EUROPEAN PROPERTY AWARDS (2015-2016)

Bosco Verticale
WON THE BEST TALL BUILDING WORLDWIDE 2015

Piazza Gae Aulenti
WON THE LANDSCAPE INSTITUTE AWARD 2016

Bosco Verticale
WON THE BEST TALL BUILDING EUROPE 2015

FOCUS ON FUNDAMENTALS AND TARGETED ASSET MANAGEMENT TO CONSISTENTLY GENERATE LONG-TERM VALUE

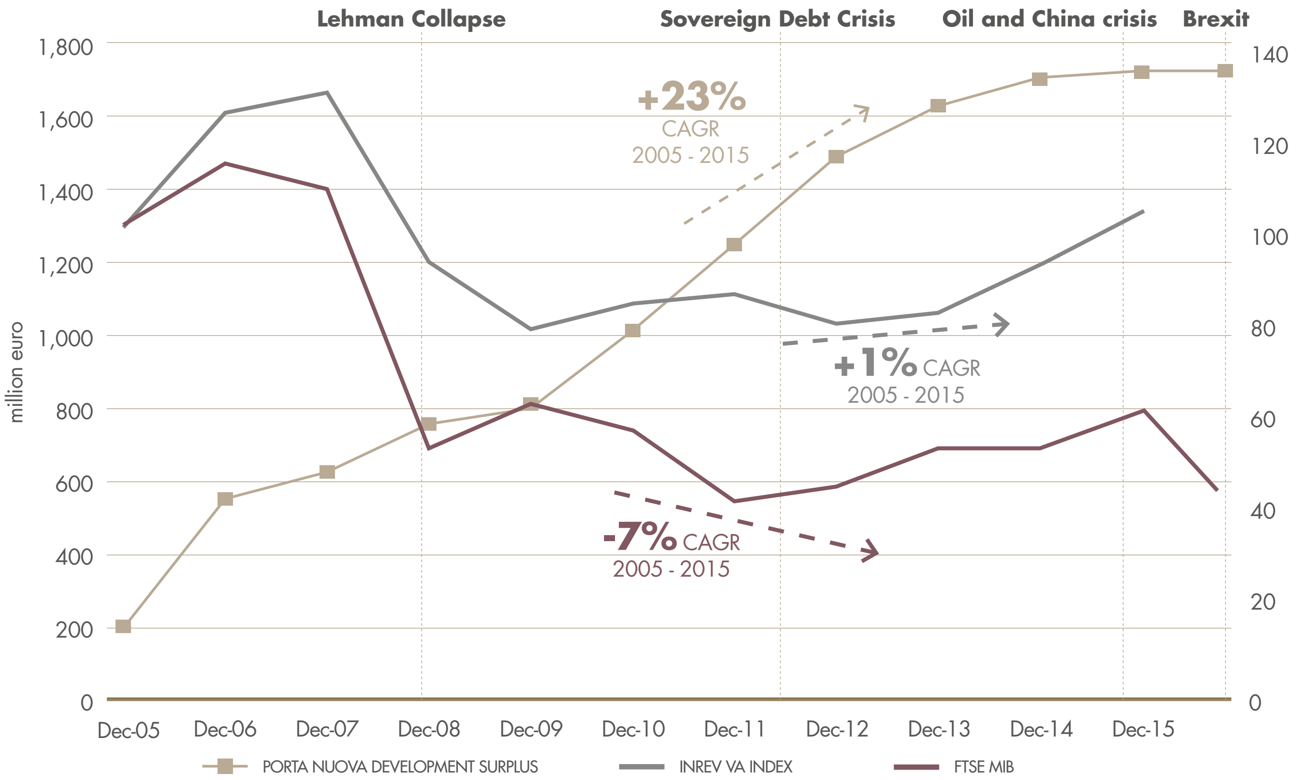
Development phase (2005 – 2013)
Core phase (2015 – 2030)

2005 — 2013 — 2015 — 2030

Construction begins (2005)
Construction ends (2013)

ROE: c. 37% | **INREV VA INDEX: -16%** | **YIELD ON COST: 7.5%** | **EXPECTED TSR > 8%**

PORTA NUOVA: ANTI-CYCLICAL VALUE CREATION EVEN DURING ADVERSE MARKET CONDITIONS



Porta Nuova has attracted over 50 domestic and international primary tenants

4 GOVERNANCE

Milan - BOARD OF DIRECTORS

COIMA RES HAS ADOPTED A TARGETED AND TRANSPARENT GOVERNANCE SYSTEM TO PROTECT THE INTERESTS OF SHAREHOLDERS AND OTHER STAKEHOLDERS.

5 MEMBERS **INDEPENDENT**	**3** **COMMITTEES**

Rome - DEUTSCHE BANK - Facade

INTRODUCTION BY THE CHAIRMAN

In my role as Chairman, I am responsible for ensuring that the Board of Directors works on behalf of all its shareholders.
I am convinced that we have built the foundations of a well-structured system of corporate governance, in line with international best-practices and the Italian Code of Corporate Governance: a majority-independent Board with five-out-of-nine independent directors, two of whom are women, with a diversified skillset. During our first year of operations, we have created three committees: an Investment Committee, a Compensation Committee and a Control and Risk and Related-Parties Committee.

The Board of Directors consult regularly with the Internal Audit and Compliance and Risk Management functions. Risk is managed in a structured way through daily monitoring of our investments and asset management processes. As such, our risk management procedures are firmly embedded into the corporate culture of COIMA RES.

Since the Company is externally managed, governance is of particular importance to us: all committees are deliberately structured to take into account the possible areas where the activities and management of COIMA RES overlap with those of the COIMA platform.

The principles that guided us in defining our governance were: integrity and independence, transparency, compliance with rules and business sustainability. For us, it is vital to operate within a regime of a strong corporate governance, not least to provide external evidence of transparent and conflict-free management and to gain the trust and confidence of our present and future shareholders.

During this financial year, COIMA RES became a member of EPRA, the European Public Real Estate Association, an association created to promote, develop and represent the European real estate sector and to establish the sector best practices for reporting and accounting.

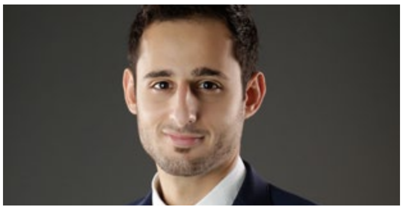
Caio Massimo Capuano
Chairman
of the Board of Directors

CV OF THE BOARD OF DIRECTORS

Caio Massimo Capuano

September 9th 1954

Bachelor of Electrical Engineering from the La Sapienza University of Rome.
Capuano began his career at Xerox and then moved to IBM.
1986-1997: He was Senior Partner at McKinsey & Company in the Banking and Financial Institutions, and ICT sectors.
1998-2010: CEO and Member of the Board at Borsa Italiana. From October 2007, he was Deputy CEO of the London Stock Exchange Group. He held numerous positions at the Borsa Italiana Group (Cassa di Compensazione e Garanzia, Monte Titoli; MTS) and was a member of various committees of national interest established by the responsible departments.
A promoter of two versions of the Code of Corporate Governance for listed companies, he worked at various international bodies including holding the post of Chairman of the World Federation of Exchanges and Chairman of the Federation of European Securities Exchanges (FESE).
2011-2013: CEO of Centrobanca, the Corporate & Investment Bank of the UBI Group.
2013: Chairman of IW Bank.



Feras Abdulaziz Al-Naama

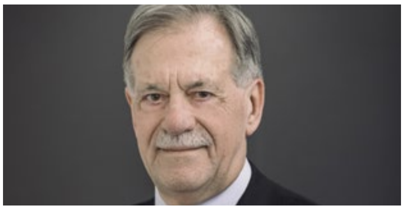
August 6th 1991

Bachelor of Economics B.S. from the University of Oregon (Eugene, USA).
From January 2014, he worked as a corporate analyst at Qatar Holding LLC.

Manfredi Catella

August 18th 1968

Bachelor of Economics and Business Studies from the Università Cattolica del Sacro Cuore. Master of Regional Planning and Real Estate at the Polytechnic of Turin.
Catella is a financial analyst and member of the Association of Journalists and is on the register of journalists.
He was Country Head and responsible for Italian assets at Hines and worked at JP Morgan in Milan, Caisse Centrale des Banques Populaires in Paris, France, Heitman in Chicago, USA and at HSBC in Paris.
Currently founding shareholder and CEO of COIMA RES, Chairman of COIMA, controlled by the Catella family, shareholder and CEO of COIMA SGR.
Chairman of the Riccardo Catella Foundation, member of the Advisory Board of the Bocconi University and of Assolombarda.
Author of numerous articles and papers on real estate and land redevelopment.



Agostino Ardissone

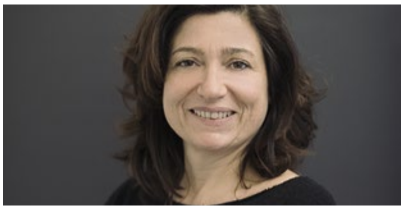
November 2nd 1946
Bachelor of Economics and Business Studies from the Università Cattolica del Sacro Cuore. 1973-2011: At Banca d'Italia, Ardissone's career at the institution developed, as he held various positions until he was made Head of the Florence Branch, where he was involved in economic research and credit and financial supervision with responsibility for the entire region. 2012-2014: Chairman of the Board of Directors of Fidi Toscana.
Member of the Board of Directors and Chairman of the Control and Risk Committee of Banca Esperia.

Gabriele Bonfiglioli

April 15th 1978
Bachelor of Business Administration from the University of Rome. Bonfiglioli studied property finance at the UVA University of Amsterdam (NL). He worked in the SGR of the Beni Stabili Group, where he collaborated on the launch of the first mixed Italian asset and cash contribution fund for international investors. Until 2014, he was a member of the Hines global investment and performance committee.
COIMA SGR: head of the investment team.
COIMA RES: Key Manager and head of investment management activities.

Matteo Ravà

April 14th 1974
Bachelor of Economics and Social Sciences from the Bocconi University. Master of Corporate Finance at the Bocconi University School of Management.
Ravà gained over 12 years of experience in the real estate sector, having previously gained over five years of corporate finance experience, working at leading consultancy firms, including Reconta Ernst & Young and Deloitte & Touche, where he carried out valuation and advisory analyses in the context of M&A transactions and IPOs.
COIMA RES: Key Manager and head of asset management activities.



Alessandra Stabilini

November 5th 1970
Bachelor of Law from the University of Milan. Master of Laws (LL.M) from the Law School of the University of Chicago, Chicago (USA). PhD in Commercial Law from the Bocconi University Business School. Stabilini has been on the Milan Register of Lawyers since 2001. 2004: research fellow in commercial law at the Law School of the University of Milan, appointed to the role in 2007.
From 2011, she was an Adjunct Professor and in charge of the course on International Corporate Governance.
2011-2015: she was a member of the contract staff of NCTM Studio Legale Associato and later the Counsel.
Equity partner of NCTM Studio Legale Associato. Areas of specialist activity: company law, with special reference to listed companies, and financial market law.
Associate and member of the NED Community Governing Body.
She holds positions in financial intermediary crisis procedures, appointed by Banca d'Italia.

Laura Zanetti

July 26th 1970
Bachelor of Business Administration from the Bocconi University Business School.
Associate Professor of Corporate Finance at the Bocconi University Business School where she teaches Corporate Valuation.
Director of the Degree Course in Economics and Finance and Research Fellow at CAREFIN, the Centre for Applied Research in Finance.
Zanetti was in charge of the Master of Science in Finance at the Bocconi University Business School, and visiting scholar at MIT (Massachusetts Institute of Technology) and the London School of Economics and Political Science.
She is a Chartered Accountant and Auditor, and author of numerous publications on corporate finance and corporate valuation.

Michel Vauclair

May 29th 1947
Bachelor of Economics from the HEC University of Lausanne. Post-Graduate Diploma from Cornell University, Ithaca (NY, USA) and the International Institute for Management Development, Lausanne (Switzerland). "Hôtelier-Restaurateur" diploma from the Société Suisse des Hôteliers. 1969: Banque Paribas (Suisse) in Geneva. Since 1980, Vauclair has been the founder, chairman and managing director of Sodereal Hotel Management in Geneva, managing director of Swissair Nestlé Swissôtel in Zurich and director of BSI Banca della Svizzera Italiana in Lugano.
He has held various management positions at the Société de Banques Suisses Group in New York and Geneva and at the UBS Group in Geneva and Zurich.
Since 2008, he has been a member of the governing body of the Oxford Properties Group, the real estate investment unit of a Canadian pension fund, OMERS Worldwide of Toronto. Chairman of the Board of Directors of the Grand Hotel du Lac, Vevey (Switzerland).

BOARD OF DIRECTORS

INVESTMENT COMMITTEE

Supports investment and divestment decisions taken by the Board of Directors. All transactions should be submitted to the Committee.
Both employees of the Company and third parties reporting to COIMA SGR, all in possession of a high degree of specialisation in financial and real estate matters, can take part in meetings. The Board of Directors has final decision in the approval of all transactions.

CONTROL AND RISK COMMITTEE

Assists and supports the Board of Directors, ensuring adequate investigations for evaluations and decisions relating to the Internal Control and Risk Management System of the Company and those relating to the approval of periodic financial reports.
Carries out all the tasks allocated by the Code of Corporate Governance. Concerning related party matters if the Board of Directors is not in agreement with the opinion of the Committee the matter is taken to vote in the Shareholder's Meeting.

COMPENSATION COMMITTEE

Draws up proposals with regard to the remuneration of directors and senior management and any stock option plans and share grant plans to executive directors and senior management. Board of Directors has final approval on all compensation plans.

COMPONENT AND MEETING ATTENDANCE		BOARD OF DIRECTORS*	INVESTMENT COMMITTEE	COMPENSATION COMMITTEE	CONTROL AND RISK COMMITTEE
CAIO MASSIMO CAPUANO	*Chairman* NON-EXECUTIVE	11/11	-	3/3	-
FERAS ABDULAZIZ AL-NAAMA	*Vice President* NON-EXECUTIVE, INDEPENDENT CODE, INDEPENDENT TUF	11/11	22/22	-	-
MANFREDI CATELLA	*Chief Executive Officer* EXECUTIVE	16/16	22/22	-	-
GABRIELE BONFIGLIOLI	*Executive Director* EXECUTIVE	16/16	22/22	-	-
MATTEO RAVÀ	*Executive Director* EXECUTIVE	16/16	21/22	-	-
ALESSANDRA STABILINI	*Director* NON-EXECUTIVE, INDEPENDENT CODE, INDEPENDENT TUF	10/11	-	3/3	4/4
AGOSTINO ARDISSONE	*Director* EXECUTIVE, INDEPENDENT CODE, INDEPENDENT TUF	11/11	-	-	4/4
LAURA ZANETTI	*Director* EXECUTIVE, INDEPENDENT CODE, INDEPENDENT TUF	11/11		3/3	4/4
MICHEL VAUCLAIR	*Director* EXECUTIVE, INDEPENDENT CODE, INDEPENDENT TUF	9/11	20/22	-	-

* *UNTIL MAY 13TH 2016, THE START DATE OF NEGOTIATIONS, THE BOARD OF DIRECTORS MET FIVE TIMES AND WAS COMPOSED EXCLUSIVELY OF MANFREDI CATELLA, MATTEO RAVÀ AND GABRIELE BONFIGLIOLI*

BOARD OF STATUTORY AUDITORS (IN OFFICE UNTIL DECEMBER 31st 2017)	
Role	Members
Chairman	Massimo Laconca
Statutory auditor	Milena Livio
Statutory auditor	Marco Lori
Substitute statutory auditor	Emilio Aguzzi De Villeneuve
Substitute statutory auditor	Maria Stella Brena

EXTERNAL AUDITOR (IN OFFICE UNTIL DECEMBER 31st 2024)

EY

THE BOARD OF DIRECTORS CARRIED OUT ITS ACTIVITIES RESPONSIBLY AND RIGOROUSLY, AS HIGHLIGHTED BY ITS PARTICIPATION IN ORGANISED MEETINGS.

ACTIVITIES OF THE BOARD OF DIRECTORS IN THE FIRST SEVEN MONTHS OF THE COMPANY

2016	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
STRATEGY AND IMPLEMENTATION								
Business plan								✓
Investment operations	✓	✓	✓		✓	✓		
Finance operations	✓	✓						
Market analysis			✓		✓			✓
RISKS								
Analysis of the internal control and risk management		✓	✓					✓
Risk monitoring			✓					✓
GOVERNANCE								
Analysis of periodic reporting			✓			✓		
Reporting from Committees			✓		✓			
Other governance topics	✓	✓	✓		✓			✓
EVALUATIONS								
Evaluation of the Board of Directors	✓							
Conflicts of interest/ related parties		✓	✓			✓		✓

Milan - GIOIAOTTO - Entrance

INVESTMENT COMMITTEE REPORT

The Board of Directors established an Investment Committee comprising of five Directors, of which two are independent, and who are experts in corporate finance and real estate. The members of the Investment Committee are Gabriele Bonfiglioli, Matteo Ravà, Feras Abdulaziz Al-Naama, Michel Vauclair and I. In addition, the risk manager participates in each Investment Committee meeting, providing specific support.

The Investment Committee is a Board body of an advisory nature, providing guidance on investment and divestment decisions made by the Board of Directors, which has absolute decision-making power.

The Investment Committee carries out planning activities and executes real estate management and investment decisions, outlining proposals relating to the following subjects during preliminary due diligence:

- real estate investment and divestment transactions, including the budget proposals to allocate to the due diligence activities relating to these transactions;
- rental agreements involving commercial areas of over 4,000 sqm or over 25% of NRA (net rentable area) in a single building;
- performance of analysis for opportunities under examination for potential acquisition (in the pipeline) and evaluation of the feasibility of proceeding with non-binding offers;
- loan agreements and coverage;
- reporting on risks prepared by the Risk Management function.

Company employees and third parties reporting to COIMA SGR may also participate in Investment Committee meetings, when sensible, in order to provide additional information on specific acquisitions.

If the Investment Committee's opinion regarding a specific investment or divestment opportunity is positive, a proposal, supported by the technical and financial documentation prepared during the preliminary stage, is then submitted to the Board of Directors for evaluation and formal approval. If the Board of Directors rules in favour, the transaction moves forward into the execution phase.

The Investment Committee has assumed a key role during the initial phase of intense investment activity carried out by the Company over the last seven months. The Committee has analysed over 25 investment opportunities, involving a total of 1billion Euro.

Manfredi Catella
Chairman
of the Investment Committee

Milan - VODAFONE VILLAGE - Facade

COMPENSATION COMMITTEE REPORT

The Compensation Committee comprises Alessandra Stabilini the Company Chairman, Massimo Capuano, and I, as Compensation Committee Chairwoman.
As Chairwoman of the Compensation Committee, in the Company's first year, I believed it was appropriate to organise the rules defining these operations.

The main activities of the Compensation Committee are:

- to draw up proposals to the Board of Directors on the definition of the remuneration policy for Company directors and senior managers with strategic responsibilities;

- to periodically evaluate the adequacy, overall consistency and practical application of the remuneration policy for the Company directors and senior managers with strategic responsibilities, making use, with regard to the latter, of the information provided by the CEO; drawing up proposals to the Board of Directors on the subject;

- submitting proposals or expressing opinions to the Board of Directors on the remuneration of executive directors and other directors who hold specific offices, as well as on the establishment of performance targets related to the variable component of this remuneration; monitoring the application of the decisions adopted by the actual Board verifying specifically, that the performance targets are effectively reached.

The Committee reports to the shareholders of the Company on the methods for executing its functions.

During this first period of activity, the Compensation Committee focused on defining a remuneration policy, also based on existing instruments that were disclosed to the market during the IPO and prior to the Company's admission to listing, which were in line with the Company's interests.

Laura Zanetti
Chairwoman
of the Compensation Committee

MANAGEMENT REMUNERATION POLICY

The policy intends to establish the guidelines for determining the remuneration of members of the Company's Board of Directors and managers with strategic responsibilities (the "Recipients").

The remuneration of the Recipients is, generally speaking and unless indicated below, divided between a fixed component and a variable component, adequately balanced depending on the strategic objectives and risk management policy of the Company, also taking into account the business segment in which they operate and the nature of the business activities carried out.

The primary aim of the policy is to ensure that the Company adopts an adequate system that is consistent with the sustainable performance of the Company in the medium/long term.
Specifically, the remuneration policy is aimed at attract, maintain and motivate personnel and is in line with targets identified in the Company's strategy:

- an appropriate balance between the variable component and the fixed component;
- an adequate connection for remuneration between individual performance and that of the Company itself;
- a performance evaluation system consistent with the defined risk profile.

For this purpose, the policy:

- aims to increase transparency on the subject of remuneration and the responsibility of the Recipients in the management of the Company;
- pursues the goal of incentivising the Recipients in order to reach the Company's objectives, without encouraging taking inappropriate risks;
- requires the remuneration awarded to the Recipients to be proportional to the role performed, the responsibilities delegated and the skills and abilities actually demonstrated;
- guarantees the alignment of the Recipients' interests with those of the Company, with the primary goal of creating value for the Company's shareholders in the medium/long term;
- aims to attract, motivate and retain persons with the professional qualities needed to successfully manage the Company;
- provides that, for directors with management responsibilities or who carry out, even if only de facto, functions involving the Company's management, as well as senior managers with strategic responsibilities, a significant part of their remuneration is connected to their performance;

defines a system of economic and non-economic criteria on which the achievement of the objectives to which the allocation of part of the remuneration is connected is based;

establishes that the remuneration of non-executive directors is commensurate with the commitment requested of each of them, also taking into consideration any participation in one or more committees.

The Company, being in the initial stage of its life, reserves the right to evaluate the implementation of further forms of medium-/long-term incentives which, together with those already adopted, can ensure the alignment of the interests of all Recipients and the performance of the Company in the medium/long term.

COMPENSATION PAID DURING THE YEAR

(EURO)	OFFICE	FIXED COMPENSATION	COMMITTEE COMPENSATION	VARIABLE COMPENSATION	NON-MONETARY BENEFITS	OTHER COMPENSATION	TOTAL	FAIR VALUE EQUITY COMPENSATION	SEVERANCE PAY/ TERMINATION OF EMPLOYMENT COMPENSATION
BOARD OF DIRECTORS									
Massimo Capuano	Chairman	86,796					**86,796**		
Feras Abdulaziz Al Naama	Vice President	19,099	636				**19,735**		
Manfredi Catella	Chief Executive Officer	63,460	636				**64,096**	260,640	
Gabriele Bonfiglioli	Executive Director	36,908	636				**37,544**	65,180	
Matteo Ravà	Executive Director	36,908	636				**37,544**	65,180	
Alessandra Stabilini	Director	22,486	661				**23,147**		
Agostino Ardissone	Director	19,037	636				**19,673**		
Laura Zanetti	Director	22,185	636				**22,821**		
Michel Vauclair	Director	23,197	636				**23,833**		
BOARD OF STATUTORY AUDITORS									
Massimo Laconca	Chairman	49,400					**49,400**		
Milena Livio	Auditor	33,800					**33,800**		
Marco Lori	Auditor	33,800				2,340	**36,140**		
SENIOR MANAGERS									
2 SENIOR MANAGERS		254,017		314,020	8,067		**576,104**		

CONTROL AND RISK AND RELATED-PARTIES COMMITTEE REPORT

As Chairman of the Control and Risk and Related-Parties Committee, and with hindsight to this first period of very intense activity, it is my opinion that we have thoroughly evaluated the adequacy of the development and implementation of the Company's control and risk management systems. The first task of the Control and Risk Committee was to examine and investigate the regulation of the committee created prior to the IPO, later approved by the Board of Directors, and to define and update the scope of its activities.

The Control and Risk Committee carried out all activities assigned by the Code of Corporate Governance, specifically:

- assisting and supporting the Board of Directors, ensuring adequate investigations for evaluations and decisions relating to the Internal Control and Risk Management System of the Company (hereinafter "ICRMS") and those relating to the approval of periodic financial reports;

- expressing its opinion to the Board of Directors with regard to:
  - the definition of the guidelines of the ICRMS, so that the main risks involving the Company and its subsidiaries are identified correctly, as well as adequately measured, managed and monitored, and determining the degree of compatibility of these risks with a management of the Company that is consistent with the strategic objectives identified;
  - the evaluation, at least annually, of the adequacy of the ICRMS, with regard to the characteristics of the Company and the specific risks undertaken, as well as its effectiveness;
  - the approval, at least annually, of the work plan prepared by the Head of Internal Audit, having evaluated the report of the Board of Statutory Auditors and the Director Responsible for the Internal Control and Risk Management System;
  - the description, in the Report on corporate governance, of the main characteristics of the ICRMS and the coordination methods between the parties involved, expressing an evaluation of its adequacy;
  - the evaluation, after consultation with the Board of Statutory Auditors, of the results presented by the Statutory Auditors in any letter of suggestions and in the report on vital questions that emerged during the statutory audit;

- expressing its opinion to the Board of Directors with regard to:
  - the appointment and removal of the Head of Internal Audit;
  - the fact that the latter is equipped with adequate resources to carry out its responsibilities;
  - the fact that the remuneration of the Head of Internal Audit is defined consistently with corporate policies.

In assisting the Board of Directors, the Control and Risk Committee:

- evaluates, together with the director responsible for the preparation of corporate accounting documents and, after consultation with the External Auditors and the Statutory Auditors, the correct implementation of accounting principles and, in the case of groups, their homogeneity for consolidation purposes;
- expresses opinions on specific aspects relating to the identification of the main corporate risks;
- examines the periodic reports on the evaluation of the internal control and risk management system, and those of specific importance prepared by the Internal Audit function;
- monitors the independence, adequacy, effectiveness and efficiency of the Internal Audit function;
- can ask the internal audit function to conduct audits into specific areas of operation, at the same time notifying the Chairman of the Board of Statutory Auditors;
- reports to the Board, at least every six months, when the annual and half-year financial report is approved, on the activities carried out, as well as on the adequacy of the internal control and risk management system;
- supports, through adequate investigative activities, the evaluations and decisions of the Board of Directors relating to risk management resulting from prejudicial facts that may have come to the attention of the Board of Directors.

In addition, at the request of the Board of Directors, the Committee expresses an opinion on transactions between the Company and related parties, as defined by International Accounting Standard (IAS) 24.

The Board of Directors appointed a Control and Risk Committee comprising three non-executive, independent directors, Alessandra Stabilini, Laura Zanetti and I as Chairman. Considering the independent composition of this Committee, the Board of Directors has in addition assigned to this Committee the role and powers to oversee the Related-Parties Procedures.

The most significant activities carried out by the Control and Risk Committee in 2016 specifically involved:

- the examination of investment proposals for which it was possible to discern elements of conflicts of interest and/or related parties;
- the examination of the internal control system regulation;
- the periodic evaluation of the adequacy of the ICRMS;
- the evaluation of the periodic financial reports;
- the evaluation of the development of the organisational structure;
- the periodic evaluation of the activities carried out by the control functions.

Agostino Ardissone
Chairman
of the Control and Risk and Related-Parties Committee

HOW WE MANAGE RISKS

A SYSTEM TO IDENTIFY, QUANTIFY, MONITOR AND MITIGATE THE RISKS TO WHICH THE COMPANY IS OR MAY BE SUBJECT

RISK MANAGEMENT PROCESS
Primary Responsibility

IDENTIFICATION
- Risk Management Function
- Internal Audit Function
- Managers in charge of the operations

ASSESSMENT AND QUANTIFICATION
- Risk Management Function
- Managers in charge of the operations
- Control and Risk Committees

MONITORING
- Risk Management Function

IMPLEMENTATION OF MITIGATION ACTIONS
- Manager in charge of the operative Function

REPORTING
- Board of Directors
- Control and Risk Committee

RESPONSIBLE BODIES

CONTROL AND RISK COMMITTEE

The Control and Risk Committee is a technical-advisory body that supports the Board of Directors in the evaluation, guidance and adequacy of the Internal Control and Risk Management System. For this purpose, the Committee:

- supports the Board of Directors in the definition of guidelines for the ICRMS;
- expresses opinions on specific aspects relating to the identification of the main corporate risks;
- examines the work plans of the control functions as well as the periodic reports, drawing up any comments and proposals to the Board of Directors in this regard and expresses an opinion on the adequacy of the Company;
- carries out coordination and connection activities between the various control functions;
- can ask the Heads of the Control Functions to carry out audits and analysis on specific areas and/or topics.

RISK MANAGEMENT FUNCTION

In carrying out its activities, the Risk Management Function:

- supports the Board of Directors in preparing and updating the risk management policy and in identifying the risk limits;
- develops the methods for measuring the risks to which the Company is exposed and submits them to the Board of Directors;
- verifies the application of the measures adopted to remedy the shortcomings identified in the risk management system;
- checks that the risk management policy and the limits defined by the Board of Directors are complied with;
- examines the investment/divestment transactions.

The Risk Manager is independent, both functionally and hierarchically, from the operating units and reports directly to the Board of Directors.

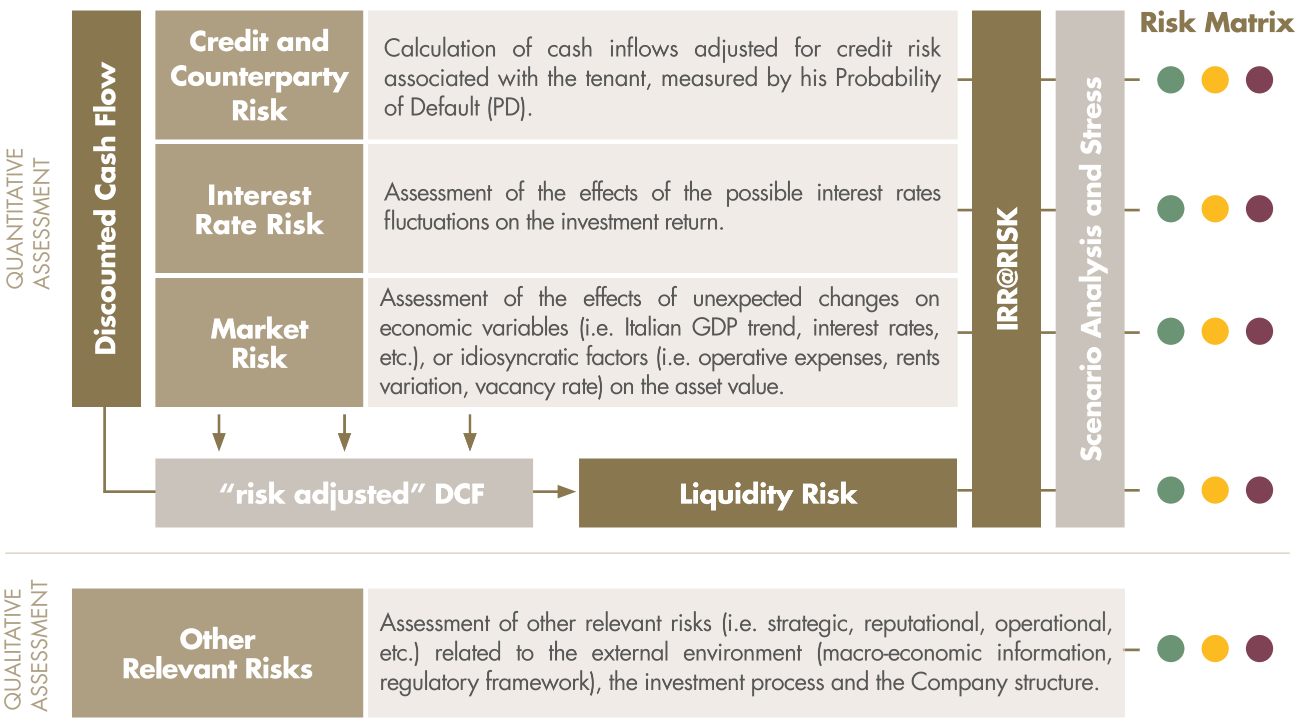
Milan - GIOIAOTTO - Technical area

RISKS	COIMA RES MITIGATION
Market risk the risk of losses related to the fluctuation in the prices of properties in the portfolio resulting from adverse changes of macroeconomic variables, the property market and/or the specific characteristics of the properties owned by the Company. This risk also includes the effects resulting from properties in the portfolio that are vacant (vacancy risk).	The Company's investment strategy is focused on high-quality assets (real estate or fund units) in large urban areas, specifically in Rome and Milan, which have demonstrated high income capacities and good resilience during negative market cycles, partly due to a less volatile level of demand compared with smaller assets located in secondary cities. Regarding vacancy risk, the Company deals with reputable and well capitalized tenants, and concludes long-term rental agreements with adequate protection clauses. Tenant-specific asset management initiatives are designed in order to understand the situation and needs of each tenant, and to identify and address potential problems proactively. The risk of not being able to re-rent vacant, spaces left unoccupied by tenants after lease-end is also mitigated by the high quality of the Company's real estate assets.
Credit and counterparty risk the risk of losses resulting from the non-compliance of counterparties due to the deterioration of their creditworthiness, with their defaulting in extreme cases.	During the on-boarding phase, the Company analyses and continuously monitors the risks of non-compliance of tenants and other significant counterparties (e.g. solvency and creditworthiness analyses, analysis of the financial situation, references, prejudicial and negative information, etc.), also resorting to external databases. In this regard, the Company's investment strategy favours reputable and well-capitalized counterparties and those belonging to large international groups.
Concentration risk the risk resulting from properties leased to individual counterparties or groups of legally connected counterparties, counterparties from the same economic sector or which carry out the same activity, or located in the same geographical area.	The Company analyses and monitors this risk regularly and has also defined the limits in its Articles of Association with regard to concentration of individual properties/tenants. The Company's strategy involves increasing the number of tenants and the number of industrial sectors in which our tenants are active, in order to mitigate the risks associated with excessive concentration.
Interest rate risk the risk related to adverse changes in the invest rate curve that changes the current value of assets, liabilities and their net value (ALM), and cash flows (assets and liabilities) relating to interests (assets and liabilities).	The Company purchases hedging instruments or otherwise contractually fixes an adequate amount of its floating rate exposure (e.g. through transactions in derivatives and/or trading of options) in order to reduce the impact of adverse changes in interest rates.
Liquidity risk the risk of not being able to meet one's payment obligations through: - the inability to obtain funds on the market (funding liquidity risk); - the inability to monetise one's assets (market liquidity risk).	The Company continuously monitors the level of its liquidity based on detailed cash-flow analyses and projections as well as through its cash flow and ALM risk management activities, utilizing among other tools scenario analyses and stress tests. From the perspective of optimising the financial and capital structure, the Company limits financial leverage to 50% of the total value of assets, with the aim of reducing this ratio to below 45%.
Other financial risks other financial risks not associated with real estate assets such as, for example, counterparty risks and/or other market risks on any financial instruments in the portfolio.	The strategy currently adopted by the Company does not involve investment in assets other than real estate assets except for treasury bills and instruments needed to hedge interest rate risk; this also takes into account statutory restrictions related to the SIIQ status to which we are subject. Exposure to any financial risks, not connected with real estate assets, is subject to periodic monitoring and is also mitigated through our use of reputable and well-capitalized banking counterparties.
Operating risk the risk of suffering losses resulting from the inadequacy or malfunction of procedures, human resources and internal systems or external events.	Operating risks are addressed by adopting adequate internal procedures and the structuring of the internal control system on three levels: - Level One: scheduled checks carried out by the business units and staff functions; - Level Two: checks carried out by the Legal, Compliance and Risk Management functions; - Level Three: checks carried out by the internal audit function based on the Audit Plan. The Company also periodically monitors these risks through suitable risk assessment techniques based on international best practices.

RISKS	COIMA RES MITIGATION
Legal and compliance risk the risk of changes in performance due to changes in the legislative framework.	The Company continuously monitors the risk of non-compliance with current legislation and compliance requirements. Our compliance checks include asset and profit tests to ensure that legal requirements, necessary to maintain the SIIQ status are met now and in the future, as indicated in the Articles of Association.
Reputational risk the current or future risk of a fall in profits or capital, resulting from a negative perception of the Company's image by customers, counterparties, shareholders, investors or the Regulatory Authorities.	Reputational risk, like operating risk, is mitigated by adopting an adequate organisational and control structure, consistent with international best practices. We also mitigate reputational risk by putting in place stringent and specific procedures such as supervising external communication, overseeing interaction with stakeholders (for example, governmental authorities) and monitoring contact with investors (e.g.-claims management) and external communication.
Strategic risk pure risk and business risk: this consists of the current or prospective risk of a fall in profits or capital, resulting from changes in the operating context or from incorrect corporate decisions, inadequate implementation of decisions, poor reaction to changes in the competitive environment, customer behaviour or technological developments.	In addition to a comprehensive strategic planning and evaluation process for analysis of investments, strategic risk is mitigated by the high level of experience and professionalism of Company management, both with regard to the real estate market, operational/financial management, and internal controls.

THE RISK MANAGEMENT MODEL

The Company adopts an advanced Risk Management Model that combines quantitative analyses for rate, credit and market risks, and qualitative analyses for other risks (operating, reputational and strategic). Our risk management model includes the use of scenario analyses and stress tests aimed at evaluating the degree of exposure to the main risks in adverse conditions and for sensitizing our IRR at risk calculations.



5 FINANCIAL REVIEW

Rome - 2331 EURCENTER - Facade

COIMA RES ACHIEVED STRONG RESULTS IN ONLY SEVEN MONTHS SINCE MAY 13TH, 2016

LTV
TARGET BELOW
45%

EPRA NAV
PER SHARE
10.06 EURO

CFO REPORT

WORK TO THE CONSOLIDATE PROFITABILITY OF THE COMPANY AND OPTIMIZE FINANCIAL STRUCTURE, AIMING AT 45% LTV

"With the objective of preserving a moderate risk profile we maintained the current LTV at 27% with the objectives to stabilize it below 45%. The total debt cost is currently under 2%, significantly lower then levels anticipated at the time of our IPO."

Fulvio Di Gilio
CFO of COIMA RES

In seven months of operations, which began on May 13th 2016, COIMA RES has achieved strong financial results for the financial year ending December 31st, 2016.

(Mln of Euro)	December 31st 2016
Rents	15.5
Real estate operating expenses	(1.9)
NOI	13.7
G&A	(4.7)
Other expenses	(0.4)
Non-recurring general expenses	(1.0)
EBITDA	7.6
Net depreciation	(0.2)
Net movement on fair value	4.5
EBIT	11.9
Financials Income	0.5
Income from investments	3.1
Financial expenses	(2.8)
Profit before taxation	12.6
Income tax	0.0
Profit after taxation	12.6
Minority interests of MHREC	(0.5)
Profit attributable to COIMA RES	12.1
EPRA Earnings	4.8
EPRA Earnings per share (Euro)	0.13
FFO	5.2
Recurring FFO	6.2
Recurring FFO per share (Euro)	0.17

RESULTS ACHIEVED AS AT DECEMBER 31ST, 2016

In 2016, **COIMA RES** operated for 7 months and achieved a net **Group profit of 12.1 million Euro**[1].

Net Operating Income (hereinafter also "NOI") amounts to **13.7 million Euros**[2], equal to a NOI-margin of 88% of rents. We expect that our NOI margin will increase over time, as we divest certain assets in our non-core Deutsche Bank portfolio whose IMU (property tax) rates are above-average due to their location in historical town-centres.

NOI includes rents accrued on the Deutsche Bank portfolio as of May 1st, 2016 rents accrued on the Vodafone Village as of July 1st, 2016 and rents accrued on Gioiaotto and 2331 Eurcenter as of August 1st, 2016.

The property operating costs are mainly related to property taxes, property management costs and maintenance costs **COIMA RES** is liable for.
G&A costs include the management fee, employee expenses, corporate governance and control function expenses and advisory, audit, IT, marketing, communication and other costs.
Non-recurrent costs mainly include listing-process costs that were not capitalised as well as non-recurrent expenses related to the Company's start-up stage.

The change in the fair value of the property portfolio of **4.5 million Euro** is based on updated appraisal reports from CBRE Valuation S.p.A., our independent valuators, issued in January 2017. That change, even higher if compared to values as at December 31st, 2016, with the purchase prices for the properties without considering transaction costs, only partly reflects the ongoing yield compression now being observed on the property transaction market. In fact, the external property appraisals tend to reflect those dynamics over a longer period of time.

Financial income is related to bank deposits paid at a rate of about 40 bps per annum until mid December 2016 and at a rate of 15 bps in the period thereafter.
Non-recurrent income includes the negative goodwill created during the initial consolidation of the funds COIMA CORE FUND IV and MH Real Estate Crescita due to the difference between purchase price and fund equity at the date of purchase.

Financial charges are related to loans outstanding at the date of these consolidated financial statements, serviced at an all-in cost of 199 bps, including hedging.

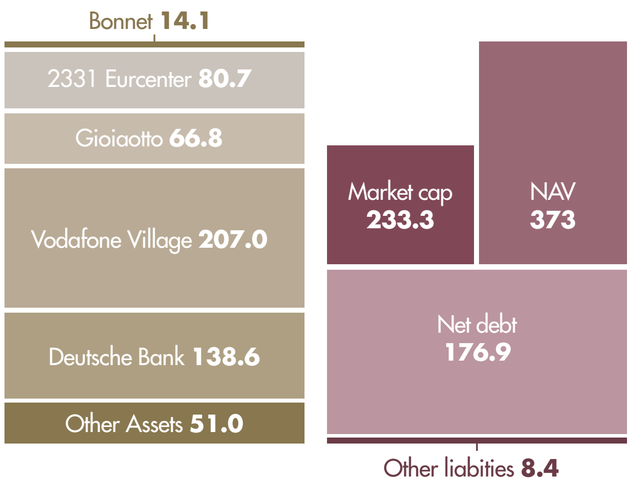
Earnings per share amount to 0.53 Euro and are calculated, based on IFRS accounting standards, using the average number of shares in circulation during the financial period.
EPRA Earnings, reduced by fair value adjustments and other non-recurring items, are 4.8 million Euro (0.1 Euro per share) and the recurrent **FFO** is 6.2 million Euro (0.2 Euro per share) as at December 31st, 2016[3].

1_The hypothetical pro-forma net profit calculated assuming all acquisitions were made as at January 1st, 2016 amounts to 18.1 million Euro.
2_The hypothetical pro-forma NOI calculated assuming all acquisitions were made as at January 1st, 2016 amounts to 28.2 million Euro.
3_Pro-forma EPRA earnings calculated assuming all acquisitions were made as at January 1st, 2016 amount to 12.7 million Euro (Euro 0.35 Euro per share).
Recurrent pro-forma FFO calculated assuming all acquisitions were made as at January 1st, 2016 amount to 14.5 million Euro (Euro 0.40 Euro per share).

Real estate investments amounting to 493.1 million Euro as at December 31st 2016, include 138.6 million Euro for the Deutsche Bank portfolio (of which Euro 12.2 million classified under the item inventories), 207 million Euro related to the Vodafone Village and 147.5 million Euro related to Gioiaotto (66.8 million Euro) and 2331 Eurcenter (80.7 million Euro).

During the 2016 financial period, the first effects of the disposal program for certain non-core asset in our Deutsche Bank portfolio were felt, with the sale of the first building generating capital gains of 3.4%.

Balance sheet as at december 31st, 2016 (Million Euro)



Holdings in associated companies include the Fondo Bonnet investment of 14.1 million Euro and the share in Co–Investment 2SCS, held 33% by the MH Real Estate Crescita Fund, of 2 million Euro.

Derivatives, amounting to 613 thousands Euro, represent the fair value of hedging instruments that the Company has entered into to hedge the risk of a rate rise on existing loans. The Company acquired those instruments in compliance with the hedge accounting principles.

Financial receivables and non-current trade receivables consist of: (i) 1.6 million Euro receivables related to loans granted by the investee MHREC Sarl to the affiliate Co–Investment 2SCS and of (ii) 38 million Euro VAT receivables, resulting from the Vodafone acquisition, requested as a refund from the Revenue Office and which should be refunded within 18-24 months.

The Company's net consolidated financial indebtedness amounts to 176.9 million Euro as at December 31st, 2016.

The Company has the following outstanding loans:

(THOUSANDS OF EURO)	31/12/2016	Term	Rate	Covenant	% coverage	Bank
COIMA RES – Senior Line	170,350	29/06/2021	Euribor 3M +180bps	LTV Portfolio: < 60% LTV Consolidated: < 60%	60%	BNP Paribas (25%) IMI (25%) ING (25%) UniCredit (25%)
COIMA RES – VAT Line	41,623	29/06/2019	Euribor 3M +150bps	ICR Portfolio: > 1.80x ICR/DCSR Consolidated: > 1.40x	N/A	
MHREC	78,000	25/06/2018*	Euribor 3M +175bps	LTV: < 65% ICR: > 1.75x	80%	Credit Agricole (33.3%) ING (33.3%) UBI (33.3%)

* Extendible to June 25th, 2020 with payment of a 30 bps extension fee.

As of February 8th, 2017, the net LTV is 27.4% and the Company target is a leverage level of between 40% and 45% - reduced from the original target of 50%. Non-current payables mainly relate to the financial instrument issued by the Company and acquired by management of 391 thousand Euros and to security deposits amounting to 186 thousand Euros.

Provisions for risks and charges include the current value, 125 thousand Euros, of the long-term bonus granted to an employee.
Trade payables and other current payables mainly include deferred income of 1.5 million Euro and payables due to suppliers and invoices to be received of 5.9 million Euro.

Group equity amounts to 361.9 million Euro, equal to a NAV per share of 10.05 Euro, highlighting the Company's ability to recover, in just 7 months, all costs related to the listing process.

DISTRIBUTION OF DIVIDENDS

The early completion of the first phase of post IPO investments in only 7 months, compared to the 18 months initially forecast, enables COIMA RES to anticipate distribution of profits, which was initially expected to begin as from 2018. This will take place in April 2017 (for 2016 profits).

The Board of Directors has resolved to propose to the shareholders' meeting to distribute a dividend amounting to 4,068,352 Euro (0.11 Euro per share) corresponding, in accordance with the SIIQ regime, to 70% of distributable profits with dividend date on April 10th, 2017, record date on April 11th, 2017 and payment date on April 12th, 2017.

Milan - VODAFONE VILLAGE - Offices

EPRA PERFORMANCE MEASURES

EPRA METRIC EXHIBIT GROWTH EVEN BASED ON THE LIMITED SEVEN MONTHS OPERATING PERIOD DURING 2016

The following table sums up the EPRA indicators of COIMA RES as at December 31st, 2016.

EPRA performance measures	Definition	December 31st, 2016 €(kEur)	per share (euro)
EPRA Earnings	Recurring earnings from core operational activities	4,800	0.13
EPRA NAV	EPRA Net Asset Value (EPRA NAV) is calculated based on the consolidated shareholders' equity of the Group adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model, as per EPRA's recommendations	362,193	10.06
EPRA NNNAV	EPRA NAV adjusted to include the fair value of financial instruments, debt and deferred taxes	359,587	9.99
EPRA Net Initial Yield	Annualised rental income based on the cash rents passing at the balance sheet date, less non recoverable property operating expenses, divided by the market value of the property, increased by acquisition costs	5.3%	
EPRA "topped-up" NIY	Adjustment to the EPRA Net Initial Yield in respect of the expiration of rentfree periods (or other unexpired lease incentives such as discounted rent periods and step rents)	5.3%	
EPRA vacancy rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio	4.2%	
EPRA Cost Ratio (including direct vacancy costs)	Recurring running costs of the Company divided by recurring rents (including direct vacancy costs)	51.4%	
EPRA Cost Ratio (excluding direct vacancy costs)	Recurring running costs of the Company divided by recurring rents (excluding direct vacancy costs)	49.7%	

COIMA RES commenced its operations after the listing process completed on May 13th, 2016 therefore no comparable information is available.

Rome - DEUTSCHE BANK - Facade


FASTWEB

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AS AT DECEMBER 31ST, 2016

SUB-INDEX - Chapter 5 Financials

OTHER COMPANY INFORMATIONS

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 (offices, retail, logistics), 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 SGR and COIMA S.r.l., and with Qatar Holding LLC as primary sponsor of the venture; since May 2016 COIMA RES is a company with shares listed on 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 this 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 this function.

Independent Auditors

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

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

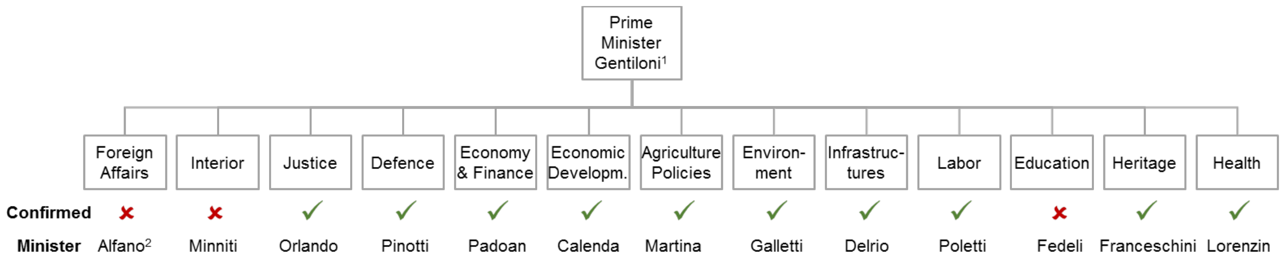
Fulvio Di Gilio	Chief Financial Officer

DIRECTORS' REPORT

ECONOMIC AND REAL ESTATE ITALIAN MARKET CONDITIONS

Renzi resigns after referendum defeat

On December 4th, 2016, Italian voters said No to the Referendum called by Mr. Matteo Renzi. The Referendum had been intended to reduce the powers of the Senate and increase government's ability to introduce structural reforms. Following up on his promise, Mr. Renzi resigned the day after the approval of 2017 Budget Law. On December 12th, Mr. Paolo Gentiloni, former foreign minister during Renzi's mandate, was promptly chosen by President Sergio Matterella to form a new government.
Even though the referendum outcome and the government turnaround will surely slow down the reform process, Premier Gentiloni has openly declared his intent to complete Renzi's reforms programme and to draft a new electoral law before the next election call. Premier Gentiloni signalled his intention to govern in continuity with the previous legislation by confirming 10 of the 13 ministers.

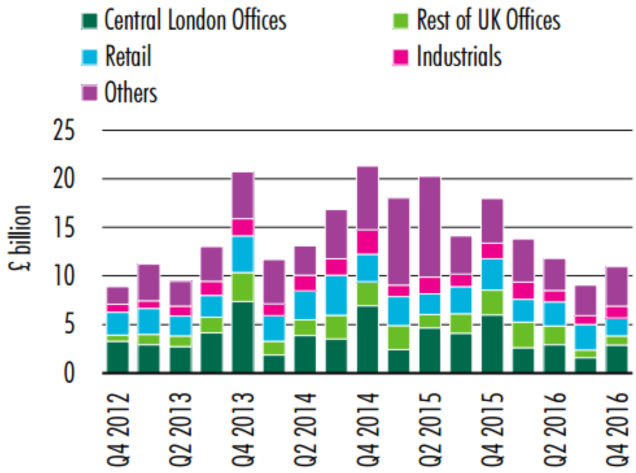


1) Minister of Foreign Affairs during Renzi's government
2) Minister of Interior during Renzi's government

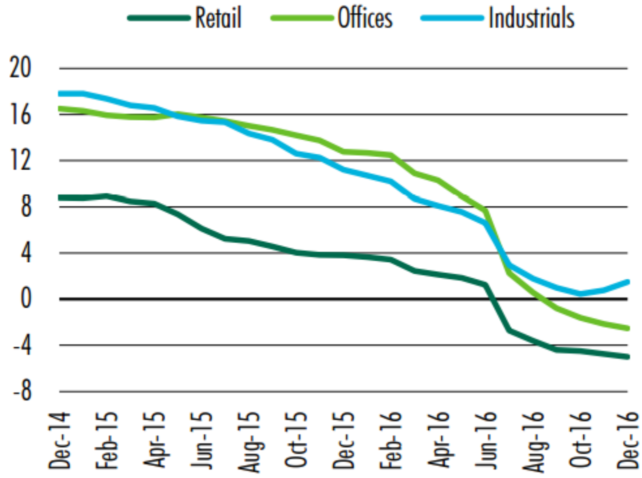
Looking to the next election round, the No vote on the Referendum and the exit of Mr. Renzi from the Prime Ministership has increased the chances of the populist Five Star Movement of gaining additional seats in both Parliament chambers; however, Gentiloni's government is likely to get further support and consensus from the next favourable moves the ECB and the European Union may implement in coming months.
Italian banking crisis remains one of the most urgent topics in the new government agenda: the No vote is delaying, if not totally precluding, private sector capital coming in a big way to strengthen the capital position of Italy's troubled banks. Italy is estimated to have 370 billion Euros in non-performing loans, the equivalent of about 18% of all bank loans. At the same time, the importance of Italy to the European Union - it is the third largest member of the Eurozone after Germany and France - will probably bring both political and financial support from the EU to prevent failures in the Italian banking system.

Life after Brexit

While the outcome of the UK Referendum in June 2016 was final in the vote for Brexit, there remains much uncertainty about the future of the economy, depending on the outcome of negotiations that could take two years to finalize starting in March 2017. Most surely, the Brexit was a major event for the UK economy and its real estate market. UK RE investment volumes dropped from ca. 11 to ca. 9 billion Pounds in the quarter immediately following the referendum, corresponding to a drop of ca. 5 billion Pounds with respect to Q3 2015. On an annual basis, 2016 saw a 30% drop in the RE investment volume, reflecting the high level of uncertainty both before and after the vote.

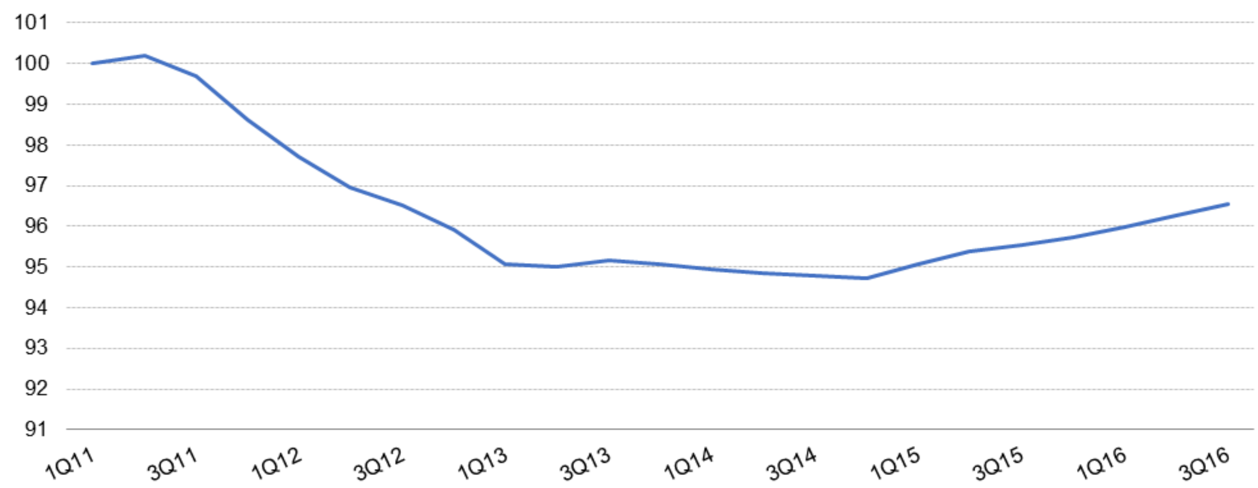


GRAPH 1. CRE INVESTMENT IN THE UK[1]



GRAPH 2. UK YEAR ON YEAR CAPITAL VALUE GROWTH (%PA)[2]

Estimates anticipate a real GDP growth for the Eurozone of 1.5% for 2016 and 1.3% for 2017, which correspond to just a slight downward adjustment with respect to pre-Brexit projections.
As in other core European countries, the Italian economy did not seem affected by the Brexit blast wave either, thanks to the modest direct Italian export volume to the UK, representing only 5% of merchandise exports. In the third quarter of 2016, Italian GDP continued its positive trend with a light acceleration with respect to previous quarter setback, recording a growth of 0.94% over the quarter.



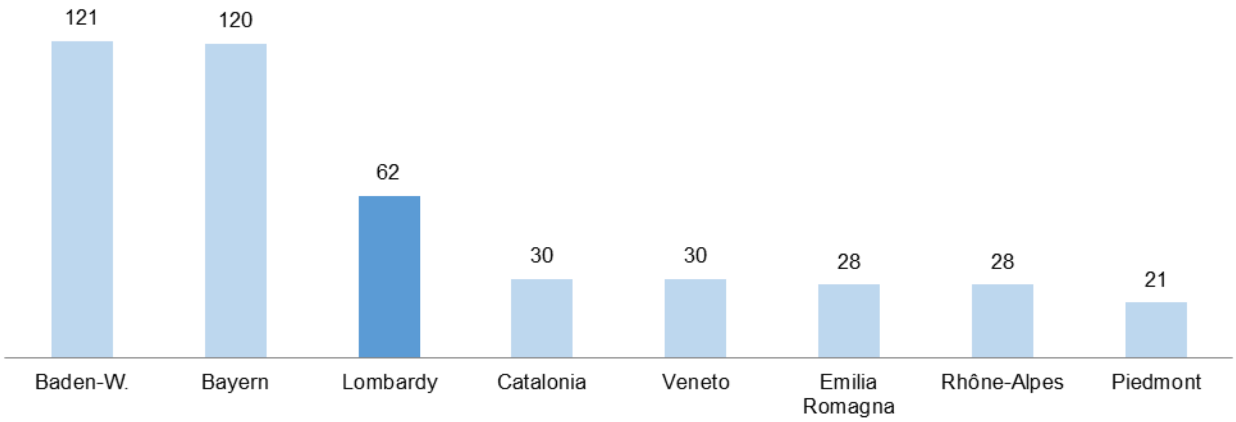
GRAPH 3. ITALIAN GDP (BASE Q1 2011 = 100)[3]

However Lombardy and Milan remain motors of Europe

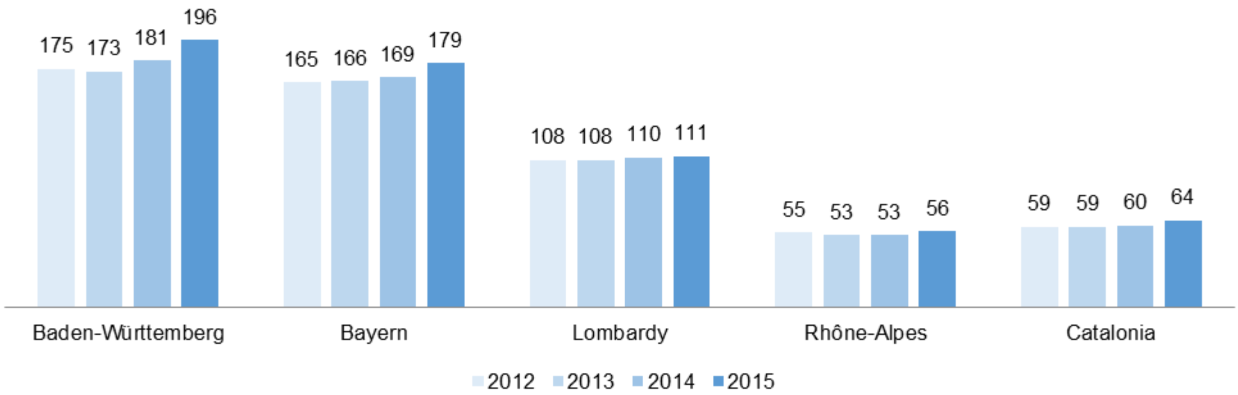
With 16.5% of the Italian population and 18.4% of all active enterprises in Italy, Lombardy contributes for more than 22.0% of Italian GDP and 20.6% of the national value added. It represents the largest economy among the 20 Italian regions and one of the largest at European level, competing with such regions as Bayern, Baden-Württemberg, Île-de-France, Rhône-Alpes, Catalonia. Lombardy hosts 826,000 active companies with one of the

[1] Source: CBRE - UK Monthly Index, December 2016
[2] Source: CBRE - UK Monthly Index, December 2016
[3] Source: ISTAT database

highest employment growth in Europe. In 2015, imports and exports from Lombardy accounted for 31.3% and 26.9%, respectively, of the total national accounts. In terms of gross value added by the manufacturing sector, Lombardy is ahead of all Italian regions and most of European economic regions but the two Southern German Länder of Baden-Württemberg and Bayern.



GRAPH 4. MANUFACTURING GROSS VALUE ADDED BY REGION (BILLION EUROS)[4]



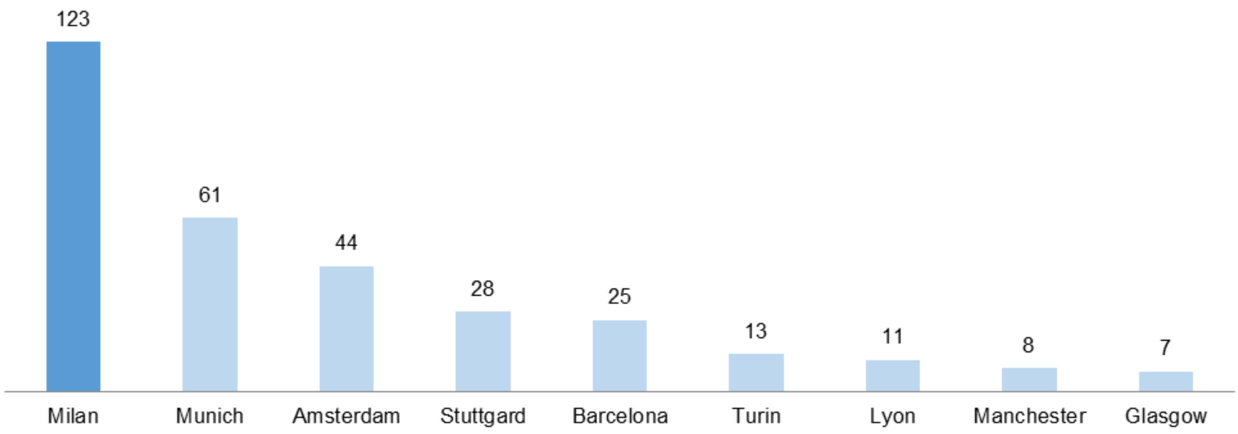
GRAPH 5. EXPORTS VOLUME (BILLION EUROS)[5]

According to a recently published research report by 'Invest in Lombardy', the region has become the main gateway for foreign companies investing in Italy. From 2013 to 2014, as number of foreign direct investments (FDI) at global level diminished by -1.7%, FDI in Lombardy experienced a jump of over +17%, with 62 greenfield projects completed in 2014, of which 85% were located in Milan. The majority of foreign investors were from the Eurozone (56%), with North America and Asia accounting for 23% and 11% respectively.

As a representation of foreign companies' growing interests, the region hosts 4,721 companies participated by foreign capital (accounting for 48.6% of all Italian companies part of foreign multinationals), producing 220 billion Euros of total turnover and employing over 400,000 people.

In the Milan area alone there are 3,285 companies which are part of multinationals (a third of all those present in Italy), with 280,000 employees and 170 billion Euros of turnover. Of these, 123 companies have a turnover higher than 1 billion Euros, which is twice those present in Munich (61) and six times more than those present in Barcelona (25), making Milan the European city with the highest density of foreign multinational companies.

4 Source: Assolombarda database
5 Source: Assolombarda database

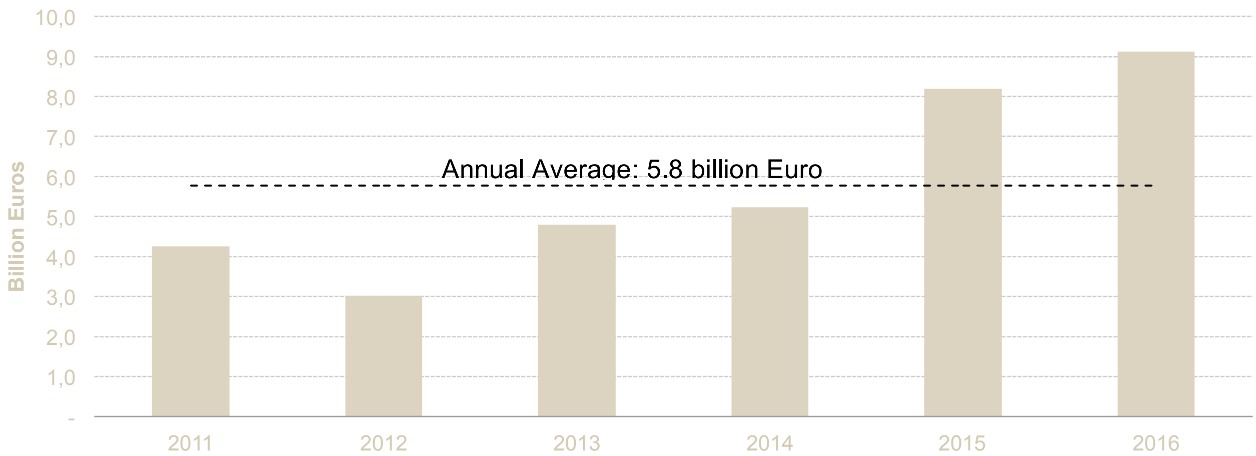


GRAPH 6. NUMBER OF FOREIGN MULTINATIONAL BRANCHES WITH TURNOVER > 1 BILLION EUROS[6]

ITALIAN REAL ESTATE MARKET

Foreign and domestic investors are continuing to invest in Italian Real Estate

The Italian Real Estate sector continues to benefit from the overall recovering economy and from the low level of interest rate environment which is leading investors in a tight competition on prime assets. Italian commercial real estate – i.e. office, retail, logistic and hotels – investments in the full year 2016 reached 9.1 billion Euro, recording a year-on-year increase of 12%.



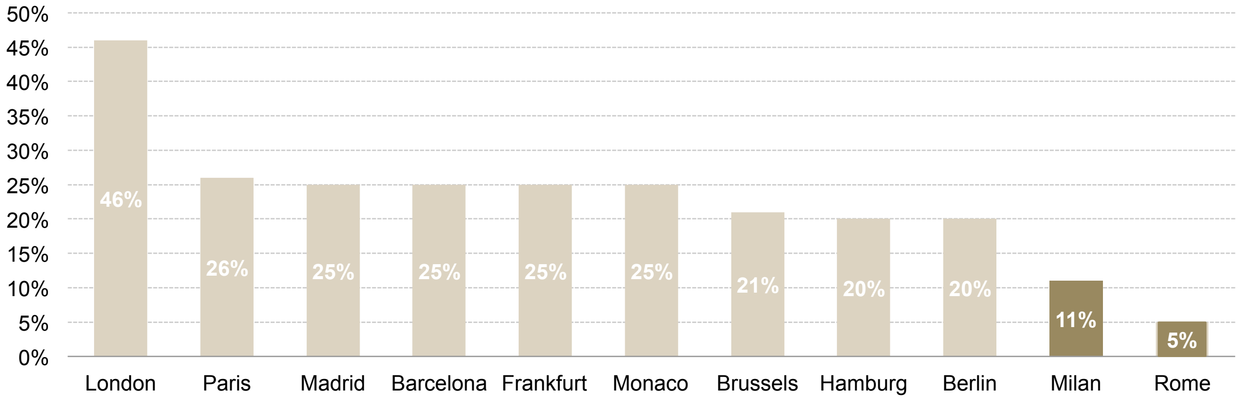
GRAPH 1. ITALIAN CRE INVESTMENT VOLUME[7]

With almost 5.7 billion Euro, foreign investors are still the most significant contributors to the Italian CRE market during the course of 2016, accounting overall for 63% of the total investment volume.

The Italian Real Estate market continues to suffer from a chronic shortage of quality assets, offering the lowest stock of Grade A buildings among European office markets. On the other hand, investors continue to exhibit a strong appetite for quality assets, with approximately 80% of total office investment volume involving Grade A office buildings in the Milan area. This combination provides for the opening of market opportunities in the Core

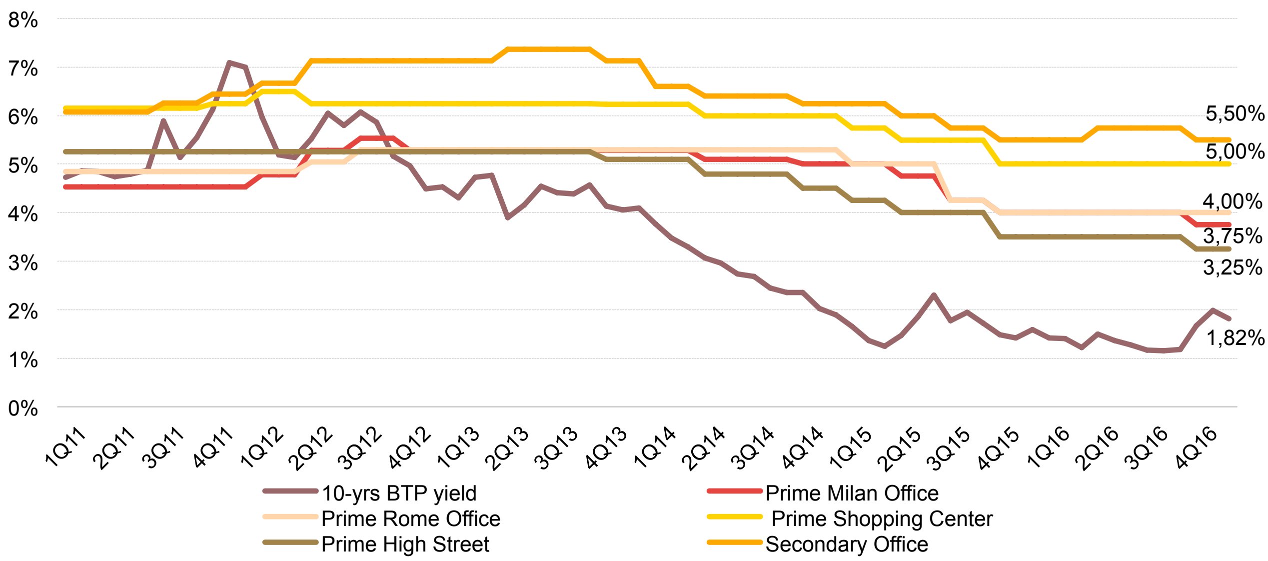
[6] Source: Assolombarda database
[7] Source: CBRE

+/Value added investment sectors.



GRAPH 2. GRADE A OFFICE STOCK OVER TOTAL OFFICE STOCK[8]

The strong mismatch between offer and demand results in a generalized prime yield compression, reaching lows of 3.75% for offices in Milan CBD in the last quarter of 2016. Prime office yields in Rome remained steady at 4.0% during 2016, after reaching its lowest level in 2015. On the contrary, quality office assets located in secondary locations (periphery or secondary business district) continue to offer interesting returns, with average net yields standing in the range of 5.50% - 5.75%.

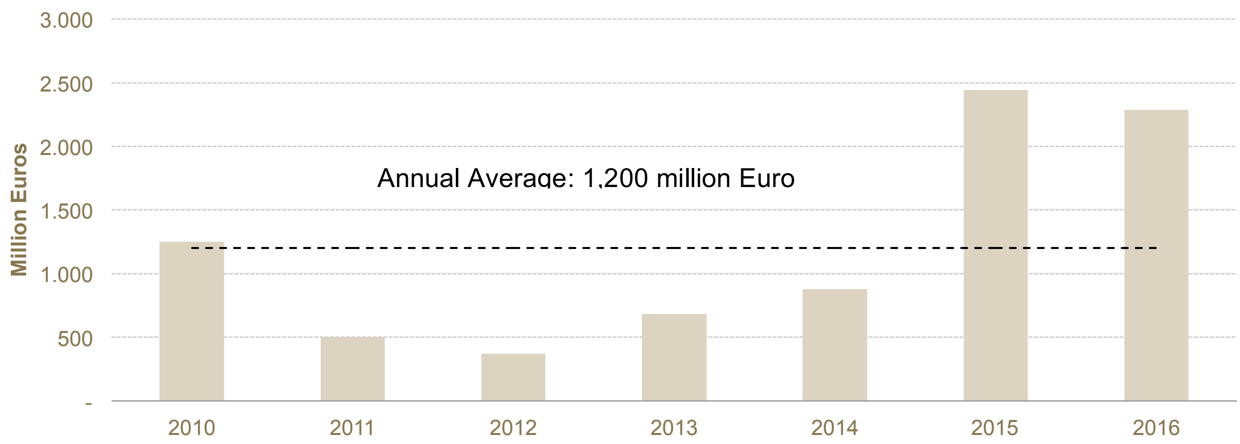


GRAPH 3. ITALIAN CRE PRIME NET YIELDS[9]

Office Market – Milan

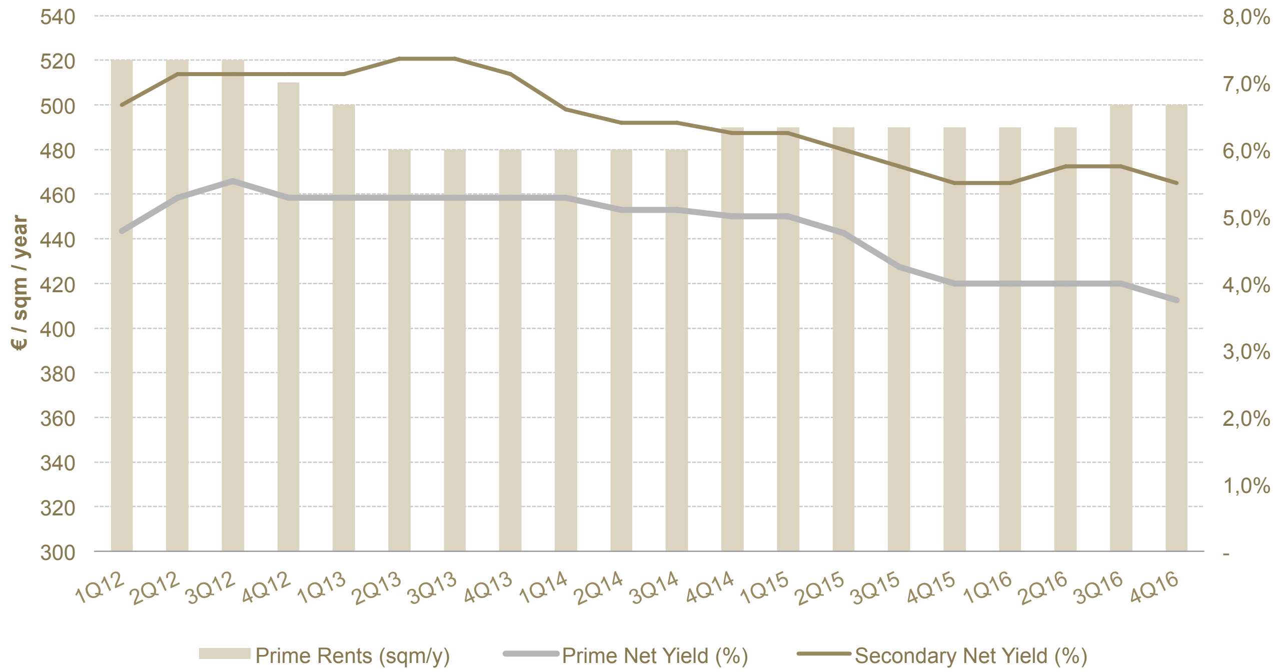
In 2016, Milan office market recorded a total investment volume of ca. 2.3 billion Euro, in line with the performance of 2015.

[8] Source: JLL Data – H1 2016
[9] Source: CBRE



GRAPH 4. MILAN OFFICE MARKET INVESTMENT VOLUME [10]

Prime rent for Milan recorded a new hike, reaching a three-year high record of 500 Euro/sqm/year, with the highest values recorded in the CBD and Porta Nuova business district. Prime yield and good secondary yield decreased by a further 25 bps in the last quarter of 2016, reaching 3.75% and 5.5% respectively.



GRAPH 5. MILAN OFFICE MARKET PRIME RENT AND NET YIELD [11]

Office Market – Rome

Interest for the Rome's RE market remains high, although foreign investors still find it a difficult market to invest in. In 2016, only one fourth of total investments in Rome was cross border.

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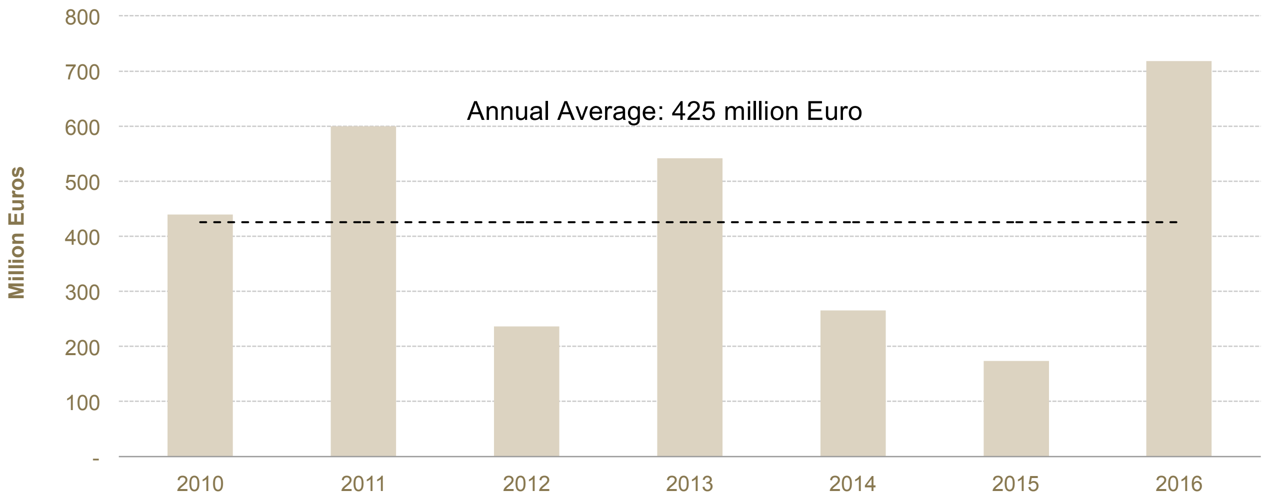
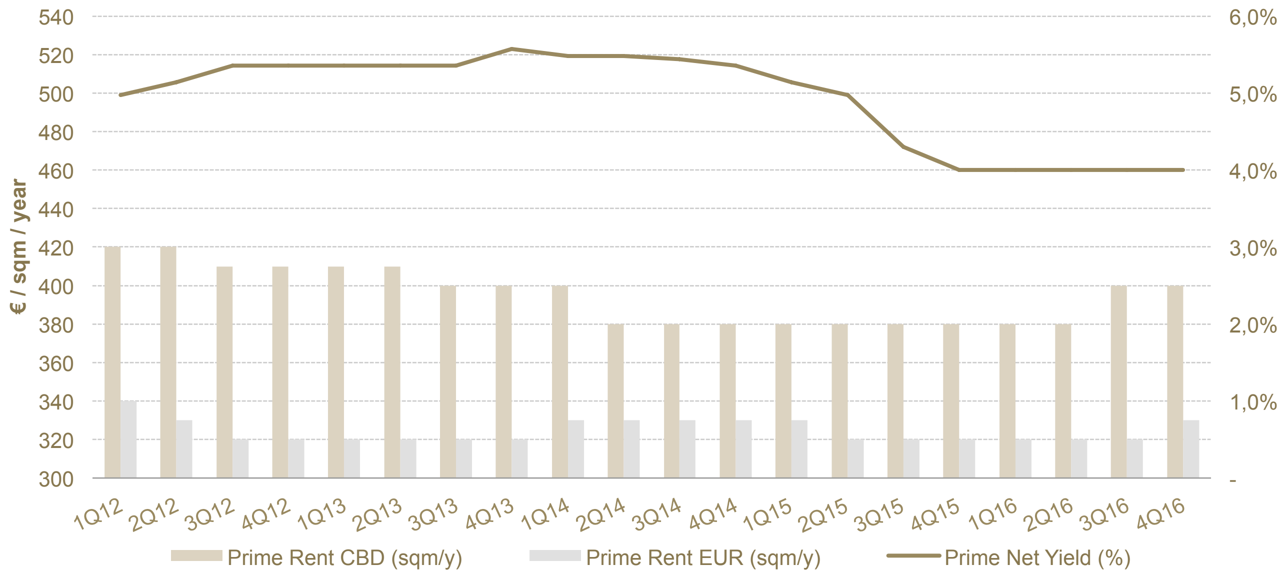
[10] Source: CBRE
[11] Source: CBRE



GRAPH 6. ROME OFFICE MARKET INVESTMENT VOLUME [12]

Office rents in Rome are experiencing a new stimulus: at the end of 2016, prime values for Rome CBD and EUR area reached respectively 400 Euro/sqm/year and 330 Euro/sqm/year, while prime net yield remained stable at 4.0%.



GRAPH 7. ROME OFFICE MARKET PRIME RENT AND NET YIELD [13]

[12] Source: CBRE
[13] Source: CBRE

OVERVIEW OF THE FINANCIAL RESULTS

(Millions of Euros)	December 31, 2016	Per share[14]
GAV	493.1	-
EPRA Net Initial Yield	5.3%	-
EPRA NAV	362.2	10.06
Debt	290.0	-
Cash	113.1	-
Portfolio Loan to Value	58.9%	-
Net Loan To Value	27.4%	-
Revenues	16.6	-
Net Profit	12.1	0.34
EPRA Earnings	4.8	0.13

COIMA RES S.p.A. SIIQ started operating on May 13th, 2016.

The table below summarizes the Income Statement for 2016, which shows net income of Euro 12.1 million for the COIMA RES Group.

(Millions of Euros)	December 31, 2016
Rents	15.5
Real Estate operating expenses	(1.9)
NOI	**13.7**
G&A	(4.7)
Other expenses	(0.4)
Non-recurring general expenses	(1.0)
EBITDA	**7.6**
Net depreciation	(0.2)
Net movement on fair value	4.5
EBIT	**11.9**
Finance Income	0.5
Income from investments	3.1
Financial expenses	(2.8)
Profit before taxation	**12.6**
Income tax	0.0
Profit after taxation	**12.6**
Minority Share of MHREC	(0.5)
Profit attributable to COIMA RES	**12.1**
EPRA Earnings	**4.8**
EPRA Earnings per share	**0.13**
FFO	**5.2**
Recurring FFO	**6.2**
Recurring FFO per share	**0.17**

[14] Considering number of shares as at December 31st, 2017

The table below shows the Company's consolidated net financial debt at December 31st, 2016, in accordance with the ESMA/2013/319 recommendation. Note that the figures reported at December 31st, 2015, are not consolidated.

(in thousands Euros)	December 31, 2016	December 31, 2015
(A) Cash	109,797	390
(B) Cash equivalent	3,305	-
(C) Trading securities	-	-
(D) Liquidity (A)+(B)+ (C)	**113,102**	**390**
(E) Current financial receivables	**113,102**	**390**
(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)	**113,102**	**390**
(K) Non-current bank loans	(289,973)	-
(L) Bonds issued	-	-
(M) Other non-current loans	-	-
(N) Non-current financial indebtedness (K)+(L)+(M)	**(289,973)**	**-**
(O) Net liquidity (J)+(N)	**(176,871)**	**390**

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES

Pursuant to Article 123-bis, para. 3, of Legislative Decree no. 58 of February 24th, 1998, the Report on Corporate Governance and Ownership Structures is available in the 'Governance' section of the COIMA RES S.p.A. SIIQ website (www.coimares.com).

REMUNERATION REPORT

Pursuant to Article 84-quarter, para. 1, of the Issuers' Regulations, implementing Legislative Decree no. 58 of February 24th, 1998, the Remuneration Report is available on the website of COIMA RES S.p.A: SIIQ (www.coimares.com).

ORGANISATIONAL MODEL AND CODE OF ETHICS

On July 27th, 2016, the Board of Directors approved the code of ethics and the organizational model, as provided for by Legislative Decree no. 231/2001, dated September 29th, 2016 established the supervisory body and appointed as members Marco Lori, as Chairman, and Arturo Sanguinetti and Mario Ippolito, from the Carnelutti law firm.

RESEARCH AND DEVELOPMENT

COIMA RES S.p.A. SIIQ did not conduct any research and development activities during 2016.

TREASURY SHARES AND SHARES OR UNITS OF PARENT COMPANIES

At December 31st, 2016 COIMA RES S.p.A. SIIQ did not hold any treasury shares or shares in parent companies.

RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANIES

With reference to the nature of the relationships between Group companies and related parties, please refer to the description in the Notes (para. 37).

SUBSEQUENT EVENTS

On January 16th, 2017, an agreement was signed for the acquisition of a property complex comprising two buildings, located at 19 Via Privata Deruta in Milan, from Immobiliare Deruta 2005 S.a.s., a vehicle wholly owned by Warburg – HIH Invest Real Estate GmbH, a German real estate fund for institutional investors. The purchase price was Euro 46 million plus tax. The property complex is composed of two separate buildings, with a total net area of approximately 13,650 square metres, entirely leased to BNL - BNP Paribas Group, through a lease agreement of six years, plus six years, and a residual 5-year WALT with the first due date on December 31st, 2021, dedicated to offices, and both grade "A" buildings. The properties generate a gross annual rent of Euro 3,525 million with a gross yield of 7.5% on the purchase price and a net initial EPRA return of 6.8%. The purchase of the property complex was completed by drawing upon mortgage funding of Euro 20 million provided by ING for a 5-year term with a spread of 160 bps.

On January 17th, 2017 the Fund MH Real Estate Crescita has made a partial redemption of shares for an amount of Euro 3,033 thousands.

On January 23th, 2017, an announcement was made to the market concerning the signing of a lease with the NH Hotel Group for the part of the Gioiaotto building in Milan in use as a hotel.

The NH hotel (four-star since 2006) occupies an area of 6,500 square metres, with 100 bedrooms.
The new lease signed with the NH Hotel Group is for nine years with no possibility of withdrawal, plus a renewal option for a further six years, at a minimum stabilized rent of Euro 1.5 million per year. The agreement includes, from 2019, a potential increase in the lease rental based on the annual turnover of the hotel. There also plans to index the lease rental at 100%.

BUSINESS OUTLOOK

The year ended December 31st, 2016 coincided with the beginning of the Company's operation since May 13th, 2016, starting date of share trading on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A.. The 7 months of the company's operation were mainly dedicated to invest the IPO proceeds and in particular were obtained the following results:

- **Expansion of the real estate portfolio:** from 140 million Euro (on the IPO date) to 526.2 million Euro (at December 31st, 2016), with the investment of 376,2 million Euro (+269%) not considering the revaluations;
- **Tenants diversification**: from 1 at IPO to 27;
- **Gross rental income growth: increase** from 7.7 million Euro at IPO to 16.6 million Euro evidencing a growth of 116%;
- **Funds From Operation growth: increase** from 2.6 million Euro at IPO to 5.2 million Euro, evidencing a growth of 100%;
- **EPRA Earnings:** increase from 2.5 million Euro (0.1 Euro per share) at IPO to 4.8 million Euro (0.13 Euro per share)**, evidencing a growth of 92%;**
- **Moderate leverage:** Net Loan to Value at 27.4%; target LTV below 45% (34,9% after the Deruta acquisition and considering the pro rata debt for Fondo Bonnet look-through);

The consolidated net profit at December 31st, 2016 related to COIMA RES S.p.A. SIIQ is equal to 12,123 thousand of Euros. Considering the results reported above, the Board of Directors' has had the opportunity to propose to the Shareholders a dividend of 4,068 thousand of Euros (Euro 0.11 per share) calculated on the basis of the results of the parent company and local regulations relating to SIIQ.

The Company expects that the portfolio composed and described above, also included the investment in Deruta building made in 2017, will generate higher revenues to Euro 30 million, giving a chance to the Company to have a positive result for the year 2017 and the ability to distribute additional dividends to shareholders. In addition, the Company has approximately Euro 60 million to invest in more property income, following the acquisition of Deruta and the total investment commitment in Porta Nuova Bonnet Fund.

On the basis of the above, Directors have prepared these financial statements on a going concern basis, as they believe they have all the elements that confirm the Company's ability to continue to operate as a functioning entity.

SIIQ REGIME

Application of SIIQ regime is subordinated to the condition which companies engage primarily the property leasing activities.

The prevalence shall be tested according to two parameters:

a) Financial: land and buildings held as property or other real right for rental activities represent at least 80% of the assets - "asset test",
b) Economic: in each financial year, revenues from rental activities representing at least 80% of the positive components of the income statement - "profit test" (ratio of exempt income and total proceeds).

At the date of these financial statements, the Company complies with both of the two parameters as the investments made are entirely to property and revenues are entirely generated by these investments.

OTHER INFORMATIONS

Option to derogate (OPT OUT) the obligation to publish a document in the event of significant transactions

Company's Board of Directors on September 14th, 2015 resolved to make use of the derogation provided for in Articles. 70, paragraph 8, and 71, paragraph 1-bis of Consob Regulation no. 11971/99.

Definition of SMEs

With reference to the definition of SMEs, set out in Article 1, paragraph 1, letter w-quater 1) of the Consolidated Finance Act, we report that, at the date of these financial statements, the Company falls that definition because it has a lower turnover of Euro 300 million and a market capitalization less than Euro 500 million.

Milan, February 8th, 2017

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31ST, 2016

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT/(LOSS) FOR THE YEAR

(in thousands Euros)	Notes	December 31, 2016	*of which related parties*	December 31, 2015 (*)	*of which related parties*
Income statement					
Revenues	6	16,569	-	-	-
Other revenues	7	10	10	-	-
Costs for raw materials and services	8	(5,940)	(2,790)	(221)	(31)
Personnel costs	9	(955)	(898)	-	-
Other operating expenses	10	(2,101)	(291)	(99)	(99)
Amortization, depreciation and write-downs	11	(182)	-	-	-
Adjustment fair value property	12	4,471	-	-	-
Operating Earnings		**11,872**	**(3,969)**	**(320)**	**(130)**
Net income attributable to non-controlling interests	13	1,115	-	-	-
Income (loss)		1,977	-	-	-
of which non-recurring	14	*1,977*	-	-	-
Financial income	15	468	-	-	-
Financial expense	15	(2,803)	-	-	-
Profit before tax		**12,629**	**(3,969)**	**(320)**	**(130)**
Income tax		-	-	-	-
Profit for the year		**12,629**	**(3,969)**	**(320)**	**(130)**
Minority Interest		(506)	-	-	-
Profit for COIMA RES' Group		**12,123**	**(3,969)**	**(320)**	**(130)**

EARNINGS PER SHARE

(in Euros)	Notes	December 31, 2016	December 31, 2015 (*)
Earnings per share			
Base, net income (loss) attributable to ordinary shareholders	16	0.53	(11.30)
Diluted, net income (loss) attributable to ordinary shareholders	16	0.53	(11.30)

(*) The data at December 31st, 2015 corresponds to the separate financial statements of Coima Res SIIQ prepared in accordance with the IAS/IFRS international accounting standards.

CONSOLIDATED STATEMENT OF OTHER ITEMS IN THE COMPREHENSIVE INCOME STATEMENT

(in thousands Euros)	Notes	December 31, 2016	December 31, 2015 (*)
Profit for the year		**12,629**	**(320)**
Other subsequent recyclable components in the result for the period, net of tax	27	75	-
Other subsequent components in the result for the period, net of tax	27	(10,070)	-
Other consolidated comprehensive income		**2,634**	**(320)**
Referable to:			
Coima Res SIIQ' shareholders		2,128	-
Minorities		506	-
Total		**2,634**	**(320)**

(*) The data as at December 31st, 2015 corresponds to the separate financial statements of Coima Res SIIQ prepared in accordance with the IAS/IFRS international accounting standards published in the Prospectus.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands Euros)	Notes	December 31, 2016	*of which related parties*	December 31, 2015 (*)	*of which related parties*
Assets					
Real estate investments	17	480,900	-	-	-
Other tangible assets	18	3	-	-	-
Investments accounted for using the equity method	19	16,187	-	-	-
Derivatives	20	613	-	-	-
Long term financial assets	21	1,621	1,621	-	-
Trade and other non-current receivables	22	38,000	-	-	-
Deferred taxes assets	24	6	-	-	-
Total non-current assets		**537,330**	**1,621**	**-**	**-**
Inventories	23	12,220	-	-	-
Trade and other current receivables	25	8,739	115	795	46
Cash and cash equivalents	26	113,102	-	390	-
Total current assets		**134,061**	**115**	**1,185**	**46**
Total Assets		**671,391**	**1,736**	**1,185**	**46**
Liabilities					
Share capital		14,451	-	71	-
Share premium reserve		335,549	-	499	-
Valuation reserve		75	-	-	-
Gains (losses) carried forward		(320)	-	-	-
Profit / (loss) for the year		12,123	-	(320)	-
Total net equity		**361,878**	**-**	**250**	**-**
Minorities		**11,114**	**-**	**-**	**-**
Total equity	27	**372,992**	**-**	**250**	**-**
Bank borrowings and other non-current lenders	28	289,973	-	-	-
Payables for post-employment benefits	29	5	4	-	-
Provisions for liabilities and charges	30	125	125	-	-
Trade and other non-current payables	31	577	391	100	100
Total non-current liabilities		**290,680**	**520**	**100**	**100**
Trade and other current payables	32	7,713	3,966	835	-
Current income tax liabilities	33	6	-	-	-
Total current liabilities		**7,719**	**3,966**	**835**	**-**
Total liabilities		**298,399**	**4,486**	**935**	**100**
Total liabilities and net equity		**671,391**	**4,486**	**1,185**	**100**

(*) The data as at December 31st, 2015 corresponds to the separate financial statements of Coima Res SIIQ prepared in accordance with the IAS/IFRS international accounting standards.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands Euros)	Share capital	Share premium reserve	Valuation reserve	Profit / (loss) for the year	Gains (losses) carried forward	Total equity	Minorities	Total net equity
Balance at June 8, 2015	**50**	**-**	**-**	**-**	**-**	**50**		**50**
Capital increase September 30, 2015	21	499	-	-	-	520	-	520
Profit / (loss) for the period	-	-	-	(320)	-	(320)	-	(320)
Balance at December 31, 2015	**71**	**499**	**-**	**(320)**	**-**	**250**		**250**
Gains / (losses) carried forward	-	-	-	320	(320)	-	-	-
Capital increase May 11, 2016	5,780	138,720	-	-	-	144,500	-	144,500
Capital increase May 13, 2016	8,600	206,400	-	-	-	215,000	-	215,000
IPO costs	-	(10,070)	-	-	-	(10,070)	-	(10,070)
Acquisition of MH Real Estate Crescita' quotas	-	-	-	-	-	-	10,897	10,897
Dividends							(289)	(289)
Cash flow hedge reserve	-	-	75	-	-	75	-	75
Profit / (loss) for the year	-	-	-	12,123	-	12,123	506	12,629
Balance at December 31, 2016	**14,451**	**335,549**	**75**	**12,123**	**(320)**	**361,878**	**11,114**	**372,992**

CASH FLOW STATEMENT

(in thousands Euros)	Notes	2016	2015 (*)
Investment activities			
Profit (loss) for the year		12,629	(320)
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortization	11	182	-
Provision for employee benefits		130	-
Adjustment fair value property	12	(4,741)	-
Net income attributable to non-controlling interests	13	(1,115)	-
Badwill	14	(1,977)	-
Financial income	15	(214)	-
Financial expense	15	320	-
Adjustment fair value financial instruments	31	291	-
Other operating expenses		-	100
Changes in working capital:			
(Increase) / decrease in trade receivable and other current receivables	25	(4,959)	(795)
(Increase) / decrease in deferred taxes assets	24	(6)	-
(Increase) / decrease in short term financial assets	25	5,200	-
(Increase) / decrease in property inventories	23	1,450	-
Increase / (decrease) in trade payables and other short-term debts	32	1,021	835
Increase / (decrease) in taxes payables and other short-term debts	33	(7)	-
Other change in working capital		(1,200)	-
Paid taxes		-	-
Net cash flows generated (absorbed) from operating activities		**7,004**	**(180)**
Investment activities			
Purchase of real estate property	17	(204,282)	-
Purchase of other tangible assets	18	(3)	-
Revenues from sales of property, plant and equipment		-	-
Purchase of subsidiaries (net of cash acquired)		(55,467)	-
(Increase) / decrease in other non-current receivables	22	(36,957)	-
Purchase of associated companies	19	(13,215)	-
Net cash flows generated (absorbed) from investment activities		**(309,924)**	**0**
Financing activities			
Shareholders' contributions	27	204,935	570
Payment of dividends to other shareholders	27	(288)	-
Purchase of derivatives	20	(538)	-
Increase / (decrease) in bank borrowings and other current lenders		(130)	-
Increase / (decrease) in bank borrowings and other non-current lenders	28	213,590	-
Repayment of loans	28	(1,937)	-
Net cash flows generated (absorbed) from financing activities		**415,632**	**570**
Net (decrease)/increase in cash equivalents and short-term deposits		112,712	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 year		**113,102**	**390**

(*) The data as at December 31st, 2015 corresponds to the separate financial statements of Coima Res SIIQ prepared in accordance with the IAS/IFRS international accounting standards published in the Prospectus.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Company facts

The publication of the consolidated financial statements of COIMA RES S.p.A. SIIQ and its subsidiaries for the period ended December 31st, 2016 was authorised by the Board of Directors on February 8th, 2017.
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 on May 11th, 2016 with the contribution of Deutsche Bank's portfolio and the subsequent commencement of trading.

2. Principles of preparation and changes in accounting standards

2.1 Principles of preparation

The consolidated financial statements at December 31th, 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 December 31st, 2016.

Since the Company was listed on May 13th, 2016, the financial statements at December 31st, 2015 was prepared in accordance with national accounting standards OIC. However, as part of the listing process, the Company has published the annual financial statements for 2015 according to IAS / IFRS international accounting principles, reported in the Prospectus.

It should be noted that data for 2015 reported in consolidated schemas and tables of the explanatory notes refer to the separate financial statements of the Company, prepared in accordance with IAS/IFRS international accounting principles, since the December 31th, 2015 the Company did not have any interest in companies and/or controlled real estate funds.

The 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 consolidated financial statements includes 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 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. All amounts of the consolidated financial statements are stated in thousands EUR. Rounding of the data in the notes to the consolidated financial statements is intended to ensure consistency with the figures reported in the balance sheet and income statement.

The 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:

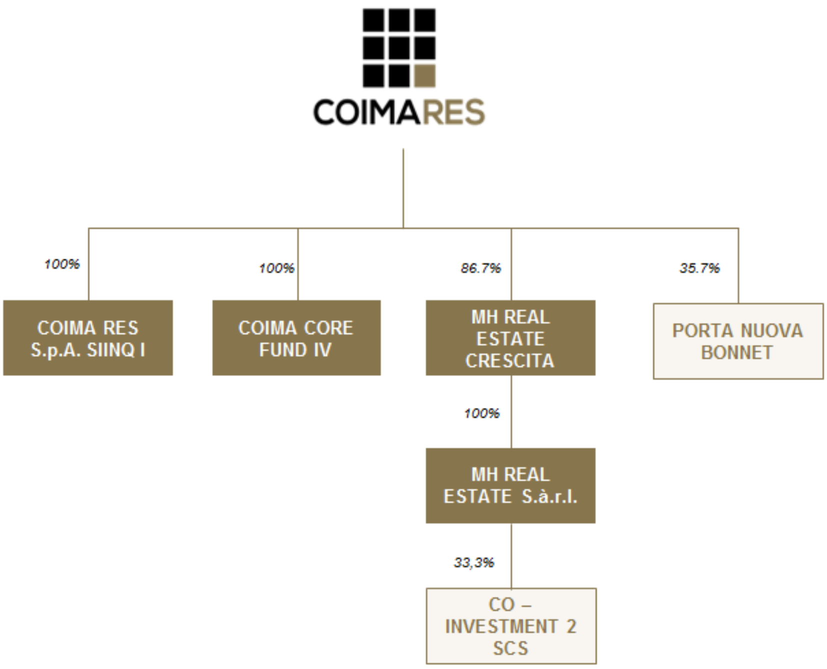
(i) the statement of assets has been prepared by classifying assets and liabilities according to the "current / non-current" criterion;
(ii) the income statement and comprehensive income statement have been prepared by classifying operating expenses by nature;
(iii) the financial statements have been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

Scope of consolidation

The consolidated financial statements have been drawn up on the basis of the financial statements as of December 31th, 2016, prepared by the consolidated companies and adjusted, where necessary, to align them with the IFRS-compliant accounting and classification policies. The consolidation perimeter includes COIMA RES S.p.A. SIIQ as parent company, COIMA CORE FUND IV Fund, MH Real Estate Crescita Fund, MH REAL ESTATE S.a.r.l., and COIMA RES S.p.A. SIINQ I as funds and companies consolidated using the full consolidation method, Porta Nuova Bonnet Fund and Co – Investment 2 SCS as related fund and company consolidated by the equity method.
The Company consolidates the mentioned funds and companies in the consolidation financial statements because all the criteria provided by paragraphs 6 and 7 of IFRS 10 in relation to the consolidation of the investment entities are met.



Consolidation methods

The consolidated financial statements include the financial statements of COIMA RES S.p.A. SIIQ, COIMA CORE FUND IV Fund, MH Real Estate Crescita Fund, MH REAL ESTATE S.a.r.l., and COIMA RES S.p.A. SIINQ as of December 31th, 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 consolidation of related companies is determined with pro rata adjustments of the participation of changes in equity of associated companies;
- the carrying value of equity investments is eliminated against the assumption of their assets and liabilities;
- all intercompany assets, liabilities, income and losses, including unrealized profits deriving from transactions between Group companies, are completely eliminated.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquire. For each business combination, the Group elects whether to measure the non-controlling interests in the acquire at fair value or at the proportionate share of the acquire's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquire. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognized in the statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.3 Main balance sheet items

Real estate investments

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

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

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

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

Investment property is derecognized when sold or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses arising from the retirement or disposal of an investment property are recognized in the income statement in the year of the withdrawal or disposal.

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

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

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

According to IFRS 13, an entity must employ valuation techniques appropriate to the circumstances and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The fair value is measured based on observable transactions in an active market, adjusted if necessary, depending on the specific characteristics of each investment property. If such information is not available, 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 with the support of an external independent valuation company, duly recognized in terms of professional qualification and recent experience in the leasing and characteristics of the property evaluated.

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

Valuations are prepared every six months, in compliance with the standard "*RICS Valuation - Professional Standards*" and in compliance with applicable regulations and the recommendations provided by ESMA European Securities and Markets Authority. The remuneration provided for assessments at December 31th, 2016 has been preliminarily defined as a fixed amount based on the size of the individual investment property.

Inventories

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

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

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

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

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

Assets and financial liabilities

Assets and financial liabilities are accounted 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 recognized as an expense in the income statement for the period.

Financial liabilities are initially recognized at fair value and subsequently carried at amortized cost method using the real interest rate calculation method.

Derivatives

Derivatives, including separated embedded derivatives, are assets and liabilities recorded at *fair value*. Derivatives are designed as hedging instruments when the relation between derivative and the covered instrument is formally documented and the hedge effectiveness, verified periodically, is high.
When hedging instruments cover the risk of fair value changes of covered instruments (fair value hedge; es. cover the change in fair value of assets/liabilities at a fixed rate), derivatives are recorded at fair value through profit and loss; consistently, the covered instruments are adjusted to reflect in the income statement the fair value changes related to covered risk, regardless of different criteria valuation forecast.

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

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.

Severance pay

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

Provision for risks and charges

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

Net Equity

Share capital

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

IPO costs

IPO costs are related to an equity transactions and shall be accounted for as a deduction from equity, in accordance with IAS 32, par. 35.

Cash flow hedge reserve

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

Recording of revenues, income and expenses in the income statement

Revenues

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

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

(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.
(iii) Sale of properties: revenues from sale of properties is recognized in the income statement and are recognized when the Company has transferred all significant risks and rewards of ownership of the property.

Costs

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

Financial income and charges

Financial income and expenses are recognized on an accrual basis according to the interest accrued on the net value of the related financial assets and liabilities using the effective interest method.
Borrowing costs directly attributable to the acquisition and construction of investment property are capitalised in the carrying amount of the pertinent property. Capitalisation of interest is carried out on condition that the increase in the carrying value 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 recognized 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 recognized 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 properties, of financial instruments and derivatives.

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

The following are the most significant estimates related to the preparation of financial statements and annual accounting reports in that they entail 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 instruments are incentives granted to management in relation to their significant contribution at start-up and development of the Company. They will be entitled to payment of a yield related to changes in Net Asset Value (NAV), to be performed including remuneration in shares of the Company. The financial instruments are recognized 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 recognized 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. The estimates are subject to hypotheses and assumptions that could be different from initial estimate.

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

The accounting standards adopted in the preparation of the consolidated financial statements are consistent with

those in effect at the balance sheet date, inclusive of new standards, amendments and interpretations effective from 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 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 Company, 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 Company does not employ revenue-based methods for depreciation of its non-current assets.

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.

IFRS 15 and IFRS 16 adoption

As of January 1st, 2018 will be applied the new accounting standard IFRS 15 on the recognition of revenues and as of January 1st, 2019 the new accounting standard IFRS 16 on leases. The management performed a preliminary analysis of the impact that these accounting standards can have on its financial statements of the Company. and Given the current composition of the portfolio, the new accounting standard on revenue recognition will not have significant impact on the accounting treatment of rents and incentives granted to tenants. As for IFRS 16, today the Company has entered into leasing contracts for computer equipment, which are outside the scope of the accounting principle, and a lease contract relating to the head office, maturing in September 2017. So, on the date of this report, the Company expects that the impact on its financial statement will not be material.

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 28% of the total property portfolio.
Information about the Company's revenue and results for the half-year ended December 31th, 2016 is given below:

(in thousands Euros)	Administrative Buildings	Bank branches	Other real estate properties	Unallocated amounts	Sector results	Adjustments and eliminations	Consolidated
Rents	9,938	5,156	440	-	15,534	-	15,534
Recharges of rental expenses	917	-	23	-	940	-	940
Recharges of other expenses	19	76	1	9	105	-	105
Total operating revenues	**10,874**	**5,232**	**464**	**9**	**16,579**	**-**	**16,579**
Adjustments to fair value	4,461	20	(10)	-	4,471	-	4,471
Financial income	-	-	-	468	468	-	468
Other income from investments	-	-	927	2,165	3,092	-	3,092
Total income	**4,461**	**20**	**917**	**2,633**	**8,031**	**-**	**8,031**
Property expenses	(1,624)	(1,116)	(170)	-	(2,910)	-	(2,910)
Administrative expenses	(3,661)	(2,064)	(336)	(25)	(6,086)	-	(6,086)
Depreciations and amortizations	-	-	(182)	-	(182)	-	(182)
Financial expenses	(1,998)	(723)	(82)	-	(2,803)	-	(2,803)
Sector results	**8,052**	**1,349**	**611**	**2,617**	**12,629**	**-**	**12,629**

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.
Unallocated amounts include the negative goodwill resulting from the first consolidation of the COIMA CORE FUND IV and MH Real Estate Crescita.

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 properties	Unallocated amounts	Sector results	Adjustments and eliminations	Consolidated
Non-current assets	365,487	126,646	27,380	17,818	537,330	-	537,330
Current assets	109,117	17,243	1,092	6,609	134,061	-	134,061
Sector assets	**474,603**	**143,889**	**28,471**	**24,427**	**671,391**	**-**	**671,391**
Non-current liabilities	210,907	68,638	11,135	-	290,680	-	290,680
Current liabilities	5,631	1,430	578	80	7,719	-	7,719
Sector liabilities	**216,538**	**70,068**	**11,713**	**80**	**298,399**	**-**	**298,399**

Sector assets and liabilities are divided based on the relationship with the real estate divided by the various categories.
The item "*Amounts not allocated*" have been included:

- as for non-current assets, the value of investments in associated companies valued at equity methods and other tangible assets;
- as for non-current assets, cash and cash equivalents of MH Real Estate S.à.r.l. and COIMA RES SIINQ I, other current receivables of COIMA RES SIINQ I and deferred tax assets;
- as for current liabilities, trade payables and other payables of COIMA RES SIINQ I and MH Real Estate S.à.r.l..

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

(in thousands Euros)	Milan	Rome	Secondary cities	Unallocated amounts	Sector results	Adjustments and eliminations	Consolidated
Rents	8,718	2,414	4,402	-	15,534	-	15,534
Recharges of rental expenses	760	177	3	-	940	-	940
Recharges of other expenses	23	-	73	9	105		105
Total operating revenues	**9,501**	**2,591**	**4,478**	**9**	**16,579**	**-**	**16,579**
Adjustments to fair value	4,574	(43)	(60)		4,471	-	4,471
Financial income	-	-	-	468	468	-	468
Other income from investments	927	-	-	2,165	3,092	-	3,092
Total income	**5,501**	**(43)**	**(60)**	**2,633**	**8,030**	**-**	**8,030**
Property expenses	(1,441)	(473)	(996)	-	(2,910)	-	(2,910)
Administrative expenses	(3,199)	(1,167)	(1,712)	(8)	(6,086)	-	(6,086)
Depreciations and amortizations	(182)	-	-	-	(182)	-	(182)
Financial expenses	(1,820)	(383)	(595)	(5)	(2,803)	-	(2,803)
Sector results	**8,360**	**525**	**1,113**	**2,629**	**12,629**	**-**	**12,629**

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.

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	Abroad	Unallocated amounts	Sector results	Adjustments and eliminations	Consolidated
Non-current assets	339,070	89,313	105,273	3,674	-	537,330	-	537,330
Current assets	113,309	3,567	10,880	6,305	-	134,061	-	134,061
Sector assets	**452,379**	**92,880**	**116,153**	**9,979**	**-**	**671,391**	**-**	**671,391**
Non-current liabilities	187,037	47,027	56,616	-	-	290,680	-	290,680
Current liabilities	6,441	1,007	260	11	-	7,719	-	7,719
Sector liabilities	**193,478**	**48,034**	**56,877**	**11**	**-**	**298,399**	**-**	**298,399**

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 Coima Core Fund IV

On May 11th, 2016, the Company acquired 100% of the Coima Core IV through a reserved increase in capital payable in kind. The transaction in question was accounted for using the acquisition method.

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

(in thousands Euros)	Fair Value paid at the time of acquisition
Assets	
Real estate investments	125,900
Inventories	14,150
Cash and cash equivalents	7,496
Other assets items	64
Total assets	**147,610**
Liabilities	
Trade payables	(178)
Accrued liabilities and deferred income	(1,380)
Other liabilities items	(530)
Total liabilities	**(2,088)**
Total net assets	145,522
Badwill resulting from the acquisition	(1,022)
Consideration paid in nature for the acquisition	**144,500**
Acquisition cash flow analysis	
Net cash acquired	7,496
Consideration paid	(144,500)

The fair value of the real estate investments and of the property inventories was calculated on the basis of expert opinion of CBRE Valuation S.p.A. issued on March 15th, 2016.

Since rents are invoiced in advance for the second quarter of 2016, they have been recorded as deferred income in order to calculate the correct accrual for the period.

During the first consolidation, a negative goodwill of Euro 1,022 thousands was recorded. This negative goodwill was recorded in the income statement since it represents the change in cash which occurred between the time the transfer value was agreed and the time when the Company gained control of the Coima Core Fund IV.

Since the acquisition date the Coima Core Fund IV has contributed Euro 5,232 thousands to the Company's revenue and Euro 3,482 thousands to its net profit. It is estimated that if the acquisition had taken place at the start of the year, the contribution to revenue for the period would have been Euro 7,848 thousands and the contribution to net profit for the period would have been Euro 5,223 thousands.

As at December 31st, 2016, the cash and cash equivalents of the Coima Core Fund IV stood at Euro 1,616 thousands.

5. Acquisition of the MH Real Estate Crescita fund

On July 27th, 2016, the Company acquired 86.67% of the units of the MH Real Estate Crescita fund. The transaction in question was accounted for using the acquisition method.

The fair value of the assets and liabilities of the MH Real Estate Crescita fund, at the acquisition date, was:

(in thousands Euros)	Fair Value paid at the time of acquisition
Assets	
Real estate investments	145,500
Investments accounted for using the equity method	1,858
Derivatives	3
Cash and cash equivalents	6,911
Financial receivables	7,650
Trade receivables	3,103
Total assets	**165,025**
Liabilities	
Trade liabilities	(3,956)
Bank borrowings and other non-current lenders	(78,133)
Other liabilities items	(1,214)
Total liabilities	**(83,303)**
Total net assets	81,722
Less: derivatives	(3)
Total net assets excluded derivatives	81,719
% owned by Coima Res' shareholders	86.7%
Total net assets owned by Coima Res ' shareholders	70,823
Badwill resulting from the acquisition	(955)
Consideration paid for the acquisition	**69,868**
Acquisition cash flow analysis	
Net cash acquired	6,911
Consideration paid	(69,868)
Acquisition net cash flow	**(62,957)**

The fair value of the real estate investments was calculated on the basis of the expert opinion of Scenari Immobiliari S.p.A., used by management for the valuation of the transaction.

During the first consolidation, a negative goodwill of Euro 955 thousands was recorded. This negative goodwill was recognized in the income statement since it represents the difference between the purchase price and the value of the current net assets on the date when the Company gained control of MH Real Estate Crescita.

Since the acquisition date MH Real Estate Crescita has contributed Euro 3,796 thousands to the Group's revenue and Euro 3,799 thousands to its net profit. If the acquisition had taken place at the start of the year, the contribution to revenue for the period would have been Euro 9,110 thousands and the contribution to net profit for the period would have been Euro 9,094 thousands.

At December 31,2016, the cash and cash equivalents of MH Real Estate Crescita stood at Euro 4,690 thousands.

6. Revenues

(in thousands Euros)	Coima Res SIIQ	Coima Core Fund IV	MH Real Estate Crescita	December 31, 2016	December 31, 2015
Revenues					
Revenues from commercial rents	6,920	5,156	3,458	15,534	-
Revenues from recharged expenses	621	26	338	985	-
Capital gains realized from properties sold	-	50	-	50	-
Total revenues	**7,541**	**5,232**	**3,796**	**16,569**	**-**

The revenue from sales and the provision of services amounted to Euro 16,569 thousands at December 31st, 2016 and includes:

- Euro 15,534 thousands in leasing rental accrued on the real estate portfolio;
- Euro 985 thousands for the recovery of lessees' expenses;
- Euro 50 thousands in increased revenue from the sale of the branch offices of Deutsche Bank located in Lecco, sold at a price higher than its book value.

(in thousands Euros)	Exit date	Selling price	Net book value	Capital gains
Deutsche Bank branches (Lecco)	December 22, 2016	1,500	(1,450)	50

Note that the leasing revenue and the recharging of expenses refer to a period of less than 12 months because the Company acquired the entire real estate portfolio during the year.

(in thousands Euros)	Coima Res SIIQ	Coima Core Fund IV	MH Real Estate Crescita
Commercial rents' vesting date	July 1, 2016	May 1, 2016	August 1, 2016

7. Other revenues

Other revenue amounting to Euro 10 thousands relates to a charge due from COIMA SGR for travel expenses incurred during 2016 on its behalf.

8. Costs for raw materials and services

Costs for raw materials and services amounting to Euro 5,940 thousands as at December 31st, 2016 break down as follows:

(in thousands Euros)	Corporate	Vodafone Village	Coima Core Fund IV	MH Real Estate Crescita	MHREC Real Estate Crescita S.à.r.l.	Coima Res SIINQ I	December 31, 2016	December 31, 2015
Asset Management fee	-	(1,831)	(307)	(397)	-	-	(2,535)	-
Property Management fee	-	(104)	(18)	(115)	-	-	(237)	-
Valuation of the property	-	(18)	(98)	(8)	-	-	(124)	-
Maintenance and service charge	(1)	(70)	(37)	(66)	-	-	(174)	-
Utilities	-	(539)	-	(120)	-	-	(659)	-
Insurance	(66)	(26)	(32)	(20)	-	-	(144)	-
Legal, administrative and technical advice	(768)	-	(262)	(71)	(10)	(4)	(1,115)	(13)
Audit	(142)	-	(27)	(4)	-	(5)	(178)	(36)
Governance and other control functions	(207)	-	(26)	-	-	(4)	(237)	(31)
IT Services	(183)	-	-	-	-	-	(183)	(85)
Communication, marketing e PR	(289)	-	-	-	-	-	(289)	(37)
Other costs	(65)	-	-	-	-	-	(65)	(19)
Total costs for raw materials and services	**(1,721)**	**(2,588)**	**(807)**	**(801)**	**(10)**	**(13)**	**(5,940)**	**(221)**

Asset Management fees relate, in the main, to the agreement signed by the Company and Coima SGR for scouting activities for investment transactions and the management of the real estate portfolio, as well as for other activities provided by the asset management agreement. These fees are calculated quarterly, based on the Net Asset Value (NAV) recorded by the company in the previous three months. For more details, refer to Chapter 2 “Management” - *Asset management.*

Property Management fees relate, in the main, to routine activity for the administration and maintenance of the buildings.

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

Routine management expenses concern the expenses incurred for the maintenance of buildings (lifts, systems, office cleaning) and for the upkeep of the buildings’ green spaces.

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

Insurance costs refer to the all-risk policies signed by the Company and Funds to protect the asset value and ownership of the buildings.

Legal, administrative and technical advice relate mainly to support provided by professionals for routine management and in particular for:

- Legal, tax and notary’s advice for brokerage on the sales and purchases, for the signing of agreements, and for general services;
- Technical advice on properties;

Note that the increase of Euro 1,102 thousands compared with the previous year is mainly attributable to the sales and purchase transactions entered into during the year, and to the Initial Public Offering (IPO).

Costs for the Governance and Control functions are detailed as follows:

(in thousands Euros)	December 31, 2016	December 31, 2015
Internal control and consultation functions	61	-
Risk Management fee	29	-
Supervisory Board fee	7	-
Board of auditors fee	117	31
Professional directors fee	23	-
Total cost of governance and other control functions	**237**	**31**

The increase in the cost of IT Services compared with the previous year was due to the installation of new corporate software (administrative and accounting), to technical assistance and to IT management costs.

Marketing and communication costs relate mainly to costs for digital and media relations (Euro 111 thousands), for the organization of events and sponsorship (Euro 54 thousands) and for website maintenance (Euro 59 thousands).

Other management costs relate to abort costs and other corporate expenses (vehicles, journals, and Italian stock exchange services).

9. Personnel costs

At the date of this consolidated financial report, the Company has three employees.

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

(in thousands Euros)	December 31, 2016	December 31, 2015
Wages and salaries	(503)	-
Social security contribution	(103)	-
Severance pay	(14)	-
Other personnel costs	(335)	-
Total personnel costs	**(955)**	**-**

COIMARES started recruiting employees from the date of launching of shares negotiations on the public stock market, organized and managed by Borsa Italiana S.p.A., i.e. from May 13th, 2016.

Corporate expenses of Euro 103 thousands relate to contributions paid to Company employees.

Salaries, wages and similar expenses of Euro 503 thousands break down as follows:

(in thousands Euros)	December 31, 2016	December 31, 2015
Wages and salaries	(170)	-
LTI	(125)	-
Bonus	(166)	-
Other personnel costs	(42)	-
Total wages and salaries	**(503)**	**-**

The sub item *other personnel expenses* of Euro 42 thousands relate to holidays and additional monthly payments to employees.

Other personnel expenses of Euro 335 thousands break down as follows:

(in thousands Euros)	December 31, 2016	December 31, 2015
Directors fee	(284)	-
Social security contribution' directors	(28)	-
Travel and promotions	(12)	-
Health insurance policy	(6)	-
Meal tickets	(5)	-
Total other personnel costs	**(335)**	**-**

COIMA RES' directors have decided to start rewarding from the date of launching of shares negotiations on the public stock market, organized and managed by Borsa Italiana S.p.A., i.e from May 13th, 2016.

10. Other operating expenses

Other operating costs as at December 31th 2016 stood at Euro 2,101 thousands. Included below for the detailed breakdown summary table:

(in thousands Euros)	Corporate	Vodafone Village	Coima Core Fund IV	MH Real Estate Crescita	MHREC Real Estate S.à.r.l.	Coima Res SIINQ I	December 31, 2016	December 31, 2015
Property Taxes (IMU)	-	(347)	(867)	(277)	-	-	(1,491)	-
Property Taxes (TASI)	-	(23)	(25)	(18)	-	-	(66)	-
Stamp duties	-	(41)	(51)	(36)	-	-	(128)	-
Other taxes	(2)	-	(4)	(25)	-	(1)	(32)	-
Membership fee	(10)	-	-	-	-	-	(10)	-
Room, board and journeys	(49)	-	-	-	-	-	(49)	-
Rounding, rebates and contingencies	(1)	-	(8)	-	-	-	(9)	-
Other administrative costs	(17)	-	(4)	-	-	-	(21)	-
Other operating costs	(295)	-	-	-	-	-	(295)	(99)
Total other operating expenses	**(374)**	**(411)**	**(959)**	**(356)**	**-**	**(1)**	**(2,101)**	**(99)**

Other administrative costs refer, in the main, to graphic design and printing costs and translation costs.

Other management costs mainly include the cost of the financial instrument granted to executive directors for an amount equal to Euro 291 thousands. For more details, refer to paragraph 31.

11. Amortization, depreciation and write-downs

This item amounts to Euro 182 thousands and refers mainly to the losses on receivables from the former tenant, Nevis, for the part of the building in Gioiaotto in use as a hotel. This amount was calculated as part of the settlement agreement signed at the end of the year on termination of the lease which expired on 30 December 30th, 2016.

12. Adjustment to fair value of the properties

The amount of this item is Euro 4,471 thousands and refers to the revaluations made on the value of the properties on the basis of the evaluation report prepared from the independent appraisers appointees from Company and Funds.

The breakdown is given below:

(in thousands Euros)	Vodafone Village	Coima Core Fund IV	MH Real Estate Crescita	December 31, 2016	December 31, 2015
Beginning value	204,282	138,600	145,767	488,649	-
Fair value	207,000	138,620	147,500	493,120	-
Adjustment fair value property	**2,718**	**20**	**1,733**	**4,471**	**-**

13. Net income attributable to non-controlling interest

This item of Euro 1,115 thousands as at December 31st, 2016 represents the adjustment of the value of the equity investments in the Porta Nuova Bonnet and Co – Investment 2SCS fund calculated using the shareholders' equity method:

(in thousands Euros)	Equity at December 31, 2016	% owned by Coima Res SIIQ	Equity owned by Coima Res SIIQ at December 31, 2016	Beginning Value	Adjustment to equity value at December 31, 2016	December 31, 2015
Fondo Bonnet	39,595	35.7%	14,141	13,214	927	-
MHREC Real Estate S.à.r.l.	6,138	33.3%	2,046	1,858	188	-
Adjustment fair value					**1,115**	**-**

Porta Nuova Bonnet’s investment is recognized on NAV value at December 31st, 2016.

Co - Investment 2SCS is part of the corporate chain headed by MHREC Real Estate S.à.r.l, established to manage with other investors a real estate development in Porta Nuova district, in Milan. After the sale of 58.63% units of the Real Estate Fund "PORTA NUOVA VARESINE" from the company Le Varesine S.à.r.l., the corporate chain does not own any real estate property and is not currently engaged in other activities.

Co - Investment 2SCS’s equity is recognized on the equity’s adjustments of the full corporate chain described above. The equity’s adjustment shows a gain of Euro 188 thousands.

14. Income / (loss)

Other income/(expense) stood at Euro 1,977 thousands as at December 31st, 2016 and includes two sets of negative goodwill which emerged from the consolidation of the funds Coima Core Fund IV and MH Real Estate Crescita.

(in thousands Euros)	Coima Core Fund IV	MH Real Estate Crescita
Real estate investments evaluated to fair value at the time of acquisition	145,522	81,719
% owned by Coima Res SIIQ	100%	86.7%
Net real estate investments	145,522	70,823
Acquisition cost	144,500	69,868
Badwill as at December 31, 2016	**1,022**	**955**
Total other income / (expenses) at December 31, 2016		**1,977**
Total other income / (expenses) at December 31, 2015		**-**

For more details on the above-mentioned transactions, refer to paragraphs 4 and 5.

15. Financial income and expense

The breakdown of the financial income and expense, which total Euro 468 thousands and Euro 2,803 thousands respectively, is given below.

(in thousands Euros)	Coima Res SIIQ	Coima Core Fund IV	MH Real Estate Crescita	December 31, 2016	December 31, 2015
Interest income on bank account	250	2	-	252	-
Interest income on VAT refund	214	-	-	214	-
Exchange gains	2	-	-	2	-
Total financial income	**466**	**2**	**-**	**468**	**-**
Interest costs on borrowings	(2,228)		(570)	(2,798)	-
Interest expenses on bank account		(3)	(2)	(5)	-
Total financial expenses	**(2,228)**	**(3)**	**(572)**	**(2,803)**	**-**

Bank interest income of Euro 252 mainly refers to interest accrued on the Company's liquid assets. In particular, COIMA RES SIIQ, while waiting to implement its investment strategy, invested the proceeds of the IPO in a short-term time deposit which pays interest of 40 bps.

Interest income for VAT refunds of Euro 214 thousands relates to the request for the partial refund of VAT receivables (Euro 38,000 thousands) generated by the acquisition of Vodafone Village.

Interest expense for mortgage funding of Euro 2,798 thousads is the interest accrued on existing loans.
For more details, refer to Note 23 of the consolidated financial statements: Non-current payables to banks and other lenders.

16. Earnings per share

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

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

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

(in thousands Euros)	December 31, 2016	December 31, 2015
Profit (Loss) attribuible to Coima Res ' shareholders	12,123	(320)
Outstanding shares (weighted average)	22,987	28
Earing / (Loss) per share **(in Euros)**	0.53	(11.30)

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

- Equity capital as at January 1st, 2016 was 70,800 for 57,000 shares;
- Increase in capital on May 11th, 2016 for a total of Euro 144,500 thousands by issuing 14,450,000 shares;
- increase in capital on May 13th, 2016 for a total of Euro 215,000 thousands by issuing 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.

17. Real Estate Investments

The changes in property investments as at December 31st, 2016 are listed below in thousands of Euros:

(in thousands Euros)	Real Estate investments	Acquisition	Attendant charges	Revaluation / (Depreciation)	December 31, 2016	December 31, 2015
Coima Res SIIQ	Vodafone Village Edifici B-C -C1	200,000	4,282	2,718	207,000	-
Fondo Coima Core Fund IV	Immobili Deutsche Bank	125,900	-	500	126,400	-
Fondo MH Real Estate Crescita	Gioiaotto	65,300	262	1,238	66,800	-
	Palazzo Sturzo	80,200	5	495	80,700	-
Total real estate investments		**471,400**	**4,549**	**4,951**	**480,900**	**-**

The total amount reported at December 31st, 2016 matches those of appraisals produced by independent experts. The appraisals are drawn up in accordance to “RICS Valuation – Professional Standards”, in compliance with applicable law and with recommendations given by ESMA European Securities and Markets Authority.

The acquisition transactions carried out by the Company during the year are summarised below:

(in thousands Euros)	Property acquired	City	Acquisition date
Coima Res SIIQ	Vodafone Village	Milan (IT)	June 30, 2016
Fondo Coima Core Fund IV	Deutsche Bank banches	various (IT)	May 11, 2016
Fondo MH Real Estate Crescita	Gioiaotto	Milan (IT)	July 27, 2016
	Palazzo Sturzo	Rome (IT)	July 27, 2016

Ancillary costs refers to transfer taxes and notarial and consultancy fees incurred for the acquisition of the properties in question.

The table below gives the parameters used by the independent experts to make their valuations:

	Properties	Independent Appraiser	Evaluation criterion	Discounted rate	Discounted rate retraining	Gross Cap Out rate	Inflation rate forecast	Year plan
Coima Res SIIQ	Vodafone Village Buildings B-C-C1	CBRE Valuation S.p.A.	Discounted Cash Flow	5.6%	6.1%	5.9%	1.5%	12
Fondo Coima Core Fund IV	Deutsche Bank branches (rented) (n.90)	CBRE Valuation S.p.A.	Discounted Cash Flow	5.4%	min. 5.3%	min. 5.4%	1.5%	12/16.5
	Deutsche Bank branches (vacant) (n.5)	CBRE Valuation S.p.A.	Discounted Cash Flow	5.4%	min. 6.4%	min. 7.4%	1.5%	03/04
Fondo MH Real Estate Crescita	Gioiaotto (Office)	CBRE Valuation S.p.A.	Discounted Cash Flow	6.3%	6.3%	5.7%	1.5%	15
	Gioiaotto (Tourism and leisure)	CBRE Valuation S.p.A.	Discounted Cash Flow	7.0%	8.7%	6.4%	1.5%	10
	Palazzo Sturzo (Office)	CBRE Valuation S.p.A.	Discounted Cash Flow	6.3%	6.3%	5.8%	1.5%	14

The property portfolio shows an increase of Euro 4,951 thousands related to the revaluations as a result of appraisals issued by the independent expert appointed by the Company.

As for Vodafone Village the valuation, shows an increase of Euro 700 thousands in comparison with the previous half year valuation. The variation is due principally to the decrease of property taxes (IMU, TASI), estimated at June 30th, 2016 but based on definitive data at December 31st, 2016. Furthermore, the unit values adopted to calculate market rents have been rescheduled on the basis of market researches made by the independent expert.

As for Deutsche Bank portfolio, the increase of Euro 20 thousands in comparison with the previous half year is due to the net impact of the growth of rents, related to six branches, and the reduction of rents related to other three branches, in order to eliminate the break option in such contracts.

The valuation of the properties held by MH Real Estate Crescita Fund shows an increase of Euro 1,733 thousands compared to the amount recorded at the time of the acquisition. The change is primarily due to certain aspects of enhancement related to the hotel area of Gioiaotto, contracted during December 2016.

As mentioned in the directors' report, in the real estate market there is a yield compression that does not find full application by the independent experts.

18. Other Tangible Assets

The breakdown of other tangible fixed assets as at December 31st, 2016 is given below:

(in thousands Euros)	December 31, 2015	Increase / (Decrease)	December 31, 2016
Historical costs	-		-
Other tangible assets	-	4	4
Total Historical costs	**-**	**4**	**4**
Redemption fund			
Other tangible assets	-	1	1
Total redemption fund	**-**	**1**	**1**
Net book value			**3**

Other tangible fixed assets involve the purchase and the related depreciation and amortisation, during the period, of mobile phones allocated to employees.

19. Investments in associate using the equity method

The changes in equity investments as at December 31st, 2016 are listed below:

(in thousands Euros)	December 31, 2015	Value at the time of acquisition	Revaluation / (Depretiacion)	December 31, 2016
Fondo Porta Nuova Bonnet	-	13,214	927	14,141
Co - Investment 2 SCS	-	1,858	188	2,046
Investments accounted for using the equity method	**-**	**15,072**	**1,115**	**16,187**

The item in question, equal to Euro 16,187 thousands , includes:

- The equity investment of 35.7% of the Porta Nuova Bonnet fund'unites, acquired on December 20, 2016;
- The equity investment of Co – Investment 2 SCS, owned indirectly via MHREC Real Estate S.à.r.l., which owns 33.33% of the unites.

The main data relating to associate equity investments is listed below from the Financial report of Funds:

(in thousands Euros)	Head office	% owned by Coima Res SIIQ	Share capital at December 31, 2016	Total assets at December 31, 2016	Equity at December 31, 2016
Fondo Bonnet	Via della Moscova n.18 Milano	35.7%	37,000	93,793	39,595
Co - Investment 2 SCS	35F, Avenue John F. Kennedy L - 1855 Luxembourg	33.3%	111	4,331	(566)

20. Derivatives

(in thousands Euros)	December 31, 2015	Interest Rate Cap	Adjustment of fair value destinated to Cash Flow Hedge reserve	December 31, 2016
Coima Res SIIQ	-	538	73	611
MH Real Estate Crescita fund	-	-	2	2
Total derivatives	**-**	**538**	**75**	**613**

The financial instruments of Coima Res SIIQ, the value of which totalled Euro 611 thousands, relate to the four existing derivatives contracts at December 2016 31, entered into to hedge the financial flows linked to the mortgage funding. The hedging involves 60% of the Senior Line with a strike of 50 bps.
The Euro 73 thousands adjustment to the fair value of the derivatives was recorded in the valuation reserve in accordance with IAS 39 Financial Instruments: Recognition and Measurement.
The MH Real Estate Crescita fund has an hedging interest cap rate for the 3-month Euribor rate on the existing funding, with a strike of 100 bps. The fair value of the derivative at December 31st, 2016 was positive by Euro 2 thousands.
The hedging strategy adopted by the Company and Funds is to be an upper limit on the cost of financing for the part covered.
The Company recorded hedging transactions based on hedging accounting, verifying the effectiveness of the same. In order to test the effectiveness of derivatives, the hedged item is identified at the time of hedging, with a hypothetical derivative. This derivative must perfectly cover the risks caused by exposure in contractual and underlying terms (notional, indexing, etc.). Finally, the hypothetical signing must take place under market conditions at the start of the hedging relationship.
In order to verify the efficacy of the derivative, it was performed the prospective and retrospective test, which are

effective to 100%.
The valuation of derivatives at fair value considered some potential adjustments to be made as a result of the deterioration of the bank counterparties or of the Company itself, also taking into consideration any guarantees given by the Company to the Banks.

21. Long term financial assets

As at December 31st, 2016, non-current financial receivables stood at Euro 1,621 thousands.

(in thousands Euros)	MHREC Real Estate Crescita S.à.r.l.	December 31, 2016	December 31, 2015
Financial receivables	1,621	1,621	-
Long term financial assets	**1,621**	**1,621**	**-**

The financial receivables of MHREC Real Estate S.à.r.l. relate to loans granted to the associated company Co – Investment 2 SCS.

22. Trade receivables and other non-current receivables

The breakdown of trade receivables and other non-current receivables as at December 31st, 2016 is given below.

(in thousands Euros)	December 31, 2016	December 31, 2015
VAT Refund	38,000	-
Trade receivables and other non-current receivables	**38,000**	**-**

Non-current receivables relate entirely to the VAT refund request on August 1st, 2016, resulting from the acquisition of the Vodafone Village property complex. It is considered that this receivable could be refunded by the Revenue Agency within 18-24 months of the date of the request, including interest accrued at 2% up to the date of actual payment.

23. Inventories

The changes in inventories as at December 31st, 2016 are listed below:

(in thousands Euros)	Real Estate properties	December 31, 2015	Acquisition	Sales	Revaluation / (Depreciation)	December 31, 2016
Coima Core Fund IV	Deutsche Bank branches	-	14,150	(1,450)	(480)	12,220

The five properties in the Deutsche Bank portfolio which are not leased and will shortly be disposed of by the Coima Core Fund IV were classified under inventories. In this regard, note that COIMA SGR sold a building located in Lecco, for and on behalf of the Fund, for a sum of Euro 1,500 thousands.
For more details on the sale of the subsidiary in question, refer to paragraph 5. Revenue from sales and services.

The impairment for Euro 480 thousands is related to the FV adjustments from book value with the evaluation report prepared from independent appraiser as at December 31st, 2016, as showed in the Investment Properties section.

24. Deferred taxes assets

This item, equal to Euro 6 thousands as at December 31st, 2016, refers to receivables from prepaid tax credits with regard to MHREC Real Estate Crescita S.à.r.l.

25. Trade receivables and other current receivables

The breakdown of trade receivables and other current receivables as at December 31st, 2016 is given below.

(in thousands Euros)	December 31, 2016	December 31, 2015
Trade receivables		
Rental receivables	851	-
Total trade receivables	**851**	**-**
Other current receivables		
Tax receivables	6,261	126
Advance payment	52	-
Other advance	1,000	-
Other current activities	194	666
Prepayments and accrued income	382	3
Total other current receivables	**7,889**	**795**
Total trade and other current receivables	**8,739**	**795**

The item receivables from tenants includes the adjustment made to revenue by taking into consideration the provision of IAS 17 (paragraph 50) and mainly refers to the MH Real Estate Crescita fund.

The Company reasonably expects trade receivables will be collected within one year, since to date there are no expected losses for uncollectible accounts or other causes of non-realization of receivables from tenants.

Receivables from the tax authorities mainly comprise VAT receivables, for the part not requested as a refund, resulting from the acquisition of the Vodafone Village property complex and from other operating costs.

The item advances refers to the payment on account for the purchase of the Deruta property on December 19, 2016.

Accrued income and deferred charges mainly include accrued income on VAT receivables requested as a refund by COIMA RES SIIQ and the deferred charges relating to insurance.

The item other miscellaneous assets includes receivables from directors and advances to suppliers.

26. Cash and cash equivalents

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

(in thousands Euros)	December 31, 2016	December 31, 2015
Banca Passadore	3,388	390
Intesa San Paolo	5,244	-
Banco Popolare	33,554	-
Banco Popolare - Time Deposit	55,000	-
BNP Paribas	1,616	-
State Street Bank	4,689	-
Group Société Générale	6,305	-
Receipts from COIMA CORE FUND IV	3,305	-
Total cash and cash equivalents	**113,102**	**390**

The sub item Banca Passadore includes the liquidity of COIMA RES and of the subsidiary COIMA RES S.p.A.

SIINQ I.

The sub item Intesa Sanpaolo includes three pledged current accounts and an unpledged account, known as a distribution account, which were opened following the singing of the loan agreement which is discussed in more detail below. The unpledged account contains the sums that the Company may use freely after the quarterly verification of the covenants in the loan agreement.

Interest income was accrued on the account held at Banco Popolare at a rate of approximately 40 bps until mid-December 2016 and 15 bps until mid-December 2016.
In 2016, while waiting to implement its investment strategy, the Company invested the net proceeds of the IPO in a short-term time deposit as detailed in the table below.

BNP Paribas receivable are related to the available liquidity of COIMA CORE FUND IV lodged in depository service.

The amount shown against State Street refers to the available liquidity on bank accounts held by MH Real Estate Crescita fund. It is noted that, among the various accounts with a positive balance, the balance of one account is pledged for the lending banks.

The sub item " *Receipts from COIMA CORE FUND IV*" refers to the dividends distributed by the Coima Core Fund IV to the Company on December 30, 2016, but with an accounting date in January 2017.

This sum represents a cash outstanding closed in the first days of January 2017 but already recorded in the accounts of the COIMA CORE FUND IV.

(in thousands Euros)	Amount	Ignition date	Maturity date	Bps
Time Deposit	55,000	December 15, 2016	March 15, 2016	15
Time Deposit	100,000	September 5, 2016	December 5, 2016	38
Time Deposit	100,000	August 11, 2016	September 5, 2016	40
Time Deposit	160,000	July 11, 2016	August 11, 2016	40
Time Deposit	200,000	May 17, 2016	July 11, 2016	40

Note that the time deposits were originally agreed for a sum of Euro 200,000 thousands. This amount was progressively reduced following subsequent investments made by the Company.

27. Shareholders' equity

Shareholders' equity at December 31st, 2016 stood at Euro 372,992 thousands and breaks down as illustrated in the Financial Statements schemes.

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

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

As provided for by international accounting standards IAS 32, the costs relating to increases in share capital are directly attributable to shareholders' equity against the share premium reserve for an amount equal to Euro 10,070 thousands, mainly attributable to fees paid to the distributing banks and to the various professionals involved in the IPO activities.

The valuation reserve of Euro 75 thousands relates to the change in fair value of the derivatives contracts signed to hedge the cash flows of existing loans, as provided for by international accounting standards IAS 39.

The table below shows the reconciliation between individual and consolidated value of equity shareholders and profit at December 31st, 2016:

(in thousands Euros)	Profit for the year	Equity
COIMA RES SIIQ at December 31, 2016	**8,836**	**358,589**
Investments	4,475	(220,109)
Entities owned by COIMA RES	7,080	233,397
Badwill from Coima Core Fund IV and MH Real Estate Crescita' acquisitions	1,977	-
Dividends	(10,853)	-
Adjustments in the value of investments accounted for using the equity method	1,115	1,115
Consolidated amount at December 31, 2016	**12,629**	**372,992**
Minorities	506	11,114
Consolidated net amount at December 31, 2016	**12,123**	**361,878**

The item "*Investments*" includes respectively the depreciation of Euro 4,475 thousand related to COIMA CORE FUND IV, and the amount of Euro 220,109 thousands, related to the total investments. Such amount is composed by Euro 140,025 thousands related to COIMA CORE FUND IV, Euro 69,868 thousands related to MH Real Estate Crescita, Euro 250 thousands related to COIMA RES SIINQ I and Euro 9,966 thousands related to MH Real Estate S.à.r.l., indirectly owned.

The item "Entities owned by COIMA RES" includes principally the profit of the year of COIMA CORE FUND IV (Euro 3,482 thousands), MH REAL ESTATE CRESCITA (Euro 3,799 thousands) and the loss of the year of COIMA RES SIINQ I (Euro 14 thousands), attributable to the parent company; equity includes the elimination of share capital, reserves and gains/losses carrying forward related to subsidiaries, without considering the dividends.

The item "Dividends" is related to the elimination of proceeds received from COIMA CORE FUND IV and MH REAL ESTATE CRESCITA.

28. Bank borrowings and other non-current lenders

At December 31st, 2016, non-current payables to banks and other lenders stood at Euro 289,973 thousands and included the financial debt acquired from the Company and from MH Real Estate Crescita fund and shown as follows:

(in thousands Euros)	December 31, 2015	Original amount	Amortised costs	Reimbursements	Other charges	December 31, 2016
Coima Res SIIQ	-	216,275	320	(1,937)	(2,685)	211,973
Fondo MH Real Estate Crescita	-	78,000	-	-	-	78,000
Bank borrowings and other current lenders	**-**	**294,275**	**320**	**(1,937)**	**(2,685)**	**289,973**

On June 29th, 2016, the Company signed a syndicated loan agreement for a total of Euro 216,275 thousands with the following banks: Banca Imi (Agent Bank), UniCredit, BNP Paribas and ING Bank, all participants with a 25%

participation in the total loan.
The loan was entered into in order to fund the purchase of the Vodafone Village property complex and indirectly to refinance the acquisition of the Deutsche Bank portfolio.
The level of debt was initially 50% of the value of the two property projects.

The COIMA RES SIIQ loan is divided into a Senior Line equal to Euro 172,275 thousands and an original VAT line of original Euro 44,000 thousands. Of the latter, Euro 1,107 thousands was repaid on September 30th, 2016, and Euro 830 thousands on December 30, 2016, for a total of Euro 1,937 thousands over the course of the year.

The table below summarises the financial details of the loan:

(in thousands Euros)	December 31, 2016	Maturity date	Rate	Arrangement fee	Agency fee	Covenant	% Coverage
Senior Line	170,350	June 29, 2021	Euribor 3M +180bps	90 bps	30	LTV Portfolio: <60%	60%
						LTV Corporate: <60%	
						ICR Portfolio: >1,80x	
VAT Line	41,623	June 29, 2019	Euribor 3M +150bps			ICR /DSCR Corporate: >1,40x	N/A

Based on the provisions of the loan agreement, the Company signed four derivatives hedging contracts for 60% of the total amount of the loan in the form of an interest rate cap of 50 bps.
The transaction takes the form of a hedge of the financial flows and comes within the category of hedge accounting, described in the Derivatives Financial instruments paragraph.

The hedge on the rate is evaluated as highly effective, and the other comprehensive income include the net unrealized gain related to hedging instruments, amounted to Euro 75 thousands.

Note that the first verification date of the financial covenants is December 31st, 2016, as contractually agreed. The indicators at that date are listed below:

- Loan to value at portfolio level: 49.3%
- Loan to value at Consolidated level: 50.4%
- Interest coverage ratio at portfolio level: 4.70x
- Interest coverage ratio/DSCR at Consolidated level: 2.71x

The above indicator respect the covenant agreement.

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

- First-rank mortgage for Euro 432,550 thousands;
- Pledge of Coima Core Fund IV units;
- Pledge on the current accounts linked to the loan agreement, except for the account into which sums to be distributed as dividends are paid into;
- Sale of the receivables from the Vodafone Village lease agreement, the insurance receivables and any receivables resulting from disputes with regard to consultants used for the due diligence for the Vodafone Village.

Furthermore, was completed the request for the repayment of the VAT receivables generated by the purchase of Vodafone Village and by the signing of the hedging contracts.

With regard to the MH Real Estate Crescita mortgage funding, on June 24th, 2015 a syndicate of banks comprising UBI Banca (Agent Bank), ING Bank and Crédit Agricole provided funding for a five-year term, a margin of 175 bps above 3-month Euribor, and a loan to value of 60%.

(in thousands Euros)	Properties	December 31, 2016
UBI Banca/ING Bank/Crédit Agricole	Rome, Palazzo Sturzo	46,334
UBI Banca/ING Bank/Crédit Agricole	Milan, Gioia 6	8,672
UBI Banca/ING Bank/Crédit Agricole	Milan, Gioia 8	22,994
Total MH Real Estate' bank borrowing		**78,000**

To hedge the loan, the fund has an interest rate cap for a total of Euro 63,000 thousands with a 1% strike. The premium paid to the banks was Euro 102 thousands.
The hedging strategy imposes a maximum ceiling (of 1%) on the 3-month Euribor benchmark for approximately 80% of the loan. The total fair value of the financial instruments as at December 31st, 2016 was positive for Euro 2 thousands.

(in thousands Euros)	December 31, 2016	Maturity date	Rate	Arrangement fee	Agency fee	Covenant	% Coverage
MH Real Estate Crescita's bank borrowing	78,000	June 22, 2018	Euribor 3M +175bps	N/A	N/A	LTV: <65% ICR: >1.75x	80%

Following the indicators at that date:
- *Loan to value* at portfolio level of MH Real Estate Crescita: 52.9%
- *Interest coverage ratio* at portfolio of MH Real Estate Crescita: 4.3x

29. Payables for post-employment benefits

The balance of the redundancy payment fund as at December 31st, 2016 only concerns amounts payable to one employee of the Company.

(in thousands Euros)	December 31, 2015	Provisions	Other adjustments	December 31, 2016
Payables for post-employment benefits	-	14	(9)	5

Changes in the fund result from the provision for, and the subsequent transfer to, funds outside the redundancy payment fund relating to two senior managers of the Company.

Being a residual amount, was not carried the actualization of fund.

30. Provisions for risks and charges

The provision for risks and charges of Euro 125 (nil balance at December 31st, 2015) includes the discounted value of the Long Term Incentive granted to one employee. The incentive stipulates that the employee should be paid if he/she still employed in the company on December 31st, 2018. As the company is a start-up and there are no statistics for staff turnover, the considerations made surrounding the probability of an employee's early departure have led to the figure not being changed.

31. Trade payables and other non-current payables

Trade payables and other non-current payables break down as follows:

(in thousands Euros)	Coima Res SIIQ	MH Real Estate Crescita	December 31, 2016	December 31, 2015
Financial instruments	391	-	391	100
Guarantee deposits	-	186	186	-
Total trade and other non-current payables	**391**	**186**	**577**	**100**

The financial instrument recorded at fair value was issued by the Company and acquired by the management for a nominal value of Euro 1 thousands. The instrument was revalued at Euro 391 (Euro 100 thousands at December 31st, 2015) following an expert report specifically prepared by an external consultant at December 31 st, 2016.

The instrument issued by the company gives the right to owners to receive an annual return of 60% of minimum between:

- the sum of 10% of the *Shareholder Return Outperformance* if the *Shareholder Return* for such year exceeds 8% (the 10% of amount in euro by which the *Shareholder Return* for the year exceeds the *Shareholder Return* that would have produced a 8% *Shareholder Return*), and 20% of the *Shareholder Return Outperformance*, if the *Shareholder Return* for such year exceeds 10% (the 20% of amount in euro by which the *Shareholder Return* for the year exceeds the *Shareholder Return* that would have produced a 10% *Shareholder Return*);
- 20% of the excess of year-end EPRA NAV per ordinary share (adding back total dividends or other distributions paid per ordinary share in that *Accounting Period* and in any preceding Accounting Period since the end of the *Reference Period* and adjusted to exclude the effects of any issuance of ordinary shares during that period) over the Relevant *High Water Mark*.

The expert expressed its opinion regarding the fair market value of the instrument issued by the Company in favour of certain managers on the basis of the regulations governing the instrument, of the fact that the Company is listed, and of the cash flows forecast in three different scenarios (base, worst and best).

The valuation was conducted applying the financial criterion. This 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 reference date is December 31st, 2016;
- The estimate was conducted primarily by taking the expected annual cash flows related to *Promote Fee*, in 2017 and after. In particular the average-weighted cash flows were considered in three distinct scenarios (c.d. *worst, basic and best*) respectively equal to 75%, 20% and 5%. These probabilities were developed on the basis of knowledge of the business and the assumptions used, verifying the reasonableness of the balancing of scenarios by analyzing the resulting average *Shareholder Return.*
- As for the estimation of annual cash flows attributable to the holders of the instrument, the average-weighted annual cash flows related to *Promote Fee* were considered equal to 60%. This was in keeping with the Financial Instruments Rules;
- At December 31st, 2016 the average-weighted cash flows attributable to the holders of the instrument were discounted at a meaningful rate on average expected return on investments with a risk profile in line with the risk of instrument. This discount rate, amounted to 5.5%, was quantified using the CAPM ("*Capital Asset Pricing Model*") and is equal to the cost of capital of the Company, reflecting the systematic risk (non-diversifiable) associated to ' business activities from which cash flows depend, ultimately, those of the instrument.

The discount rate was estimated assuming the following parameters:

- risk-free rate of 1.97%. This figure is equal to the average of the returns (without considering taxes) recorded on the next December 31st, 2016, of the Italian public debt securities with a residual maturity of 10 years;
- Beta coefficient of 0.57%. In particular, the Beta coefficient of the Company was determined:
  (i) assuming the average unlevered Beta (0.44) of a panel company carrying out activities comparable to those of COIMA RES;
  (ii) re-levering such Beta (using i.e. "Hamada" formula) in order to take into consideration the target financial structure of COIMA RES, as presented by the management of COIMA (i.e. ratio net funding position / equity amounted to 42.5%);
  (iii) ERP of 6.16%. This figure corresponds to most recent measure of forward looking ERP compared to the estimate date, deducted from empirical observations of the market.

32. Trade payables and other current payables

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

(in thousands Euros)	Coima Res SIIQ	Coima Core Fund IV	MH Real Estate Crescita	MHREC Real Estate S.à.r.l.	Coima Res SIINQ I	December 31, 2016	December 31, 2015
Trade payables							
Trade payables to suppliers	3,173	110	856	-	-	4,139	608
Invoices to be received	755	40	849	-	69	1,711	227
Total trade payables	**3,928**	**150**	**1,705**	**-**	**69**	**5,850**	**835**
Other payables							
Personnel debts	194	-	-	-	-	194	-
Security providers debts	78	-	-	-	-	78	-
Company bodies debts	20	-	-	1	-	21	-
Tax payables	29	6	43	4	-	82	-
Accruals and deferred income	1,270	157	59	-	-	1,488	-
Total other payables	**1,591**	**163**	**102**	**5**	**-**	**1,863**	**-**
Total trade and other payables	**5,519**	**313**	**1,807**	**5**	**69**	**7,713**	**835**

Payables to suppliers are mainly made up of:

- payables to Coima SGR of Euro 3,289 thousands relating to asset management services provided to Coima Res SIIQ;
- payables to Coima S.r.l. of Euro 514 thousands for property management services provided to MH Real Estate Crescita
- payables to independent experts of Euro 91 thousands for the preparation of valuations on properties in the portfolio.

Invoices to be received mainly comprise: sums paid to several tenants by way of contribution; pro-forma invoices received from consultants for legal, tax and administrative services and for marketing and communication services; and payments due to the statutory auditors.

Deferred income relates mainly to the deferred rental for the Vodafone Village complex of Euro 1,166 thousands.

The residual of the item is represented mainly by payables to staff for bonuses, to the directors, and to the tax authorities and to social security institutions for contributions for employees.

33. Current income tax liabilities

This item, equal to Euro 6 thousands as at December 31st, 2016, refers to payables for taxes with regard to MHREC Real Estate Crescita S.à.r.l..

34. Information on transfers of financial asset portfolios

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

35. Information on fair value

IFRS 13 provides that:

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

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

1) Adjusted based on the circumstances: measurement techniques must be applied consistently over time unless there are more representative alternative techniques for the measurement of fair value.
2) Maximise the observable inputs: inputs are divided into observable and unobservable, providing various examples of markets from which fair values can be calculated.
3) Measurement techniques of fair value are classified in three hierarchical levels according to the type of input used:
   - Level 1: inputs are quoted prices in active markets for identical assets or liabilities. In this case the prices are used without any adjustments.
   - Level 2: inputs are quoted prices or other information (interest rates, observable yield curves, credit spreads) for similar assets and liabilities in active and inactive markets. For this case price adjustments can be made based on specific factors of the assets and liabilities.
   - Level 3: in this case inputs are not observable. The standard provides that it is possible to use the latter technique only in this case. Inputs for this level include, for example, long-term currency swaps, interest rate swaps, decommissioning liabilities undertaken in a business combination, etc.

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

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

- the market approach method is based on prices and other important information for market transactions involving identical or comparable assets and liabilities. The models used are the multiples method and the matrix price method;
- the income approach is achieved from the discounted sum of future amounts that will be generated by the asset. This method allows to obtain a fair value that reflects the current market expectation of such future amounts;
- the cost method reflects the amount that would be required as at the measurement date to substitute the capability of the service of the asset subject to measurement. Fair value will be equal to the cost that a market participant would incur to acquire or build an asset of rectified comparable use (taking into consideration the level of obsolescence of the asset in question). This method can be used only

when the other methods cannot be used.

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

The comparison between the book value and the fair value of the Company's assets and liabilities as at December 31st, 2016 is given below.

(in thousands Euros)	December 31, 2016		December 31, 2015	
	Net book value	Fair Value	Net book value	Fair Value
Assets				
Real estate investments	480,900	480,900		
Other tangible assets	3	3		
Investments accounted for using the equity method	16,187	16,187		
Derivatives	613	613		
Long term financial assets and trade receivables	39,621	39,621		
Inventories	12,220	12,220		
Deferred taxes assets	6	6		
Short term financial assets and trade receivables	8,739	8,739		
Cash and cash equivalents	113,102	113,102	390	390
Total assets	**671,391**	**671,391**	**390**	**390**
Liabilities				
Floating rate bank borrowings	289,973	292,263		
Other liabilities	8,035	8,035		
Financial instruments	391	391	100	100
Total liabilities	**298,399**	**300,689**	**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 as at December 31st, 2016.

(in thousands Euros)				
December 31, 2016	**Total**	**Quoted prices in active markets (Level 1)**	**Observables input (Level 2)**	**Unobservables input (Level 3)**
Assets				
Real estate investments	480,900			480,900
Other tangible assets	3		-	3
Investments accounted for using the equity method	16,187		-	16,187
Derivatives	613		613	
Long term financial assets and trade receivables	39,621			39,621
Inventories	12,220		12,220	
Deferred taxes assets	6			6
Short term financial assets and trade receivables	8,739			8,739
Cash Equivalents	113,102			113,102
Liabilities				
Floating rate bank borrowings	292,263		292,263	
Other liabilities	8,035			8,035
Financial instruments	391		391	

(in thousands Euros)				
December 31, 2015	**Total**	**Quoted prices in active markets (Level 1)**	**Observables input (Level 2)**	**Unobservables input (Level 3)**
Assets				
Cash Equivalents	390			390
Liabilities				
Financial instruments	100		100	

36. Risks and commitments

The risks to which the Company and its subsidiaries are exposed, and the related mitigation, are described in the relevant paragraph of the Annual Report.
As at December 31st, 2016, there was a commitment to Immobiliare Deruta 2005 S.a.s. due to the signing, on behalf of the subsidiary COIMA RES SIINQ I, of the preliminary purchase agreement for a property complex comprising two buildings, located at 19 Via Privata Deruta in Milan, for a price of Euro 46 million. Note that on January 16st, 2016 the purchase of this complex was completed through its subsidiary COIMA RES S.p.A. SIINQ I, designated by the Company pursuant to Art. 1402 of the Civil Code.

As for the loan of COIMA RES, the Company has been agreed with the lending banks the following *security package*:

- First mortgage of Euro 432,550 thousands;
- Pledge on the COIMA CORE FUND IV units;
- Pawn on operating bank accounts linked to the loan agreement, with the exception of the account to which the amounts distributed as dividends will be paid;
- Disposal of receivables related to Vodafone Village rents, insurance claims and any other receivables arising from disputes against consultants engaged for the due diligence on Vodafone Village.

After signing the loan agreement of the existing property, MH REAL ESTATE CRESCITA fund has granted the following guarantees to the banks:

- Pledge on bank accounts held at State Street Bank, with a balance of Euro 169 thousand at December 31st, 2016;
- Disposal of receivables, in favor of the bank, related to rents, insurance contracts and warranties issued to the fund, to guarantee the proper fulfillment of obligations of tenants.

Mortgage burden on real estate is as follows:

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

Furthermore the Fund will contribute with Euro 1.400 thousands for modernization and redevelopment works on Gioiaotto which will make from NH Hotel.

The Company has a commitment of Euro 25 million to the Fund Porta Nuova Bonnet. Note that as of December 31st, 2016 the Fund Porta Nuova Bonnet drew Euro 13,214 thousands and therefore a residual commitment of Euro 11,786 thousands.

The table below summarizes COIMA RES's main risks and their mitigations:

	Risks	COIMA RES mitigation
1	Market risk - the risk of losses related to the fluctuation in the prices of properties in the portfolio resulting from adverse changes of macroeconomic variables, the property market and/or the specific characteristics of the properties owned by the Company. This risk also includes the effects resulting from properties in the portfolio that are vacant (vacancy risk).	The Company's investment strategy is focused on high-quality assets (real estate or fund units) in large urban areas, specifically in Rome and Milan, which have demonstrated high income capacities and good resilience during negative market cycles, partly due to a less volatile level of demand compared with smaller assets located in secondary cities. Regarding vacancy risk, the Company deals with reputable and well capitalized tenants, and concludes long-term rental agreements with adequate protection clauses. Tenant-specific asset management initiatives are designed in order to understand the situation and needs of each tenant, and to identify and address potential problems proactively. The risk of not being able to re-rent vacant spaces left unoccupied by tenants vacating premises after lease-end is also mitigated by the high quality of the Company's real estate assets.
2	Credit and counterparty risk - the risk of losses resulting from the non-compliance of counterparties due to the deterioration of their creditworthiness, with them defaulting in extreme cases.	During the on-boarding phase, the Company analyses and continuously monitors the risks of non-compliance of tenants and other significant counterparties (e.g. solvency and creditworthiness analyses, analysis of the financial situation, references, prejudicial and negative information, etc.), also resorting to external databases. In this regard, the Company's investment strategy favours reputable and well-capitalized counterparties and those belonging to large international groups.
3	Concentration risk - the risk resulting from properties leased to individual counterparties or groups of legally connected counterparties, counterparties from the same economic sector or which carry out the same activity, or located in the same geographical area.	The Company analyses and monitors this risk regularly and has also defined the limits in its Articles of Association with regard to concentration of individual properties/tenants. The Company's strategy involves increasing the number of tenants and the number of industrial sectors in which our tenants are active, in order to mitigate the risks associated with excessive concentration.
4	Interest rate risk - the risk related to adverse changes in the rate curve that change the current value of assets, liabilities and their net value (ALM), and cash flows (assets and liabilities) relating to interests (assets and liabilities).	The Company purchases hedging instruments or otherwise contractually fixes an adequate amount of its floating rate exposure (e.g. through transactions in derivatives and/or trading of options) in order to reduce the impact of adverse changes in interest rates.
5	Liquidity risk - the risk of not being able to meet one's payment obligations through:	The Company continuously monitors the level of its liquidity based on detailed cash-flow analyses and projections as well as through its and under the scope of cash flow and ALM risk management activities, utilizing among other tools scenario analyses and stress tests.

	- the inability to obtain funds on the market (funding liquidity risk); - the inability to monetise one's assets (market liquidity risk);	From the perspective of optimising the financial and capital structure, the Company limits financial leverage to 50% of the total value of assets, with the aim of reducing this ratio to below 45%.
6	Other financial risks - other financial risks not associated with real estate assets such as, for example, counterparty risks and/or other market risks on any financial instruments in the portfolio.	The strategy currently adopted by the Company does not involve investment in assets other than real estate assets except for treasury bills and instruments needed to hedge interest rate risk; this also takes into account statutory restrictions related to the SIIQ status to which we are subject. Exposure to any financial risks, not connected with real estate assets, is subject to periodic monitoring and is also mitigated through our use of reputable and well-capitalized banking counterparties.
7	Operating risk - the risk of suffering losses resulting from the inadequacy or malfunction of procedures, human resources and internal systems or external events.	Operating risks are addressed by adopting adequate internal procedures and the structuring of the internal control system on three levels: - Level One: Scheduled checks carried out by the business units and staff functions; - Level Two: Checks carried out by the Legal, Compliance and Risk Management functions; - Level Three: Checks carried out by the internal audit function based on the Audit Plan. The Company also periodically monitors these risks through suitable risk assessment techniques based on international best-practices.
8	Legal and compliance risk - the risk of changes in performance due to changes in the legislative framework.	The Company continuously monitors the risk of non-compliance with current legislation and compliance requirements. Our compliance checks include asset and profit tests to ensure that legal requirements, necessary to maintain the SIIQ status are met now and in the future, as indicated in the Articles of Association.
9	Reputational risk - the current or future risk of a fall in profits or capital, resulting from a negative perception of the Company’s image by customers, counterparties, shareholders, investors or the Regulatory Authorities.	Reputational risk, like operating risk, is mitigated by adopting an adequate organisational and control structure, consistent with international best-practices. We also mitigate reputational risk by putting in place stringent and specific procedures such as supervising external communication, overseeing interaction with stakeholders (for example, governmental authorities) and monitoring contact with investors (e.g. complaint management)..
10	Strategic risk - Pure risk and business risk; this consists of the current or prospective risk of a fall in profits or capital, resulting from changes in the operating context or from incorrect corporate decisions, inadequate implementation of decisions, poor reaction to changes in the competitive environment, customer behaviour or technological developments.	In addition to a comprehensive strategic planning and evaluation process for analysis of investments, strategic risk is mitigated by the high level of experience and professionalism of Company management, both with regard to the real estate market, operational/financial management, and internal controls.

37. Related party transactions

Related party transactions are listed below:

(in thousands Euros)	Receivables	Payables	Revenues	Costs
Co - Investment 2 SCS	1,621	-	-	-
Coima SGR S.p.A.	62	3,318	10	2,607
Coima S.r.l.	-	75	-	49
Coima Image S.r.l.	-	5	-	12
Senior Managers	-	394	-	568
Directors	53	577	-	626
Board of auditors	-	117	-	117
Total	**1,736**	**4,486**	**10**	**3,979**

Also note that the Company has signed the following service agreements with related parties, namely:

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

Publication of the audit fees pursuant to art. 2427, para. 1, sub-para. 16-bis, of the Italian Civil Code

This table contains details of the fees paid to the independent auditors appointed to conduct the audit pursuant to Legislative Decree no. 39 of January 27th, 2010, and to other entities in the network to which the independent auditor belongs:

Type of services	Party providing the service	Fee
Auditing (*)	EY S.p.A.	147
Certification services	EY S.p.A.	463
Total		**610**

(*) The fees refer to the Legal Audit of COIMA RES SIIQ consolidated and separate financial statement and to Legal Audit of COIMA RES SIINQ I financial statement.

Certification services refer to the costs incurred by the Company for the admission to listing on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A.

CONSOB RECOMMENDATIONS N. DEM/9017965, FEB. 26TH, 2009

1. Representation of the property portfolio

Categories	Net book value at December 31, 2016	Methods of accounting	Fair value at December 31, 2016	Last evaluation report ' date
Real estate investments				
- Vodafone Village	207,000	IAS 40 - Fair Value	207,000	December 31, 2016
- Deutsche Bank branches	126,400	IAS 40 - Fair Value	126,400	December 31, 2016
- Palazzo Sturzo	80,700	IAS 40 - Fair Value	80,700	December 31, 2016
- Gioiaotto	66,800	IAS 40 - Fair Value	66,800	December 31, 2016
Total real estate investments	**480,900**		**480,900**	
Inventories				
- Deutsche Bank branches	12,220	IAS 2	12,220	December 31, 2016
Total investments	**12,220**		**12,220**	

Overall debt financial situation of the group

Real Estate Properties	Assets net book value at December 31, 2016	Loan	Type of loan	Maturity date	Significant terms of contract
Vodafone Village	207,000	41,623	Bullet loan - VAT Line	June 29, 2019	Financial coventants - Note 28
		115,785	Bullet loan - Senior Line	June 29, 2021	Financial coventants - Note 28
Deutsche Bank branches	138,620	54,565	Bullet loan - Senior Line	June 29, 2021	Financial coventants - Note 28
Palazzo Sturzo	80,700	46,334	Bullet loan	June 22, 2018	Financial coventants - Note 28
Gioiaotto	66,800	31,666	Bullet loan	June 22, 2018	Financial coventants - Note 28

CERTIFICATION BY THE CEO AND BY THE MANAGING DIRECTOR RESPONSIBLE FOR THE PREPARATION OF THE CORPORATE ACCOUNTING DOCUMENTS RELATING TO THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31ST, 2016

pursuant to article 154-bis, para. 5, of Legislative decree no. 58 of February 24th, 1998 and article 81-ter of Consob regulation no. 11971 of May 14th, 1999

1. We, the undersigned, Manfredi Catella, as Chief Executive Officer, and Fulvio Di Gilio, as Manager responsible for preparing the 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 24th, 1998, hereby certify:
   - the adequacy, with regard to the nature of the Company; and
   - the effective application of the administrative and accounting procedures adopted in preparing the consolidated financial statements.
2. In this regard, we also note that:
   - the adequacy of the administrative and accounting procedures adopted in preparing the consolidated financial statements has been verified by means of the evaluation of the internal control system on the financial information.
   - no material aspects have been detected from the evaluation of the internal control system on the financial information.
3. We also certify that:

   The consolidated financial statements:
   - have been prepared in accordance with the international financial reporting standards recognized in the European Union under the EC Regulation 1606/2002 of the European Parliament and of the Council of July 19th, 2002;
   - are consistent with the entries in the accounting books and records;
   - are capable of providing a true and fair representation of the assets and liabilities, profits and losses and financial position of the issuer and the group of companies included in the consolidation.

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

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

Milan, February 8th, 2017

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*]

INDEPENDENT AUDITORS' REPORT

EY S.p.A.
Via Meravigli, 12
20123 Milano

Tel: +39 02 722121
Fax: +39 02 722122037
ey.com

Independent auditor's report
in accordance with articles 14 and 16 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

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

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of COIMA RES Group, which comprise the balance sheet as at 31/12/2016, and the income statement, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The Directors of COIMA RES S.p.A. SIIQ are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulations issued to implement art. 9 of Legislative Decree n. 38, dated 28 February 2005.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with article 11 of Legislative Decree n. 39, dated 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

EY S.p.A.
Sede Legale: Via Po, 32 - 00198 Roma
Capitale Sociale € 2.950.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. 250904
P.IVA 00891231003
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Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of COIMA RES Group as at 31/12/2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with article 9 of Legislative Decree n. 38, dated 28 February 2005.

Report on other legal and regulatory requirements

Opinion on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and the Company's Ownership Structure with the consolidated financial statements

We have performed the procedures required under audit standard SA Italia n. 720B in order to express an opinion, as required by law, on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and the Company's Ownership Structure as provided for by article 123-bis, paragraph 4 of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements. The Directors of COIMA RES S.p.A. SIIQ are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and the Company's Ownership Structure in accordance with the applicable laws and regulations. In our opinion the Report on Operations and the specific information of the Report on Corporate Governance and the Company's Ownership Structure are consistent with the consolidated financial statements of COIMA RES Group as at 31/12/2016.

Milan, 23 February 2017

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.

SEPARATE FINANCIAL STATEMENTS AS AT DECEMBER 31ST, 2016

DIRECTORS' REPORT

SIGNIFICANT EVENTS DURING THE YEAR

The total proceeds of the IPO amounted to Euro 215 million, in addition to Euro 145 million from the contribution of the main sponsor through units in the Coima Core Fund IV

COIMA RES started trading on Borsa Italiana on May 13th, 2016 following the IPO lead managed by the Global Coordinators and Bookrunners Citi and Mediobanca, with Joint Bookrunners Kempen, Banca IMI and UniCredit. The revenue of Euro 215 million is in addition to the Euro 145 million in property value provided by Qatar Holdings in exchange for COIMA RES shares.

Conclusion of the banking loan agreement for Euro 216 million

On June 29th, 2016, COIMA RES signed a loan agreement with a syndicate of leading financial institutions for a total of Euro 216 million, for a term of 5 years (3 years for the loan of Euro 44 million relating to VAT). Contractual interest is calculated on the basis of the 3-month Euribor rate plus a spread of 180 bps (150 bps for the loan relating to VAT).

Acquisitions amounting to Euro 345.5 million, delivered in accordance with expectations

- The units in the Coima Core Fund IV, the assets of which include the Deutsche Bank portfolio, were conferred on COIMA RES following a reserved increase in capital of Euro 144.5 million, subscribed by Qatar Holding LLC. The net lettable area of the portfolio is 61,761 square metres. The estimated Net Initial EPRA Return for the transaction, based on the existing lease agreements, is 4.4%. Approximately 70% of the value of the portfolio is classified as core (the WALT, or weighted average lease term, of this item is 10.3 years), while the remaining part is the subject of a development and trading programme.
- on June 30th, 2016, the acquisition was completed of three buildings with LEED (Leadership in Energy and Environmental Design) certification, part of the property complex known as the Vodafone Village of Milan, for Euro 200 million with a net initial EPRA of 6.2% and a WALT (weighted average lease term) of 9 years which represent a long-term, high-yield component of the portfolio.
- on July 27th, 2016, the acquisition of two high-end buildings was completed, through the acquisition of 86.67% of the units of the MH Real Estate Crescita ('MHREC') Fund: Gioiaotto (Porta Nuova, Milan) and Palazzo Sturzo (EUR District, Rome) for Euro 145.5 million with a net initial EPRA return of 4.5% and an asset management programme which will take the yield to 5.2% in the space of six months. The assets in Milan and Rome are part of the portfolio's high-end property allocation and contributed to the expected growth in the NAV. The acquisition of the MHREC fund units, with a net asset value of Euro 78 million, includes Euro 145.5 million of estimated property equity (Gioiaotto and Palazzo Sturzo) and Euro 10.5 million relating to other assets net of a loan of Euro 78 million (by means of bullet loan with a first due date in June 2018 and a second due date in June 2020 with a spread of 175 bps). The acquisition was paid for in cash using part of the proceeds of the IPO.

Joint venture investment with a major international investor in a holding in two commercial buildings, Core Plus and Value Added, for a total investment of approximately Euro 140 million

On December 20, 2016, the acquisition was completed of a joint venture holding of 36% in a commercial sector complex in via Bonnet, in the heart of the Porta Nuova district of Milan, located between the offices of UniCredit and Microsoft. The complex in via Bonnet is composed of a 5,200-square meter building for commercial sector use and a 14,400-square meter tower which will be redeveloped. It is estimated that the development project will take 36 months. The property complex was acquired through the newly established fund called Porta Nuova Bonnet, with a 36% investment by COIMA RES (Euro 51 million, of which approximately Euro 25 million is in the form of risk capital) and a 64% stake held by the COIMA Opportunity Fund II.

OVERVIEW OF THE FINANCIAL RESULTS

The table below summarises the Income Statement for 2016, which shows net income of Euro 8.8 million.

(Millions of Euros)	December 31, 2016
Rents	6.9
Real Estate operating expenses	(0.6)
NOI	**6.3**
G&A	(3.5)
Other expenses	(0.4)
Non-recurring general expenses	(1.0)
EBITDA	**1.5**
Net depreciation	(4.5)
Net movement on fair value	2.7
EBIT	**(0.3)**
Financial Income	0.5
Income from investments	10.9
Financial expenses	(2.2)
Profit before taxation	**8.8**
Income tax	0.0
Profit after taxation	**8.8**

Net Operating Income (hereinafter also "NOI") amounts to Euro 6.3 million or 91% of rents.

NOI includes rents accrued on the Vodafone Village as of July 1st.
The property operating costs are mainly related to property taxes, property management costs and the net maintenance costs.

G&A costs include the management fee, employee expenses, corporate governance and control function expenses and advisory, audit, IT, marketing, communication and other costs.

Non-recurrent costs mainly include the not capitalised listing process costs and non-recurrent expenses linked to the Company's start-up stage.

The change in the fair value of the property portfolio, for Euro 2.7 million, is based on the reports from CBRE Valuation S.p.A., as Independent Experts, issued in January 2017. That change, even higher if you compare values as at December 31st, 2016 with the purchase prices for the properties without considering transaction costs, only partly reflects the squeeze on returns now being observed on the property transaction market. In fact, the

Independent Experts tend to absorb those dynamics over a longer period of time.

Financial income are related to bank deposits paid at a rate of about 40 bps per annum until mid December 2016 and at a rate of 15 bps for the following period. Furthermore in Financial income are included the interests income related to the amount of Euro 38,000 thousands of vat receivables requested as a refund from the Revenue Office.

The Income from investments are relatesid to the dividends distributed by the COIMA CORE Fund IV and by the Fund Fondo MH Real Estate Crescita during 2016.

Financial charges refer to loans in progress at the date of these financial statements, serviced at an all-in cost of 199 bps, including hedging.

The Board of Directors' on the basis of the above results, has decided to propose to the distribution of a dividend of Euro 0.11 per Share.

The table below shows the Balance Sheet at December 31st, 2016:

(Millions of Euros)	December 31, 2016	December 31, 2015
Assets		
Real estate investments	207	-
Investments in subsidiaries and associated companies	223	-
Other non-current assets	39	-
Total non-current assets	**469**	**-**
Trade and other current receivables	11	1
Cash and cash equivalents	97	-
Total current assets	**108**	**1**
Total Assets	**577**	**1**
Liabilities		
Total shareholders' equity	**359**	**-**
Bank borrowings and other non-current lenders	212	-
Other non-current liabilities	1	-
Total non-current liabilities	**212**	**-**
Trade and other current payables	6	1
Total current liabilities	**6**	**1**
Total liabilities	**218**	**1**
Total liabilities and net equity	**577**	**1**

Real estate investments amounting to Euro 207 million as at December 31st, 2016, fully related to the Vodafone Village.
Investments in subsidiaries and associated companies amounts to Euro 223 million and includes Euro 140.0 million for the COIMA CORE FUND IV, Euro 69.9 million for the Fund MH Real Estate Crescita, Euro 0.3 million for COIMA RES S.p.A. SIINQ I and Euro 13.2 million related to Porta Nuova Bonnet Fund.

Derivatives, amounting to Euro 611 thousands, represent the fair value of hedging instruments that the Company stipulated to hedge against the risk of a rate rise resulting from existing loans. Considering the positive effectiveness test result, the Company entered those instruments in compliance with the Hedge Accounting principle.

Non-current trade receivables equal to Euro 38 million related to the amount of VAT, deriving from Vodafone Village acquisition, requested as a refund from the Revenue Office and which should be refunded within 18-24 months.

Trade and other current receivables equal to Euro 11 million consist for Euro 5.7 million of euros to VAT receivables not requested as a refund, for Euro 3.3 million of euros to dividend approved and distributed from COIMA CORE Fund IV paid at the beginning of January and for 1 million of euros to earnest money paid in relation to the acquisition of the property complex located at 19 via Deruta, Milan. The residual amount consist in deferred expenses and other receivables.

The Company's net financial indebtedness amounts to Euro 115 million as at December 31st, 2016.

The Company has the following outstanding loans:

<table>
<tr><th>(in thousands Euro)</th><th>31 Dec. 2016</th><th>Term</th><th>Rate</th><th>Covenant</th><th>% coverage</th><th>Bank</th></tr>
<tr><td rowspan="2">COIMA RES – Senior Line</td><td rowspan="2">170,350</td><td rowspan="2">June 29, 2021</td><td rowspan="2">Euribor 3M +180bps</td><td>LTV Portfolio: <60%</td><td rowspan="2">60%</td><td rowspan="4">BNP Paribas (25%)
IMI (25%)
ING (25%)
Unicredit (25%)</td></tr>
<tr><td>LTV Consolidated: <60%</td></tr>
<tr><td rowspan="2">COIMA RES – VAT Line</td><td rowspan="2">41,623</td><td rowspan="2">June 29, 2019</td><td rowspan="2">Euribor 3M +150bps</td><td>ICR Portfolio: >1.80x</td><td rowspan="2">N/A</td></tr>
<tr><td>ICR/DSCR Consolidated: >1.40x</td></tr>
</table>

As of February 8th, 2017, the net LTV is 33.2% and the company target is a leverage level of between 40% and 45%, against the original indications of 50%.

Non-current payables, equal to Euro 0.4 million, refer to the financial instrument issued by the Company and acquired by management.

Provisions for risks and charges include the current value, Euro 0.1 million, of the long-term bonus granted to an employee.

Trade payables and other current payables, equal to Euro 5.5 million, mainly include deferred income for Euro 1.3 million and payables due to suppliers and invoices to be received for Euro 3.9 million.

Company net equity amounts to Euro 358.6 million.

The table below shows the Company's consolidated net financial debt at December 31st, 2016, in accordance with the ESMA/2013/319 recommendation. Note that the figures reported at December 31st, 2015, are not consolidated.

(in thousands Euros)	**December 31, 2016**	**December 31, 2015**
(A) Cash	96,943	390
(B) Cash equivalent	-	-
(C) Trading securities	-	-
(D) Liquidity (A)+(B)+ (C)	**96,943**	**390**
(E) Current financial receivables	**96,943**	**390**
(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)	96,943	**390**
(K) Non-current bank loans	(211,973)	-
(L) Bonds issued	-	-
(M) Other non-current loans	-	-
(N) Non-current financial indebtedness (K)+(L)+(M)	**(211,973)**	**-**
(O) Net liquidity (J)+(N)	**(115,030)**	**390**

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES

Pursuant to Article 123-bis, para. 3, of Legislative Decree no. 58 of February 24th, 1998, the Report on Corporate Governance and Ownership Structures is available in the 'Governance' section of the COIMA RES S.p.A. SIIQ website (www.coimares.com).

REMUNERATION REPORT

Pursuant to Article 84-quarter, para. 1, of the Issuers' Regulations, implementing Legislative Decree no. 58 of February 24th, 1998, the Remuneration Report is available on the website of COIMA RES S.p.A: SIIQ (www.coimares.com).

ORGANISATIONAL MODEL AND CODE OF ETHICS

On July 27th, 2016, the Board of Directors approved the code of ethics and the organisational model, as provided for by Legislative Decree no. 231/2001, dated September 29th, 2016, established the supervisory body and appointed as members Marco Lori, as Chairman, and Arturo Sanguinetti and Mario Ippolito, from the Carnelutti law firm.

RESEARCH AND DEVELOPMENT

COIMA RES S.p.A. SIIQ did not conduct any research and development activities during 2016.

TREASURY SHARES AND SHARES OR UNITS OF PARENT COMPANIES

At December 31st , 2016 COIMA RES S.p.A. SIIQ did not hold any treasury shares or shares in parent companies.

RELATIONS WITH SUBSIDIARIES, ASSOCIATES AND PARENT COMPANIES

With reference to the nature of the relationships between Group companies and related parties, please refer to the description in the Notes (par. 37).

SUBSEQUENT EVENTS

On January 13th, 2017 the Company funded, for a total amount of Euro 27,500 thousands, the subsidiary COIMA RES SIINQ I, to purchase the building in Milan, Via privata Deruta 19, fully let to BNP Paribas Group.

On January 17th, 2017 the Fund MH Real Estate Crescita has made a partial redemption of shares for an amount of Euro 3.033 thousands.

BUSINESS OUTLOOK

The year ended at December 31st, 2016 coincided with the beginning of the Company's operations even if only since May 13th, 2016, the date of starting negotiations of trading on the electronic stock market organized and managed by the Italian Stock Exchange. The seven and a half months of operations of the Company were mainly dedicated to investing the IPO proceeds through the acquisition of Vodafone, the acquisition of equity investments in MH Real Estate Crescita Fund and Porta Nuova Bonnet Fund, and the constitution of COIMA RES SIINQ I. The vehicle is intended to indirect investments of the Company.

The profit of the financial statements at December 31st, 2016 amounted to Euro 8.836 million. Considering the above results, the Company's Board of Directors had the opportunity to propose to the shareholders a dividend of Euro 4,068 million (Euro 0.11 per share).

The Company expects that the portfolio described above can generate revenues likely to have a positive result for the year 2017 and the possibility of distributing more dividends to shareholders, also included the investment in Deruta building made in 2017 through the subsidiary COIMA RES SIINQ I.

The Company expects that the portfolio composed and described above, also included the investment in Deruta building made in 2017, will generate revenues to give a chance to the Company to have a positive result for the year 2017 and the ability to distribute additional dividends to shareholders. In addition, the Company has approximately Euro 60,000 thousands to invest in more property income, following the acquisition of Deruta and the total investment commitment in Porta Nuova Bonnet Fund.

On the basis of the above, Directors have prepared these financial statements on a going concern basis, as they believe they have all the elements that confirm the Company's ability to continue to operate as a functioning entity.

SIIQ REGIME

Application of SIIQ regime is subordinated to the condition which companies engage primarily the property leasing activities.

The prevalence shall be tested according to two parameters:

a) Financial: land and buildings held as property or other real right for rental activities represent at least 80% of the assets - "*asset test*",
b) Economic: in each financial year, revenues from rental activities representing at least 80% of the positive components of the income statement - "*profit test*" (ratio of exempt income and total proceeds).

At the date of these financial statements, the Company complies with both of the two parameters as the investments made are entirely to property and revenues are entirely generated by these investments.

OTHER INFORMATIONS

Option to derogate (OPT OUT) the obligation to publish a document in the event of significant transactions

Company's Board of Directors on September 14th, 2015 resolved to make use of the derogation provided for in Articles. 70, paragraph 8, and 71, paragraph 1-bis of Consob Regulation no. 11971/99.

Definition of SMEs

With reference to the definition of SMEs, set out in Article 1, paragraph 1, letter w-quater 1) of the Consolidated Finance Act, we report that, at the date of these financial statements, the Company falls that definition because it has a lower turnover of Euro 300 million and a market capitalization less than Euro 500 million.

PROPOSAL OF APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR AS AT DECEMBER 31 ST 2016 AND DISTRIBUTION OF DIVIDEND

The Financial Statements as at December 31st, 2016 closed with a net profit of Euro 8,835,962.
It proposes:

- to cover fully loss for the financial year 2015, equal to Euro 320,439
- to allocate to Evaluation Reserve Euro 2,718,140
- to allocate to Legal Reserve for an amount equal to 1,729,031
- to distribute to Shareholders a dividend of Euro 0.11 for every ordinary shares outstanding at the time of dividend payment date. The total amount of dividend is Euro 4,068,352 based on shares outstanding.

Milan, February 8th, 2017

FINANCIAL STATEMENTS

STATEMENT OF PROFIT/(LOSS) FOR THE YEAR

(in Euros)	Notes	December 31, 2016	*of which related parties*	December 31, 2015 (*)	*of which related parties*
Income statement					
Revenues	39	7,541,395	-	-	-
Other revenues	40	9,898	9,898	-	-
Costs for raw materials and services	41	(4,309,404)	(1,983,738)	(221,439)	(31,200)
Personnel costs	42	(954,618)	(898,190)	-	-
Other operating expenses	43	(785,336)	(291,000)	(99,000)	(99,000)
Amortization, depreciation and write-downs	44	(4,475,435)	-	-	-
Adjustment fair value property	45	2,718,140	-	-	-
Operating Earnings		**(255,360)**	**(3,163,030)**	**(320,439)**	**(130,200)**
Income (loss) from subsidiaries	46	10,853,242	10,853,242	-	-
Financial income	47	466,471	-	-	-
Financial expense	47	(2,228,391)	-	-	-
Profit before taxes		**8,835,962**	**7,690,212**	**(320,439)**	**(130,200)**
Income tax		-	-	-	-
Profit for the year		**8,835,962**	**7,690,212**	**(320,439)**	**(130,200)**

(*) The data for December 31st, 2015 corresponds to the financial statements of Coima Res SIIQ prepared in accordance with the IAS/IFRS international accounting standard.

COMPREHENSIVE INCOME STATEMENT

(in Euros)	Notes	December 31, 2016	December 31, 2015 (*)
Profit for the year		**8,835,962**	**(320,439)**
Other subsequent recyclable components in the result for the period, net of tax	56	73,126	-
Other subsequent components in the result for the period, net of tax	56	(10,069,725)	-
Other comprehensive income		**(1,160,637)**	**(320,439)**

(*) The data for December 31st, 2015 corresponds to the financial statements of Coima Res SIIQ prepared in accordance with the IAS/IFRS international accounting standards published in the Prospectus.

STATEMENT OF FINANCIAL POSITION

(in Euros)	Notes	December 31, 2016	*of which related parties*	December 31, 2015 (*)	*of which related parties*
Assets					
Real estate investments	48	207,000,000	-	-	-
Other tangible assets	49	2,810	-	-	-
Investments in sussidiaries	50	210,142,826	-	-	-
Investments in associated companies	51	13,214,286	-	-	-
Derivatives	52	610,626	-	-	-
Trade and other non-current receivables	53	38,000,000	-	-	-
Total non-current assets		**468,970,548**	**-**	**-**	**-**
Trade and other current receivables	54	10,689,418	3,419,380	795,566	46,022
Cash and cash equivalents	55	96,943,192	-	389,740	-
Total current assets		**107,632,610**	**3,419,380**	**1,185,306**	**46,022**
Total Assets		**576,603,158**	**3,419,380**	**1,185,306**	**46,022**
Liabilities					
Share capital		14,450,800	-	70,800	-
Share premium reserve		335,549,475	-	499,200	-
Valuation reserve		73,126	-	-	-
Gains (losses) carried forward		(320,439)	-	-	-
Profit / (loss) for the year		8,835,962	-	(320,439)	-
Total shareholders' equity	56	**358,588,924**	**-**	**249,561**	**-**
Bank borrowings and other non-current lenders	57	211,973,080	-	-	-
Payables for post-employment benefits	58	4,999	3,804	-	-
Provisions for liabilities and charges	59	125,443	125,443	-	-
Trade and other non-current payables	60	391,000	391,000	100,000	100,000
Total non-current liabilities		**212,494,522**	**520,247**	**100,000**	**100,000**
Trade and other current payables	61	5,519,712	3,409,619	835,745	-
Total current liabilities		**5,519,712**	**3,409,619**	**835,745**	**-**
Total liabilities		**218,014,234**	**3,929,866**	**935,745**	**100,000**
Total liabilities and net equity		**576,603,158**	**3,929,866**	**1,185,306**	**100,000**

(*) The data for December 31st, 2015 corresponds to the financial statements of Coima Res SIIQ prepared in accordance with the IAS/IFRS international accounting standards published in the Prospectus.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in Euros)	Share capital	Share premium reserve	Valuation reserve	Profit / (loss) for the year	Gains (losses) carried forward	Total equity
Balance at June 8, 2015	**50,000**	**-**	**-**	**-**	**-**	**50,000**
Capital increase September 30, 2015	20,800	499,200	-	-	-	520,000
Profit / (loss) for the period	-	-	-	(320,439)	-	(320,439)
Balance at December 31, 2015	**70,800**	**499,200**	**-**	**(320,439)**	**-**	**249,561**
Gains / (losses) carried forward	-	-	-	320,439	(320.439)	-
Capital increase May 11, 2016	5,780,000	138,720,000	-	-	-	144,500,000
Capital increase May 13, 2016	8,600,000	206,400,000	-	-	-	215,000,000
IPO costs	-	(10,069,725)	-	-	-	(10,069,725)
Cash flow hedge reserve	-	-	73,126	-	-	73,126
Profit / (loss) for the year	-	-	-	8,835,962	-	8,835,962
Balance at December 31, 2016	**14,450,800**	**335,549,475**	**73,126**	**8,835,962**	**(320,439)**	**358,588,924**

CASH FLOW STATEMENT

(in Euros)	Notes	2016	2015 (*)
Investment activities			
Profit (loss) for the year		8,835,962	(320,439)
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortization	44	4,475,435	
Provision for employee benefits		130,442	
Adjustment fair value property	45	(2,718,140)	
Adjustment in investments			
Financial income	47	(214,466)	
Financial expense	47	320,773	
Adjustment fair value financial instruments	60	291,000	
Other operating expenses			100,000
Changes in working capital:			
(Increase) / decrease in trade receivable and other current receivables	54	(9,893,853)	(795,566)
(Increase) / decrease in property inventories			
Increase / (decrease) in trade payables and other short-term debts	61	4,898,433	835,745
Other changes in working capital			
Paid taxes			
Net cash flows generated (absorbed) from operating activities		**6,125,587**	**(180,260)**
Investment activities			
Purchase of real estate property	48	(204,281,860)	
Purchase of other tangible assets	49	(3,381)	
Revenues from sales of property, plant and equipment		(70,117,690)	
(Increase) / decrease in other non-current receivables	53	(38,000,000)	
Purchase of associated companies	51	(13,214,286)	
Net cash flows generated (absorbed) from investment activities		**(325,617,217)**	
Financing activities			
Shareholders' contributions / (payment of dividends)	56	204,930,275	570,000
Purchase of derivatives	52	(537,500)	
Increase / (decrease) in bank borrowings and other current lenders			
Increase / (decrease) in bank borrowings and other non-current lenders	57	213,589,693	
Repayment of loans	57	(1,937,387)	
Net cash flows generated (absorbed) from financing activities		**416,045,081**	**570,000**
Net (decrease)/increase in cash equivalents and short-term deposits		96,553,452	389,740
Cash equivalents and short-term deposits at the beginning of the period		389,740	
Cash equivalents and short-term deposits at the end of the year		**96,943,192**	**389,740**

(*) The data for December 31st, 2015 corresponds to the financial statements of Coima Res SIIQ prepared in accordance with the IAS/IFRS international accounting standards published in the Prospectus.

NOTES TO THE FINANCIAL STATEMENTS

Company facts

The publication of the financial statements of COIMA RES S.p.A. SIIQ for the period ended December 31st, 2016 was authorised by the Board of Directors on February 8th, 2017.
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 on May 11st 2016 with the contribution of Deutsche Bank's portfolio and the subsequent commencement of trading.

Principles of preparation and changes in accounting standards

Principles of preparation

The financial statements at December 31th, 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 December 31th, 2016.

Since the Company was listed on May 13th , 2016, the financial statements at December 31th, 2015 was prepared in accordance with national accounting standards OIC. However, as part of the listing process, the Company has published the annual financial statements for 2015 according to IAS / IFRS international accounting principles, reported in the Prospectus.

It should be noted that data for 2015 reported in schemas and tables of the explanatory notes refer to the separate financial statements of the Company, prepared in accordance with IAS/IFRS international accounting principles, since the December 31th, 2015 the Company did not have any interest in companies and/or controlled real estate funds.

The financial statements have been prepared under the historical cost principle, except for investment properties, financial and 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 financial statements includes 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 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 consolidated financial statements are stated in EUR. Rounding of the data in the notes to the consolidated financial statements is intended to ensure consistency with the figures reported in the balance sheet and income statement.

The 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.

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

The Board of Directors of the Company, decided to appoint as independent expert CBRE Valuation S.p.A. The independent expert has the task of defining, every six months, the market value of Vodafone Village and any further real estate properties that the Company should acquire.
Valuations are prepared in compliance with the standard "RICS Valuation - Professional Standards" and in compliance with applicable regulations and the recommendations provided by ESMA European Securities and Markets Authority.
The Company has adopted a specific internal procedure for the selection and appointment of the independent expert as well as the valuation of investment properties.

On the selection and appointment of the independent experts, the procedure requires specific operational binding instructions to verify the duration (four-year non-renewable), the skills and requirements of incompatibility and independence, also through special written statements or the acquisition of specific certifications.
In the procedure it is also provided guidelines for the determination of the remuneration to the independent expert in order to respect the independence requirement. The remuneration provided for assessments at December 31th, 2016 has been preliminarily defined as a fixed amount based on the size of the individual investment property. Valuations are also analysed by the Company in order to verify the correctness and consistency of the assumptions used by the independent expert.

Assets and financial liabilities

Assets and financial liabilities are accounted 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.

Derivatives

Derivatives, including separated embedded derivatives, are assets and liabilities recorded at *fair value*. Derivatives are designed as hedging instruments when the relation between derivative and the covered instrument is formally documented and the hedge effectiveness, verified periodically, is high.
When hedging instruments cover the risk of fair value changes of covered instruments (fair value hedge; es. cover the change in fair value of assets/liabilities at a fixed rate), derivatives are recorded at fair value through profit and loss; consistently, the covered instruments are adjusted to reflect in the income statement the fair value changes related to covered risk, regardless of different criteria valuation forecast.

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

Investments in associated and joint venture

In accordance with IFRS 10 will have control over a subsidiary if and only if, simultaneously:

(i) it has the power over the subsidiary, qualified in possession of valid rights on its relevant activities, that is, those activities that have a significant impact on its profitability;
(ii) it has the actual ability to exercise such power over the subsidiary so as to affect the profitability of the same;
(iii) the profitability (positive or negative) of its investment changes in relation to the entity's subsidiary profitability.

In accordance with IFRS 11, a joint venture is a company over which the Group exercises control in a shared with third parties. Joint control of a company is qualified as sharing, contractually agreed, the control thereof, and may exist when the relevant decisions are made with the unanimous control of joint venturers.
In accordance with IAS 28, a related entity is a company in which the Group has significant influence, described as the power to participate in financial and operating strategic decisions despite of not having control.

Investments in subsidiaries, joint ventures and associates are initially recognized at the cost incurred for the acquisition or establishment, represented by the fair value at the exchange date and all other charges.

Investments in subsidiaries to joint ventures and associates are reviewed annually, or more frequently if necessary, to check for any impairment. Where there is evidence that these investments have suffered a loss in value, the impairment is recognized in the income statement as depreciation. If the company's share of the losses of the subsidiary exceeds the carrying value of the investment, and the company is obliged to or wishes to respond, we are reduced to zero the value of the investment and the share of further losses is recognized as a provision. If, subsequently, the impairment is reversed or reduced, it is recognized in the income statement as a value restoration of the cost limits.

Dividends paid by subsidiaries, joint ventures and associates are recognized in the income statement, while respecting the principle of competence, at the time when the right to credit (generally coincides with the distribution resolution adopted by the Assembly of the subsidiaries).

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.

Severance pay

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

Provision for risks and charges

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

Net Equity

Share capital

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

IPO costs

IPO costs are related to an equity transactions and shall be accounted for as a deduction from equity, in accordance with IAS 32, par. 35.

Cash flow hedge reserve

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

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.

(iii) Sale of properties: revenues from sale of properties is recognized in the income statement and are recognized when the Company has transferred all significant risks and rewards of ownership of the property.

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.

Use of estimates

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

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

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

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

The following are the most significant estimates related to the preparation of financial statements and annual accounting reports in that they entail 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 instruments are incentives granted to management in relation to their significant contribution at start-up and development of the Company. They will be entitled to payment of a yield related to changes in Net Asset Value (NAV), to be performed including remuneration in shares of the Company. The financial instruments are 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. The estimates are subject to hypotheses and assumptions that could be different from initial estimate.

New accounting standards, interpretations and amendments adopted by the Company

The accounting standards adopted in the preparation of the consolidated financial statements are consistent with those in effect at the balance sheet date, inclusive of new standards, amendments and interpretations effective from 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 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 Company, 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 Company does not employ revenue-based methods for depreciation of its non-current assets.

Amendments to IAS 27: *Equity Method in Separate Financial Statements*

The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements have to apply that change retrospectively.
In the case of first-time adoption of IFRS, the entity that decides to use the equity method in the separate financial statements it will have to apply from the transition to IFRS. The changes are effective for annual periods beginning on or after January 1st, 2016, early application is permitted.
These amendments do not have any 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.

38. Operating segment

In this section breakdown by operating segment and by geographical area is not exposed because at December 31st, 2016, the Company owns only Vodafone Village, located in Milan, leased by a single tenant (Vodafone).

All the assets / liabilities and costs / revenues, different from those not directly attributable, refers to this property.

COMMENT ON THE FINANCIAL STATEMENT ITEMS

39. Revenues

(in thousands Euros)	December 31, 2016	December 31, 2015
Revenues		
Revenues from commercial rents	6,920	-
Revenues from recharged expenses	621	-
Total revenues	**7,541**	**-**

The item of Euro 7,541 thousands in revenue from sales and services refers entirely to revenue from the Vodafone Village property, which started to generate income from July 1st, 2016.

40. Other revenues

Other revenue relates to a charge with regard to COIMA SGR for travel expenses incurred during 2016 on its own behalf.

41. Costs for raw materials and services

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

(in thousands Euros)	Corporate	Vodafone Village	December 31, 2016	December 31, 2015
Costs for raw materials and services				
Asset Management fee	-	(1,831)	(1,831)	-
Property Management fee	-	(104)	(104)	-
Valuation of the property	-	(18)	(18)	-
Maintenance and service charge	(1)	(70)	(71)	-
Utilities	-	(539)	(539)	-
Insurance	(66)	(26)	(92)	-
Legal, administrative and technical advice	(768)	-	(768)	(13)
Audit (*)	(142)	-	(142)	(36)
Governance and other control functions	(207)	-	(207)	(31)
IT Services	(183)	-	(183)	(85)
Communication, marketing e PR	(289)	-	(289)	(37)
Other costs	(65)	-	(65)	(19)
Total costs for raw materials and services	**(1,721)**	**(2,588)**	**(4,309)**	**(221)**

(*) The fees refer to the Legal Audit of COIMA RES SIIQ consolidated and separate financial statement

The costs for raw materials and services as at December 31st, 2016 break down as follows:

- costs associated with the regular operations of the Company, which include expenses relating to governance, auditing, external consultants, management and valuation of properties totalling approximately Euro 2,393 thousands (Euro 202 thousands at December 31st, 2015);
- other costs: this item includes expenses relating to the incorporation of the Company, to IPO costs not eligible for recording under shareholders' equity, to the abort costs and to the spot consulting costs equal to approximately Euro 65 thousands;
- asset management fees: fees of Coima SGR S.p.A. based on the existing agreement, calculated on the consolidated NAV and equal to Euro 1,831 thousands, net of COIMA SGR management fees, received to manage of funds.

42. Personnel costs

Personnel costs totalled Euro 955 thousands at December 31st, 2016 (nil balance at December 31st, 2015) and include:

- Euro 503 thousands related to wages and salaries;
- Euro 103 thousands related to social security contribution;
- Euro 14 thousands related to severance pay;
- Euro 335 thousands related principally to Directors fees.

43. Other operating expenses

Other operating costs as at December 31st, 2016 stood at Euro 785 thousands. See below for the summary table.

(in thousands Euros)	Corporate	Vodafone Village	December 31, 2016	December 31, 2015
Property Taxes (IMU)	-	(347)	(347)	-
Property Taxes (TASI)	-	(23)	(23)	-
Stamp duties	-	(41)	(41)	-
Other taxes	(2)	-	(2)	-
Membership fee	(10)	-	(10)	-
Room, board and journeys	(49)	-	(49)	-
Rounding, rebates and contingencies	(1)	-	(1)	-
Other administrative costs	(17)	-	(17)	-
Other operating costs	(295)	-	(295)	(99)
Total other operating expenses	**(374)**	**(411)**	**(785)**	**(99)**

Other operating costs are mainly composed of levies and taxes, equal to Euro 411, directly attributable to the investment in the Vodafone Village property complex.
The sub item *Other management costs* includes Euro 291 thousands relating to the fair value adjustment of the financial instrument granted to the executive directors.

44. Amortisation, depreciation and write-downs

(in thousands Euros)	December 31, 2016	December 31, 2015
Writedown of other tangible assets	(1)	-
Depretiacion of Coima Core Fund IV's investment	(4,475)	-
Total depreciation	**(4,475)**	**-**

The balance of this item as at December 31st, 2016, equal to Euro 4,475, refers, in the main, to the value adjustment of the equity investment in the COIMA Core Fund IV, acquired on May 11th, 2016. This adjustment was made following the impairment test carried out on December 31st, 2016 taking into consideration future cash flows and earnings recorded in previous financial years.
In particular, the net asset of the Fund was compared with the book value on December 31st, 2016. The main activities of the Fund are made by cash and Deutsche Bank's real estate portfolio, which was recorded at *fair value* on the basis of the appraisal issued by the independent expert CBRE Valuation. The liabilities of the Fund consist exclusively of short trade payables and therefore there were no considerations for them. The *fair value* of the net assets of the Fund on December 31st, 2016 was therefore equal to Euro 140,025 thousand, while the value of the investment in the Fund amounted to Euro 144,500 thousands. The comparison of these two values has caused an adjustment of Euro 4,475 thousands. Note that the reduction of the value is mainly due to the distribution of proceeds made by the Fund during the last half year, related to previous years before the acquisition made by COIMA RES.

45. Adjustment to fair value of the properties

The amount for this item amounts to Euro 2,718 thousands and refers entirely to the property complex known as the Vodafone Village. The above-mentioned property complex was revalued based on the expert opinion prepared by the independent expert CBRE Valuation S.p.A. As far as the parameters used by the independent expert to make their evaluation are concerned, please refer to nota 48 – Real Estate Investments.

(in thousands Euros)	December 31, 2016	December 31, 2015
Adjustment to Vodafone Village's Fair Value	2,718	-

46. Income / (Loss) from subsidiaries

(in thousands Euros)	December 31, 2016	December 31, 2015
Dividends declared by Coima Core Fund IV	8,979	-
Dividends declared by MH Real Estate Crescita	1,874	-
Total income (loss) from subsidiaries	**10,853**	**-**

Income from subsidiaries amounts to Euro 10,853 thousands and relates to the dividends distributed by the Funds in which the Company was invested during 2016, as listed below:

- Euro 5,674 thousands on August 5th, 2016, from the COIMA CORE FUND IV;
- Euro 3,305 thousands on December 29th, 2016 from the COIMA CORE FUND IV;
- Euro 1,874 thousands on December 23th, 2016 from the MH REAL ESTATE CRESCITA Fund;

47. Financial income and expense

(in thousands Euros)	December 31, 2016	December 31, 2015
Interest income on bank account	250	-
Interest income on VAT refund	214	-
Exchange gains	2	-
Total financial income	**466**	**-**
Interest costs on bank loans	(2,228)	-
Total financial expenses	**(2,228)**	**-**

Financial income of Euro 466 thousands refers: (i) for Euro 214 thousands, to the interest accrued on the value of the VAT refund requested; and (ii) for Euro 250 thousands, to the interest accrued on the liquidity investments made by the Company. In particular, the Company, while waiting to implement its investment strategy, invested the proceeds from the IPO in a short-term time deposit which pays interest at 40 bps until mid-December 2016 and at 15 bps from December 2016.

All the financial expenses involve the interest expense accrued on the syndicated loan signed on June 29th, 2016, originally for Euro 216,275 thousands.

48. Real Estate Investments

The changes in real estate investments as at December 31st, 2016 are listed below:

(in thousands Euros)	Acquisition	Attendant charges	Revaluation / (Depreciation)	December 31, 2016	December 31, 2015
Vodafone Village Buildings B - C - C1	200,000	4,282	2,718	207,000	-

The Vodafone Village was acquired on June 30th, 2016 for a price of Euro 200 million.

Ancillary costs refers to transfer taxes and notarial and consultancy fees incurred for the acquisition of the property complex called Vodafone Village.

The fair value adjustment refers to the evaluation report carried out by the independent expert for the property complex known as the Vodafone Village, in accordance with The RICS Valuation – Professional Standards and in compliance with the applicable legislation and the recommendations from ESMA European Securities and Markets Authority.

The rates used for the valuation of the investment are given below:

	Independent Appraiser	Evaluation criterion	Discounted rate	Discounted rate retraining	Gross Cap Out rate	Inflation rate forecast	Year plan
Vodafone Village Buildings B - C - C1	CBRE Valuation S.p.A.	Discounted cash flow	5.6%	6.1%	5.9%	1.5%	12

As for Vodafone Village, the valuation, amounted to Euro 2,718 thousands, shows an increase of Euro 700 thousands in comparison with the previous half year valuation. The variation is due principally to the decrease of property taxes (IMU, TASI), estimated at June 30th, 2016 but based on definitive data at December 31st, 2016. Furthermore, the unit values adopted to calculate market rents have been rescheduled on the basis of market researches made by the independent expert.

As mentioned in the administration report, in the real estate market there is a yield compression that does not find full application by the independent experts.

49. Other Tangible Assets

The table below shows the breakdown of other tangible assets as at December 2016, 31:

(in thousands Euros)	December 31, 2015	Increase / (Decrease)	December 31, 2016
Historical costs			
Other tangible assets	-	4	4
Total Historical costs	**-**	**4**	**4**
Redemption fund			
Other tangible assets	-	1	1
Total redemption fund	**-**	**1**	**1**
Net book value			**3**

Other tangible assets consist of the acquisition and the related amortization for mobiles assigned to employees.

50. Equity investments in subsidiaries

The changes in equity investments in subsidiaries as at December 31st, 2016 are listed below:

(in thousands Euros)	December 31, 2015	Value at the time of acquisition	Revaluation / (Depreciation)	December 31, 2016
Coima Core Fund IV	-	144,500	(4,475)	140,025
MH Real Estate Crescita fund	-	69,868	-	69,868
Coima Res SPA SIINQ I	-	250	-	250
Total investments in subsidiaries	**-**	**214,618**	**(4,475)**	**210,143**

Equity investments in subsidiaries as at December 31st, 2016 stood at Euro 210.143 thousands, specifically:

- Coima Core IV Fund contributed by Qatar Holding before the IPO;
- MH Real Estate Crescita Fund acquired on July 27th, 2016 for a holding of 86.67%;
- Coima RES S.p.A. SIINQ I, vehicle established on September 29th, 2016;

The value adjustment of the equity investment in the Coima Core IV Fund is due to the impairment test conducted on the equity investment, already described in previous paragraphs.

The main data relating to associate equity investments is listed below:

(in thousands Euros)	Head office	% owned by Coima Res SIIQ	Share capital at December 31, 2016	Total assets at December 31, 2016	Equity at December 31, 2016 (*)
Coima Core Fund IV (**)	Via della Moscova n.18 - Milan	100%	134,000	140,338	140,025
MH Real Estate Crescita fund (**)	Via della Moscova n.18 - Milan	86.7%	69,957	163,551	83,560
Coima Res SPA SIINQ I	Via della Moscova n.18 - Milan	100%	250	305	235

(*) The Equity amount include the net profit of 2016.
(**) The figures in the above table are related to Annual Report as at December 31st, 2016.

51. Equity investments in associate companies

The item *Equity investments in associate companies* exclusively involves the investment of Euro 13.214 thousands in the Porta Nuova Bonnet fund which was made on December 20, 2016.

(in thousands Euros)	December 31, 2015	Value at the time of acquisition	Revaluation / (Depreciation)	December 31, 2016
Porta Nuova Bonnet fund	-	13.214	-	13.214
Total investments in associated companies	**-**	**13.214**	**-**	**13.214**

For more details, refer to the paragraph Significant events during the year.

52. Derivatives

(in thousands Euros)	December 31, 2016	December 31, 2015
Derivatives	611	-

The balance of this item of Euro 611 thousands relates to the four existing derivatives contracts as at December 31st, 2016 signed to hedge the financial flows relating to the mortgage funding pursuant to paragraph 57. The hedging involves 60% of the Senior Line.

The adjustment to the fair value of the derivatives, amounted to Euro 73 thousands, was recorded in the valuation reserve in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

The hedging strategy adopted by the Company and Funds is to be an upper limit on the cost of financing for the part covered.

The Company recorded hedging transactions based on *hedging accounting*, verifying the effectiveness of the same. In order to test the effectiveness of derivatives, the *hedged item* is identified at the time of hedging, with a *hypothetical derivative*. This derivative must perfectly cover the risks caused by exposure in contractual and underlying terms (notional, indexing, etc.). Finally, the hypothetical signing must take place under market conditions at the start of the hedging relationship.

In order to verify the efficacy of the derivative, it was performed the prospective and retrospective test, which are effective to 100%.
The valuation of derivatives at fair value considered some potential adjustments to be made as a result of the deterioration of the bank counterparties or of the Company itself, also taking into consideration any guarantees given by the Company to the Banks.

53. Trade receivables and other non-current receivables

Non-current receivables, amounted to Euro 38,000 thousands, are related entirely to the VAT refund request on August 1st, 2016, resulting from the acquisition of the Vodafone Village property complex. It is considered that this receivable could be refunded by the Revenue Agency within 18-24 months of the date of the request, including interest accrued at 2% up to the date of actual payment.

54. Trade receivables and other current receivables

The breakdown of trade receivables and other current receivables at December 31st, 2016 is given below.

(in thousands Euros)	December 31, 2016	December 31, 2015
Trade receivables		
Rental receivables	6	-
Total trade receivables	**6**	**-**
Other current receivables		
Tax receivables	5,916	126
Advance payment	52	-
Other advance	1,000	-
Other current activities	3,445	666
Prepayments and accrued income	270	3
Total other current receivables	**10,683**	**795**
Total trade and other current receivables	**10,689**	**795**

The Company reasonably expects trade receivables will be collected within one year, since to date there are no expected losses for uncollectible accounts or other causes of non-realization of receivables from tenants.

Other current receivables mainly relate to VAT receivables of Euro 5,916 thousands; to earnest money of Euro 1,000 thousands paid in relation to the acquisition of the property complex located at via Deruta 19, Milan, completed on January 16th, 2017, by the subsidiary COIMA RES SIINQ I; and to Euro 3,445 thousands for various other assets, described below.

Accrued income and deferred charges relate to liquidity investments and deferred charges involving insurance.

The sub item *Other miscellaneous assets* mainly includes Euro 3,305 thousands of receivables from the distribution of dividends by the subsidiary Coima Core Fund IV, paid at the beginning of January, and other receivables related to advance payment to supplier.

55. Cash and cash equivalents

The cash and cash equivalents of the Company, which stood at Euro 96,943 thousands as at December 31st, 2016, are held at the following institutions:

(in thousands Euros)	December 31, 2016	December 31, 2015
Banca Passadore	3,145	390
Intesa San Paolo	5,244	-
Banco Popolare	33,554	-
Banco Popolare - Time Deposit	55,000	-
Total cash and cash equivalents	**96,943**	**390**

The sums deposited at Intesa Sanpaolo include three pledged current accounts and one unpledged account known as a distribution account which were opened following the singing of the loan agreement which is discussed in more detail below. The unpledged account contains the sums which are part of the Company's cash and cash equivalents following the quarterly verification of the financial covenants.
Interest income was accrued on the account held at Banco Popolare at a rate of approximately 40 bps until mid-December 2016, and at 15 bps until mid-December 2016.

In 2016, while waiting to implement its investment strategy, the Company invested the net proceeds of the IPO in a short-term time deposit.

(in thousands Euros)	Amount	Ignition date	Maturity date	Bps
Time Deposit	55,000	December 15, 2016	March 15, 2016	15
Time Deposit	100,000	September 5, 2016	December 5, 2016	38
Time Deposit	100,000	August 11, 2016	September 5, 2016	40
Time Deposit	160,000	July 11, 2016	August 11, 2016	40
Time Deposit	200,000	May 17, 2016	July 11, 2016	40

Note that the time deposits were originally agreed for a sum of Euro 200,000 thousands. This amount was progressively reduced following subsequent investments made by the Company.

56. Shareholders' equity

Shareholders' equity at December 31st, 2016 stood at Euro 358,589 thousands.

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

- Share capital increase, in cash, on September 30th, 2015, reserved to founder shareholders for 52,000 ordinary shares at Euro 10 per share, of which Euro 0.4 was the capital share and Euro 9.60 was the share premium;
- Share capital increase, in kind, on May 11th, 2016, reserved to Qatar Holding for 14,450,000 ordinary shares at Euro 10 per share, of which Euro 0.4 was the capital share and Euro 9.60 was the share premium;

- Share capital increase on May 13th, 2016, reserved to the market for 21,500,000 ordinary shares at Euro 10 per share, of which Euro 0.4 was the capital share and Euro 9.60 was the share premium;

As laid down by international accounting standards IAS 32, costs related to share capital increases are directly attributable to shareholders' equity against the share premium reserve for an amount equal to Euro 10,070 thousands, mainly attributable to fees paid to placement banks and various professionals involved in the IPO activities.

The valuation reserve of Euro 73 thousands relates to the change in fair value of the derivatives contracts signed in October 2016 to hedge the cash flows of existing loans.

The table below shows the availability and distribution of the equity reserves at December 31st, 2016:

(in thousands Euros)	Amount	Possibility to use	Available	Dividends	Summary of uses in the three previous years	
					To cover losses	For other reason
Share capital	14,451					
Share premium reserve	335,549	A,B	335,549			
Valuation reserve	73					
Gain/ (losses) carried forward	(320)					
Profit/(losses) for the year	8,836					
Total	**358,589**		**335,549**			
Non distributable			335,549			
Remaining distributable						

Legend:

A: for capital increase

B: to cover losses

C: for distribution

57. Bank borrowings and other non-current lenders

(in thousands Euros)	December 31, 2015	Original amount	Amortized costs	Reimbursements	Other charges	December 31, 2016
Bank borrowing	-	216,275	320	(1,937)	(2,685)	211,973

On June 29th, 2016, the Company signed a syndicated loan agreement for a total of Euro 216,275 thousands with the following banks: Banca Imi (**Agent Bank**), Unicredit, BNP Paribas and ING Bank, all participants with a 25% participation in the total loan.
The loan was entered into in order to fund the purchase of the Vodafone Village property complex and indirectly to refinance the acquisition of the Deutsche Bank portfolio.

The LTV as at December 31st, 2016 is 27.4% of value of Real Estate portfolio.

The loan is divided into a Senior Line of Euro 172,275 thousands and a VAT line of Euro 44,000 thousands, the latter subject to repayment of Euro 1,107 thousands on September 30th, 2016, and Euro 830 thousands on December 30, 2016.

The table below summarises the financial details of the loan:

(in thousands Euros)	December 31, 2016	Maturity date	Rate	Arrangement fee	Agency fee	Covenant	% Coverage
Senior Line	170,350	June 29, 2021	Euribor 3M +180bps	90 bps	30	LTV Portfolio: <60%	60%
						LTV Consolidated: <60%	
						ICR Portfolio >1.80x	
VAT Line	41,623	June 29, 2019	Euribor 3M +150bps			ICR/DSCR Consolidated >1.40x	N/A

Based on the provisions of the loan agreement, the Company signed a derivatives hedging contract for 60% of the total amount of the loan (Senior Line) in the form of a 50 bps interest rate cap.
This transaction is a cash flow hedge and comes within the ambit of *hedge accounting*.

Note that the first verification date of the financial covenants is December 31st, 2016, as contractually agreed. The indicators at that date are listed below:

- *Loan to value* at portfolio level: 49.3%
- *Loan to value* at Consolidated level: 50.4%
- *Interest coverage ratio* at portfolio level: 4.70x
- *Interest coverage ratio/DSCR* at Consolidated level: 2.71x

The above indicator respect the covenant agreement.

58. Payables for post-employment benefits

The balance of the severance pay fund is Euro 5 thousands as at December 31st, 2016 only concerns amounts payable to one employee of the Company.

(in thousands Euros)	December 31, 2015	Provisions	Other adjustments	December 31, 2016
Payables for post-employment benefits	-	14	(9)	5

As the company is a start-up and there are no statistics for staff turnover, was not carried the actualization of fund.

59. Provisions for liabilities and charges

The provision for risks and charges of Euro 125 thousands (nil balance as at December 31st, 2015) includes the discounted value of the Long Term Incentive granted to one employee. The incentive stipulates that the employee should be paid if he/she still employed in the company on December 31st, 2018. As the company is a start-up and there are no statistics for staff turnover, the considerations made surrounding the probability of an employee's early departure have led to the figure not being changed.

60. Trade payables and other non-current payables

(in thousands Euros)	December 31, 2016	December 31, 2015
Financial instruments	391	100
Total trade and other non-current payables	**391**	**100**

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 Euro 1 thousand. The instrument was revalued at Euro 391 thousands (Euro 100 thousands as at December 31st, 2015) following an expert report specifically prepared by an external consultant as at December 31st, 2016.
The expert expressed its opinion regarding the *fair market value* of the instrument issued by the Company in favour of certain managers on the basis of the regulations governing the instrument, of the fact that the Company is listed, and of the cash flows forecast in three different scenarios (*base, worst and best*). The instrument gives the right to owners to receive an annual return of 10% of the Company's profit in excess of an annual *total shareholder return* of 8%, and 20% of the Company's profit in excess of the annual *total shareholder return* of 10%.
The valuation was conducted applying the financial criterion. This estimates the value of an asset as the sum of expected financial flows, discounted at a rate expressing the systematic investment risk. 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, worst 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 listing) which need to occur so that said instrument is potentially capable of generating returns for its owners.

The discount rate was estimated assuming the following parameters:

- *risk-free* rate of 1.97%. This figure is equal to the average of the returns (without considering taxes) recorded on the next December 31st, 2016, of the Italian public debt securities with a residual maturity of 10 years;
- Beta coefficient of 0.57%. In particular, the Beta coefficient of the Company was determined:
  (i) assuming the average unlevered Beta (0.44) of a panel company carrying out activities comparable to those of COIMA RES;
  (ii) re-levering such Beta (using i.e. “Hamanda” formula) in order to take into consideration the target financial structure of COIMA RES, as presented by the management of COIMA (i.e. ratio net funding position / equity amounted to 42.5%);
  (iii) ERP of 6.16%. This figure corresponds to most recent measure of forward looking ERP compared to the estimate date, deducted from empirical observations of the market.

61. Trade payables and other current payables

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

(in thousands Euros)	December 31, 2016	December 31, 2015
Trade payables		
Trade payables to suppliers	3,173	608
Invoices to be received	755	227
Total trade payables	**3,928**	**835**
Other payables		
Personnel debts	194	-
Security providers debts	78	-
Company bodies debts	20	-
Tax payables	29	-
Accruals and deferred income	1,270	-
Total other payables	**1,591**	**-**
Total trade and other payables	**5,519**	**835**

The item *Payables to suppliers* mainly comprises payables to COIMA SGR of a sum of Euro 2,840 thousands. This payable refers to asset management services provided during the course of the year.

Invoices to be received from Coima Res SIIQ mainly comprise: the pro-forma invoices received from consultants appointed by the Company for legal, tax and administrative advice (Euro 406 thousands); marketing and communication costs (Euro 119 thousands); and fees paid to the statutory auditors (Euro 117 thousands).

Deferred income relates mainly to the deferred rental for the Vodafone Village complex of Euro 1,166 thousands.

The remainder of the item is represented mainly by payables to staff for bonuses, to the directors, and to the tax authorities and social security institutions for contributions for employees.

62. Information on transfers of financial asset portfolios

The Company has not made any transfers between financial asset portfolios in 2016.

63. Information on fair value

IFRS 13 provides that:

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

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

1) Adjusted based on the circumstances: measurement techniques must be applied consistently over time unless there are more representative alternative techniques for the measurement of fair value.
2) Maximise the observable inputs: inputs are divided into observable and unobservable, providing various examples of markets from which fair values can be calculated.
3) Measurement techniques of fair value are classified in three hierarchical levels according to the type of input used:
   - Level 1: inputs are quoted prices in active markets for identical assets or liabilities. In this case the prices are used without any adjustments.
   - Level 2: inputs are quoted prices or other information (interest rates, observable yield curves, credit spreads) for similar assets and liabilities in active and inactive markets. For this case price adjustments can be made based on specific factors of the assets and liabilities.
   - Level 3: in this case inputs are not observable. The standard provides that it is possible to use the latter technique only in this case. Inputs for this level include, for example, long-term currency swaps, interest rate swaps, decommissioning liabilities undertaken in a business combination, etc.

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

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

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

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

The comparison between the book value and the fair value of the Company's assets and liabilities as at December 31st, 2016 is given below.

(in thousands Euros)	December 31, 2016		December 31, 2015	
	Net book value	Fair Value	Net book value	Fair Value
Assets				
Real estate investments	207,000	207,000		
Other tangible assets	3	3		
Investments in sussidiaries	210,143	210,143		
Investments in associated companies	13,214	13,214		
Derivatives	611	611		
Long term financial assets and trade receivables	38,000	38,000		
Short term financial assets and trade receivables	10,689	10,689		
Cash and cash equivalents	96,943	96,943	390	390
Total assets	**576,603**	**576,603**	**390**	**390**
Liabilities				
Floating rate bank borrowings	211,973	214,369		
Other liabilities	5,650	5,650		
Financial instruments	391	391	100	100
Total liabilities	**218,014**	**220,411**	**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 as at December 31st, 2016.

(in thousands Euros)				
December 31, 2016	Total	Quoted price in active markets (Level 1)	Observable input (Level 2)	Unobservable input (Level 3)
Assets				
Real estate investments	207,.000			207,000
Other tangible assets	3			3
Investments in sussidiaries	210,143			210,143
Investments in associated companies	13,214			13,214
Derivatives	611		611	
Long term financial assets and trade receivables	38,000			38,000
Short term financial assets and trade receivables	10,689			10,689
Cash and cash equivalents	96,943			96,943
Liabilities				
Floating rate bank borrowings	214,369		214,369	
Other liabilities	5,650			5,650
Financial instruments	391		391	

(in thousands Euros)				
December 31, 2015	Total	Quoted prices in active markets (Level 1)	Observables input (Level 2)	Unobservables input (Level 3)
Assets				
Cash and cash equivalents	390			390
Liabilities				
Financial instruments	100		100	

64. Risks and commitments

The risks to which the Company is exposed, and the related mitigation, are described in the Chapter 4 "Governance" – *How we manage risks*.
As at December 31st, 2016, there was a commitment to Immobiliare Deruta 2005 S.a.s. due to the signing, on behalf of the subsidiary COIMA RES SIINQ I, of the preliminary purchase agreement for a property complex comprising two buildings, located at 19 Via Privata Deruta in Milan, for a price of Euro 46 million. Note that on January 16th, 2017 the purchase of this complex was completed.

As for the loan, the Company has been agreed with the lending banks the following security package :

- First mortgage of Euro 432,550 thousands;
- Pledge on the COIMA CORE FUND IV units;
- Pawn on operating bank accounts linked to the loan agreement, with the exception of the account to which the amounts distributed as dividends will be paid;
- Disposal of receivables related to Vodafone Village rents, insurance claims and any other receivables arising from disputes against consultants engaged for the *due diligence* on Vodafone Village

The Company has a commitment of Euro 25,000 thousands to Porta Nuova Bonnet fund. Note that as of December 31st, 2016 the Fund Porta Nuova Bonnet drew Euro 13,214 thousands and therefore a residual commitment of Euro 11,786 thousands.

65. Related party transactions

Related party transactions are listed below:

(in thousands Euros)	Receivables	Payables	Revenues	Costs
Fund Coima Core Fund IV	3,305	-	8,979	-
Fund MH Real Estate Crescita	-	-	1,874	-
Coima SGR S.p.A.	62	2,837	10	1,850
Coima Image S.r.l.	-	5	-	12
Senior Managers	-	394	-	568
Directors	53	577	-	626
Board of auditors	-	117	-	117
Total	**3,419**	**3,930**	**10,863**	**3,173**

Also note that the Company has signed the following service agreements with related parties, namely:

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

Publication of the audit fees pursuant to art. 2427, para. 1, sub-para. 16-bis, of the Italian Civil Code

This table contains details of the fees paid to the independent auditors appointed to conduct the audit pursuant to Legislative Decree no. 39 of January 27th, 2010, and to other entities in the network to which the independent auditor belongs:

Type of services	Party providing the service	Fee
Auditing (*)	EY S.p.A.	142
Certification services	EY S.p.A.	463
Total		**605**

(*) The fees refer to the Legal Audit of COIMA RES SIIQ consolidated and separate financial statement

Certification services refer to the costs incurred by the Company for the admission to listing on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A.

CERTIFICATION BY THE CEO AND BY THE MANAGING DIRECTOR RESPONSIBLE FOR THE PREPARATION OF THE CORPORATE ACCOUNTING DOCUMENTS RELATING TO THE FINANCIAL STATEMENTS AT DECEMBER 31ST, 2016

pursuant to Article 154-bis, para. 5, of Legislative Decree no. 58 of February 24th, 1998 and Article 81-ter of Consob Regulation no. 11971 of May 14th, 1999

1) We, the undersigned, Manfredi Catella, as Chief Executive Officer, and Fulvio Di Gilio, as Manager responsible for preparing the 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 24th, 1998, hereby certify:
   - the adequacy, with regard to the nature of the Company; and
   - the effective application of the administrative and accounting procedures adopted in preparing the financial statements.
2) In this regard, we also note that:
   - the adequacy of the administrative and accounting procedures adopted in preparing the financial statements has been verified by means of the evaluation of the internal control system on the financial information.
   - no material aspects have been detected from the evaluation of the internal control system on the financial information.
3) We also certify that:
   The financial statements:
   - have been prepared in accordance with the international financial reporting standards recognized in the European Union under the EC Regulation 1606/2002 of the European Parliament and of the Council of July 19th, 2002;
   - are consistent with the entries in the accounting books and records;
   - are capable of providing a true and fair representation of the assets and liabilities, profits and losses and financial position of the issuer.

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

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

Milan, February 8th, 2017

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*]

INDEPENDENT AUDITORS' REPORT

Building a better working world

EY S.p.A.
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20123 Milano

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ey.com

Independent auditor's report
in accordance with articles 14 and 16 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

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

Report on the financial statements

We have audited the accompanying financial statements of COIMA RES S.p.A SIIQ, which comprise the balance sheet as at 31/12/2016, and the income statement, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The Directors of COIMA RES S.p.A SIIQ are responsible for the preparation of these financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulations issued to implement art. 9 of Legislative Decree n. 38, dated 28 February 2005.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with article 11 of Legislative Decree n. 39, dated 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

EY S.p.A.
Sede Legale: Via Po, 32 - 00198 Roma
Capitale Sociale € 2.950.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
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Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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Building a better working world

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of COIMA RES S.p.A SIIQ as at 31/12/2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with article 9 of Legislative Decree n. 38, dated 28 February 2005.

Report on other legal and regulatory requirements

Opinion on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and the Company's Ownership Structure with the financial statements

We have performed the procedures required under audit standard SA Italia n. 720B in order to express an opinion, as required by law, on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and the Company's Ownership Structure as provided for by article 123-bis, paragraph 4 of Legislative Decree n. 58, dated 24 February 1998, with the financial statements. The Directors of COIMA RES S.p.A. SIINQ are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and the Company's Ownership Structure in accordance with the applicable laws and regulations. In our opinion the Report on Operations and the specific information of the Report on Corporate Governance and the Company's Ownership Structure are consistent with the financial statements of COIMA RES S.p.A. SIIQ as at 31/12/2016.

Milan, 23 February 2017

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.

BOARD OF STATUTORY AUDITORS' REPORT

COIMA RES S.p.A. SIIQ

STATUTORY AUDITORS' REPORT

TO SHAREHOLDERS' MEETING OF COIMA RES S.P.A. SIIQ

pursuant to art. 153 of Legislative Decree 58/1998 and art. 2429 of Italian Civil Code

Dear Shareholders,

he Board of Statutory Auditors of COIMA RES S.p.A. SIIQ is required to report to the Shareholders' General Meeting, called to approve the financial statements for the year ended December 31st, 2016, regarding the audit conducted during the year pursuant to art. 153 of Legislative Decree 58/98 and art. 2429 et seq. of Italian Civil Code, in relation to the Company's shares that began trading on the Mercato Telematico Azionario, on May 13th, 2016.

We noted that, in compliance with Legislative Decree n.58/98, the supervisory activities on the regular bookkeeping and of financial statements (consolidated and separate) have been tasked by the auditing firm EY S.p.A., appointed by Shareholders' Meeting of February 1st, 2016, whose reports - which contain no qualifications or emphasis of matter - we refer you.

During the year ended December 31st, 2016 the Board of Statutory Auditors of COIMA RES S.p.A. SIIQ carried out the supervisory activities required by the existing law, in accordance with the Supervisory Authorities recommendations and in particular according to the key required to CONSOB with Communications n. 1025564 of April 6th, 2016 and subsequent supplements of 2003 and 2016, and also in accordance with the code of good practice for listed entities for the Board of Statutory Auditors suggested by the Italian National Association of Professional Accountants.

Pursuant to Legislative Decree 39 of January 27th, 2010 for the public interest entities, which is your Company, the Internal Control and Auditing Committee identifies with the Board of Auditors and therefore, during the period, were carried out the supervisory activities mandated at the same, pursuant to art. 19 of the aforementioned Decree.
The Board of Statutory Auditors has verified the independence requirements of its members and the auditing firm, as well as the proper procedures for establishing the independence of Board of Directors with this qualification.

We report the following:

- We in office attended, with limited absences by some of its members, all meetings of the Board of Directors during the year and obtained periodically information from Directors as for activities and on the most significant transactions performed by the Company.

- In addition we in office attended regular meetings of Committee established in accordance with the Code of Conduct, and in particular the Control and Risk Committee, also as Related-Parties Committee, and Compensation Committee.
- We supervised the activities of the Company entrusted to us by Art. 149 of Single Act of Finance, through specific audits, regular meetings with business leaders, with the Internal Control Committee, with the Supervisory Board, with the heads of corporate functions, including control, as well as through the information sharing with representatives of the auditing firm.
- We assessed and supervised, as for our competence, the adequacy of the internal control and the account administration system, as well as the performance of detection and control system.
- We verified, through information collected by the auditing firm and the executive responsible for the preparation of the accounting documents, the compliance with legal regulation related to the preparation and setting of consolidated and separate financial statements, as well as the Management Report, exercising the functions entrusted to us pursuant to art. 19 of the Legislative Decree 39/10.

Our participation in Board of Directors' meetings, the meetings with the Control Functions and with the leaders of various business Functions, as well as the examination of information flows provided by the same Functions, have enable to us to obtain, in different segments, necessary and useful information on the general business performance and on the outlook for operations, organization and internal control system, risk management, and accounting system in order to evaluate its suitability compared to business needs and operational reliability.

In particular, thanks to the meeting with the internal control functions, we have received adequate information on the internal control system and risk management.

Contacts with the executive responsible allowed a hit on compliance with policies and procedures for the administration and accounting system, which is confirmed as adequate.

As for the ways in which institutional tasks assigned were carried out to the Board of Auditors, we inform you and give you act:

- to having acquired necessary knowledge to carry out audit activities for aspects of its competence, on the adequacy of the Company's organizational structure, including links with subsidiaries, through direct surveys, information gathering by leaders of the Functions concerned, exchanges of data and information with auditing firm;
- to having supervised the operation of internal control and accounts administration system, in order to evaluate the adequacy to business needs, as well as its reliability in providing an accurate picture of Company operations, through direct surveys on business records, obtaining information by leaders of the Functions concerned, analysis of the results of the work carried out by the auditing firm.

In compliance with the recommendations provided by CONSOB as for the content of Board of Auditors' Report, we report the following:

1. **Considerations on the events and transactions carried out by the Company that had significant impact on assets, finances and operating result, and their compliance with the law and the instruments of incorporation.**

COIMA RES S.p.A. SIIQ's Financial Statement for the year 2016 recorded a profit of Euro 8,836 thousands, whose formation is described in detail by the Board of Directors in its report, to which we refer you.

For our part we announce the events and transactions that had significant impact on assets, finances and operating result.

As anticipated, the Company's shares started trading on the MTA on May 13th , 2016.

After the Institutional Placement contract's signing, the 100% units in COIMA Core Fund IV (Italian Banking Fund), Closed Real Estate Investment Fund reserved for qualified investors and managed by COIMA SGR S.p.A., the assets of which include the Deutsche Bank portfolio, were conferred by Qatar Holding LLC.

The conferral amount was equal to 144.5 million Euro.

It was also subscribed a capital increase on April 1st, 2016 for a total amount of Euro 215 million, issued as the Initial Public Offering

- *Acquisitions*

i) On June 30th, 2016 the acquisition of three building complex known as "Vodafone Village", located in Milan, was executed for a total amount of 200 million Euro plus VAT and charges.

ii) On July 27th, 2016 the acquisition of two buildings was executed acquiring 86.67% units in MH Real Estate Crescita fund ("MHREC"): Gioiaotto (Porta Nuova, Milan) and Palazzo Sturzo (EUR district, Rome) for a total amount of 145.5 million Euro.

iii) On December 20th, 2016 the acquisition of 36% investments in JV was completed, in an office complex located in via Bonnet, in Milan, that will be subject to redevelopment. The complex was acquired through a newly established fund, named Porta Nuova Bonnet, participated by COIMA RES for 36%, for a total investment amount of Euro 51 million, of which about Euro 25 million of capital risk.

All the acquisitions described above were made in cash by using part of the proceeds arising from the IPO.

- *Loan agreements*

On June 29th, 2016 the Company signed a pool loan agreement that, at December 31st, 2016, amounts to Euro 212 million, of which Euro 170 million with a five-year maturity and Euro 42 million, related to VAT line

used for the acquisition of "Vodafone Village", with three-year maturity.
Interests costs are calculated on 3-month Euribor plus 180bps (150 bps for the VAT financing).

- *SIIQ Regime*

The Company takes advantage of the benefit for the application of the SIIQ tax regime, subject to the condition that the company carried out via prevalent real estate lease activity, starting from the year ended December 31st, 2016. The special taxation regime provides that the income derived from the business of real estate lease is exempt from corporate income tax (IRES) and the regional tax on productive activities (IRAP) and the part of statutory profit corresponding to it is subject to taxation for shareholders in the distribution in the form of dividends, which may not be less than 70% of net income.

***

The Board of Statutory Auditors, on the on the basis of the information acquired and in the light of verifications carried out, has no comments or Comments to report on the specific point, in relation to compliance with the Law and Article of Association of the operations carried out by the Company.

2. **Atypical and unusual intercompany, third and related parties transactions**

During our supervisory activities we did not encounter atypical or unusual transactions carried out between your Company and third parties.

2.1 Atypical and unusual related parties transactions

During our supervisory activities we did not encounter atypical or unusual transactions carried out with related parties.

2.2 Atypical and unusual third and related parties transactions

During our supervisory activities we did not encounter atypical or unusual transactions carried out with third and related parties.

2.3 Ordinary intercompany and related parties transaction

The Company, in accordance with Related Parties Regulation n. 17221 approved by Consob of March 12th, 2010, as subsequently amended, as well as according to directions and guidelines mentioned in Consob Communications n. DEM/10078683 of September 24th, 2010, adopted the "Related Parties Transactions Procedure" for the management, review, approval and market disclosure of transactions carried out with related parties.
The Board of Directors provided information in the Notes of Financial Statements, section "other information", as for the ordinary transactions carried out with related parties, which reference is made.

We report that these transactions are related to ordinary business operations involving purchases of services included in the Asset Management Agreement with COIMA SGR S.p.A. and with COIMA

S.r.l. for provision of development & project management, as well as provision property & facility management.

We also acknowledge also that the Company entered into related party transactions which generated dividends distributed by the Funds
participated by the Company during the year 2016.

The Board of Statutory Auditors considers the procedures in compliance with the principles set out in the Consob Regulation and has participated, during the year 2016, all control and risk Committees' meeting in which the operations were reviewed, ensuring compliance with the procedure adopted by the Company.

3. Comments about any emphasis of matter of Independent Auditors

The auditing firm EY S.p.A. has issued its Reports pursuant to Art. 14 and 16 of Legislative Decree n.39/2010 concerning the Financial Statements and Consolidated financial statements on February 23th, 2017, unqualified and without emphasis of matter.

4. Complaints ex art. 2408 of the Civil Code.

During the year 2016, and up to the date of the Report, no complaints according to art. 2408 of the Civil Code are occurred.

5. Presentation of claims

During the year 2016, and up to the date of the Report, no exposed to be reported to Shareholders' meeting are occurred.

6. Independent Auditors other engagement and related costs

The Board of Statutory Auditors examined the report on the independence of the external auditor, as per art. 17 of Legislative Decree no. 39/2010, issued on February 20th, 2017, that does not highlight situations which might have compromised the independence or causes of incompatibility, pursuant to Articles 10 and 17 of the decree and related provisions of implementation.

Also according to the statement of the Independent Auditors, the Board of Statutory Auditors noted that the fees for the year 2016 recognized to EY S.p.A. are reported in a specific table prepared by Directors pursuant to Art. 149 duodecies of the Regulation implementing Legislative Decree 24 February 1998 n. 58, concerning the regulation of Issuers, contained in the notes to the separate financial statements, paragraph "Disclosure of auditing fees pursuant to art. 2427 paragraph 1, point 16 a) of the Civil Code "and summarized below (in Euro / thousands):

Services provided	Company	Fees
Audit (*)	EY S.p.A.	142
Certification Services	EY S.p.A.	463
Total		**605**

(*) These fees refer to the audit of COIMA RES SIIQ separate and consolidated financial statements

The Certification services are related to the issuance of comfort letters, audit reports concerning the Consolidated Pro-forma financial statements and the Business Plan prepared in connection with the operation of admission to listing of the Company's shares on the Mercato Telematico Azionario organized and managed by the Italian Stock Exchange.

7. Engagement assigned to entities related to Independent Auditors

During the year no engagement to entities related to the Independent Auditors have been assigned.

8. Opinion issued pursuant to Law

During the year 2016, the Board of Statutory Auditors did not issue any opinion.

9. Frequency of Board of Directors' and Board of Statutory Auditors' meeting

During the year 2016, the Board of Statutory Auditors met n° 6 times; it also
attended n° 14 Board of Directors' meeting, n° 3 Control and Risk Committee's meeting, n° 3 Compensation Committee's meeting, and n° 3 External Auditor and control Functions' meeting, also the only Shareholders' meeting held during the year.

10. Comments on compliance with principles of proper administration

The Board of Statutory Auditors monitored, in relation to what is in its competence, compliance with the principles of proper administration. The activity of the Board of Statutory Auditors has been directed to review the legitimacy of Directors' decisions and their compliance, in the process of their formation, with criteria of equity and financial economic rationality, according to the technique and practice suggested by the best doctrine and best company practices.
The Company is, in the opinion of the Board of Statutory Auditors, managed in compliance with the Law and the Articles of Association rules.

The structure of powers and delegated powers - as designated - appear adequate for the size and operation of the Company.

In particular, also as regards the Board of Directors resolution process, the Board of Statutory Auditors assessed, even attending at the meetings, the compliance with the Law and the Articles of Association of decisions taken by Directors and verified that the resolutions were assisted by specific analyzes and opinions prepared - if necessary - also by consultants, with particular reference to economic and financial fairness of transactions and their compliance with corporate interests.

This activity of the Board of Statutory Auditors took place without merit control on the opportunity and convenience of management decisions.

There were no comments on compliance with the principles of proper administration.

11. Comments on the adequacy of the organizational structure

The Board of Statutory Auditors monitored, for matters within its competence, Company's organizational structure, through direct observations, hearings, gathering of information from the competent corporate functions and meetings with the person in charge of the control functions.

Considering the particular model adopted, which provides COIMA SGR as manager of the Company, the Board of Statutory Auditors has in particular monitored the suitability of the information flow structure to ensure adequate representation of business matters.

It is noted that, during the year, the administrative structure was implemented by inserting a new resource.

Our reliability evaluation of the organizational structure as a whole is that this is substantially adequate, needing a constant monitoring of the effectiveness of the interaction between the two companies during the year.

12. Comments on the adequacy of the internal control system

COIMA RES has set up its own internal control system in order to maintain, in line with the current legal and regulatory provisions: i) strategic control over the different areas of business in which the Company operates and the different risks related to activities; ii) a management control in order to ensure the maintenance of conditions of economic, financial and capital breakeven; iii) technical-operational control aimed at evaluate the various risks.

The Board of Statutory Auditors examined the adequacy of the internal control system directly through meetings with the person in charge of the various business areas and attending the meetings of Control and Risk Committee, regular meetings with the Director responsible for the internal control system and management of risks, the executive responsible for the preparation of the accounting documents and the Independent Auditors, verifying that the system did not highlight major problems or facts or elements that should be reported here.

The Board of Statutory Auditors, as part of the duties assigned, followed, also, the various activities performed and was informed on the implementation of business plans and results achieved, including coordination effectiveness of the activities and information flows between the various parties involved.

With regard to the protections implemented by the Company to cover the risks to which it is exposed, the Board of Statutory Auditors took note of how COIMA RES has adopted an appropriate risk management and control mechanisms in order to ensure an efficient and effective business processes management, and to ensure the trustworthiness, accuracy, reliability and timeliness of financial information as well as assets protection, compliance with laws and regulations, the Articles of Association and internal procedures.

In this respect, the Board of Statutory Auditors noted that the Board of Directors, on July 27th, 2016, approved the regulation on internal control and risk management, based on a traditional model with three levels of control:

- "line" controls (or "first level"), carried out by the operational units, aimed at ensuring the proper performance of operations;
- "second level" controls, carried out by Risk Management Function and the legal department, with the objective of ensuring, inter alia: i) the proper implementation of the risk management process; ii) compliance with the operational limits in place for the various functions; iii) compliance with rules, including self-regulation, of company's operations;
- "third level" controls, responsibility of Internal Audit function, in order to identify violations of procedures and regulations as well as to periodically assess completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability of the internal control system and information system (ICT audit);

In the first months of the current year Compliance function has been set up, integrating its activities with the internal audit activities.

With regard to the organizational control protections, the Board of Statutory Auditors also took note of how the Company intends to regulate in a rigorous way the procedures for carrying out its activities, by establishing, within the definition of the strategic, industrial and financial plans, a specific statutory provision in terms of risk-taking. In particular:

a) investment in a single property with urban and functional characteristics should be limited to a maximum amount equal to 40% of the total value of the Company's most recently approved budget;
b) rental income from a single tenant - or tenants belonging to the same group - may not exceed 40% of the total amount of the Company's rental income;
c) debt, net of cash and cash equivalents and financial receivables from the parent company may not exceed 70% of the total value of assets in the last approved financial statements.

The Board of Statutory Auditors has finally taken note of the activities planned by the Supervisory Body, appointed to guarantee the adequacy, compliance with and updating of the organization and management model pursuant to Legislative Decree no. 231/01.

The analyzes and tests carried out in relation to the areas concerned and functions of internal audit activity, emerges a substantial college evaluation adequacy of the internal control system adopted.

13. Comments on the accounting system

The Board of Statutory Auditors has regularly monitored the functioning of the system also through meetings with the Manager responsible for preparing corporate accounting documents, gathering information from the person in charge of the relevant corporate departments, examining company documentation and regular analysis of the outcome of the work performed by the Independent Auditors, including the semiannual reporting of the company.

With regard to the accounting information contained in the financial statements and in the consolidated financial statements as of December 31st, 2016, it is reported that the Chief Executive Officer and the Manager in charge of preparing the Company's financial reports have made statements, without qualification for the preparation of corporate financial statements, as well as in relation to the Directors' report on the reliability of performance and management results, as well as a description of the risks and uncertainties faced by the Company and have also proceeded to the prescribed clearance under Article. 81-ter of CONSOB Regulation no. 11971/1999 and S.M.

From the evaluation of the accounting and administrative system there are no facts and circumstances likely to be mentioned in this report and it is believed that the administrative and accounting function is sufficiently structured and appropriate to address the business needs manifested during the year, both in terms of resources used and in terms of professionalism and so it is able, therefore, to properly reflect the Company's events.

14. Comments on the adequacy of the instructions given to subsidiaries

The Board of Statutory Auditors, taking into account that the only subsidiary, at the balance sheet date is a newly set up company which is substantially inactive, was informed that it was not necessary to issue specific instructions to be sent.

15. Significant matters arising during the meetings with Independent Auditors

The Board of Statutory Auditors, identified by the Consolidated Act on legal audit as the "Committee for Internal Control and the statutory audit" in order to make its own opinion:

(I) it has gathered information on the audits carried out by the company in charge of auditing the regular corporate accounting and correct reporting of operating events in the accounting records;

(II) it has received from the Independent Auditors, in accordance with art. 19, paragraph 3 of Legislative Decree. N. 39/2010, the explanatory report of the "core issues" emerged during the legal audit and any "significant deficiencies" identified in the internal control system in relation to the financial reporting process, in which are not exposed any issues worthy of mention;

(III) it received by that company, pursuant to art. 17, paragraph 9, letter a) of Legislative Decree. N. 39/2010, the confirmation of its independence as well as the notification of non-audit services provided to COIMA by itself or by entities belonging to its network, discussing the risks related to the independence and the measures taken to mitigate those risks;

In particular, the Board of Statutory Auditors monitored:

- The financial reporting process;
- The effectiveness of internal control systems, internal audit and risk management;
- The audit of the annual separate accounts and consolidated accounts;
- Independence of the Independent Auditors, in particular as regards the provision of non-audit services.

The Board of Statutory Auditors examined the reports issued by EY S.p.A., whose activities integrates the overall picture of the control functions required by the regulations in relation to the financial reporting process.

These reports, issued on February 23rd, 2017 pursuant to Article 14 of Legislative Decree no. 39/2010, show that COIMA separate and consolidated financial statements have been prepared according to IAS / IFRS issued by International Accounting Standards Board and adopted by the European Union, in force at December 31st, 2016.

In the auditor's opinion the financial statements, individual and consolidated, are prepared clearly and give a true and fair view of the financial position, financial performance and cash flows for the year ended December 31st, 2016.

Furthermore, in the opinion of the Independent Auditors, the Directors' Report is consistent with the financial statements.

The Board of Statutory Auditors has also considered the report issued on February 23rd, 2017, by the Independent Auditors, in accordance with art. 19 of Legislative Decree no. 39/2010, from which it did not bring any difficulties encountered in the course of the review process, no significant weaknesses in the internal control system in relation to the financial reporting process.

The Independent Auditors, periodically met in compliance with art. 150, paragraph 3, of the Consolidated Financial Act to the exchange of mutual information, did not communicate to the Board of Statutory Auditors acts or facts considered reprehensible or irregularities which have required the formulation of specific reports pursuant to art. 155, paragraph 2, of the Consolidated Financial Act.

During the year under review they were kept regular contact with the Independent Auditors, with whom a fruitful relationship of exchanges of data and information was established, also in relation to the functions assumed by the Board of Statutory Auditors pursuant to art. 19 of Legislative Decree. N. 39/2010 in its role of "Committee for Internal Control and Auditing".

During the exchange of information with the Independent Auditors, the Board of Statutory Auditors has focused its attention in particular to: (i) the audit activities on separate and consolidated accounts and (ii) matters related to Independent Auditors independence (iii) the audit plan.

16. Adherence to the Corporate Governance Code

The Company has adhered to the standards included in the Corporate Governance Code promoted by the Italian Stock Exchange and the Board of Directors on February 8th, 2017 approved the annual report on corporate governance and ownership structure.

We remember that:
(I) within the Board of Directors, with an advisory and prepositive role, operates the Control and Risk Committee; about the role, tasks and operation, see the specific chapter dedicated in the Report on Corporate Governance;
(Ii) the Board of Directors appointed Matteo Rava as Director in charge of supervising the internal control and risk management system;
(Iii) the Company set up the Compensation Committee; the Company decided not to set up a Nomination Committee.
(Iv) The company also set up, in consideration of the business performed, an Investment Committee.
The Board of Statutory Auditors verified the correct application of the criteria adopted by the Board of Directors to evaluate the independence of its non-executive members as well as the correct application of the relevant verification procedures.
At the end of this process the Board of Statutory Auditors did not have comments to be reported.
The Board of Statutory Auditors has also assessed positively the independence of its members.

17. Closing Comments regarding supervisory activity

We finally certify that from our supervisory activities no omissions, reprehensible facts or irregularities to be reported to Shareholders and to Supervisory Authorities emerged.

18. Proposals to Shareholders' meeting

The Board of Statutory Auditors acknowledge that it has monitored the compliance with procedural rules and law regarding the preparation of the separate and consolidated financial statements for 2016 as well as the respect of Directors' duties in this matter.
The separate and consolidated financial statements of the Company are closed by the certification issued by the Chief Executive Officer and the Manager responsible for preparing corporate accounting documents pursuant to Art. 154 bis of the Consolidated Law of Finance and Art. 81-ter of Consob Regulation n. 11971 of 14 May 1999 as amended.
The separate and consolidated financial statements of COIMA RES S.p.A. SIIQ have been prepared in accordance with International Financial Reporting Standards. As it is not a duty of the Board of Statutory Auditors to analyze the content of the financial statements, the Board of Statutory Auditors activities was limited to supervise the general definition of the financial statements, their general compliance with the law in relation to their preparation and structure and compliance with the mandatory template.
On the basis of the foregoing, no recognizing impediments, we express consent, according to our responsibility, to the approval of the separate financial statements for the year 2016, together with the Directors' Report as presented by the Board of Directors.

We do not see impedimental reasons also on the proposal of the Board of Directors regarding the allocation of the net profit of Euro 8,835,692.

Milan, February 23rd, 2017

The Board of Statutory Auditors

The President
Mr. Massimo Laconca

Members

Mrs Milena Livio

Mr. Marco Lori

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

EPRA PERFORMANCE MEASURES – EPM

The summary table below shows the principal EPRA Performance Measures with refererce to Annual Report 2016' sections.

EPRA Performance Measures - EPM	Reference	December 31st, 2016 (in €/000)	December 31st, 2016 (in %)	€ per share
Income Statement IAS/IFRS	Chapter 1 The Company (Highlights and Event 2016) ; Consolidated statements of profit / (loss) for the year;	12,123		0.53
EPRA Earnings	Chapter 5 Financials (Financial review); Chapter 5 Financials (EPRA Performance Measures – EPM);	4,800		0.13
EPRA NAV	Chapter 5 Financials (Financial review); Chapter 5 Financials (EPRA Performance Measures – EPM);	362,193		10.06
EPRA NNNAV	Chapter 5 Financials (Financial review); Chapter 5 Financials (EPRA Performance Measures – EPM);;	359,587		9.99
EPRA Net Initial Yield	Chapter 5 Financials (Financial review); Chapter 5 Financials (EPRA Performance Measures – EPM);		5.3%	
EPRA "topped-up" NIY	Chapter 5 Financials (Financial review); Chapter 5 Financials (EPRA Performance Measures – EPM);		5.3%	
EPRA vacancy rate	Chapter 5 Financials (Financial review); Chapter 5 Financials (EPRA Performance Measures – EPM);		4.2%	
EPRA Cost Ratio (including direct vacancy costs)	Chapter 5 Financials (Financial review); Chapter 5 Financials (EPRA Performance Measures – EPM);		51.4%	
EPRA Cost Ratio (excluding direct vacancy costs)	Chapter 5 Financials (Financial review); Chapter 5 Financials (EPRA Performance Measures – EPM);		49.7%	
Investment properties' information	Chapter 1 The Company (Our portfolio)			
Like for like rents	Chapter 5 Financials (EPRA Performance Measures – EPM);		2.9%	
Top 10 investment properties	Chapter 5 Financials (EPRA Performance Measures – EPM);			
Top 10 tenants	Chapter 5 Financials (EPRA Performance Measures – EPM);			
Real Estate portfolio: Term lease contract	Chapter 5 Financials (EPRA Performance Measures – EPM);			
Real Estate portfolio: Other informations	Chapter 5 Financials (EPRA Performance Measures – EPM);			

The Company started operations on May 13th 2016, when it was admitted to negotiations, so there is no EPRA Performance Measures for 2015.
Furthermore, as at December 31st, 2016 there aren't components which dilute the performance indicators.

EPRA Earnings & Earnings per Share (EPS)

EPRA Earnings & Earnings per Share	*Earnings in thousands Euro*
Earnings per IFRS income statement	**12,123**
Adjustments to calculate EPRA Earnings, exclude:	
(i) Changes in value of investment properties, development properties held for investment and other interests	(4,471)
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	-
(iii) Profit or losses on sales of trading properties including impairment charges in respect of trading properties	(50)
(iv) Tax on profits or losses on disposals	-
(v) Negative goodwill/goodwill impairment	(1,977)
(vi) Changes in fair value of financial instruments and associated close-out costs	291
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-
(viii) Deferred tax in respect of EPRA adjustments	-
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	(1,115)
(x) Non-controlling interests in respect of the above	-
EPRA Earnings	**4,800**
Basic number of shares	**36,007**
EPRA Earnings per Share (EPS)	**0.13**

Composition:

Sect (i): Changes in the fair value of investment property
Sect (iii): Gain on the sale of the Deutsche Bank branch (Lecco)
Sect (v): Badwill related to the acquisition of COIMA CORE FUND IV and MH Real Estate Crescita' shares
Sect (vi): Changes in the fair value of financial instrument issued by the Company to directors
Sect (ix): Value adjustment of the investments accounted using the equity method

EPRA NAV (Net Asset Value)

EPRA NAV (Net Asset Value)	***NAV in thousands Euro***
NAV per the financial statements	**361,878**
Effect of exercise of options, convertibles and other equity interests (diluted basis)	-
Diluted NAV, after the exercise of options, convertibles and other equity interests	**361,878**
Include:	
(i.a) Revaluation of investment properties (if IAS 40 cost option is used)	-
(i.b) Revaluation of investment property under construction (IPUC) (if IAS 40 cost option is used)	-
(i.c) Revaluation of other non-current investments	-
(ii) Revaluation of tenant leases held as finance leases	-
(iii) Revaluation of trading properties	-
Exclude:	
(iv) Fair value of financial instruments	315
(v.a) Deferred tax	-
(v.b) Goodwill as a result of deferred tax	-
EPRA NAV	**362,193**
Basic number of shares	**36,007**
EPRA NAV per share	**10.06**

Composition:

Sect.(iv): Fair value of financial instrument issued by the Company to directors, net of changes in fair value of derivatives recognized in equity, in the cash flow hedge reserve

EPRA NNNAV (triple Net Asset Value)

EPRA TRIPLE NET ASSET VALUE (NNNAV)	*NAV in thousands Euro*
EPRA NAV	**362,193**
Include:	
(i) Fair value of financial instruments	(315)
(ii) Fair value of debt	(2,291)
(iii) Deferred tax	-
EPRA NNNAV	**359,587**
Basic number of shares	**36,007**
EPRA NNNAV per share	**9.99**

Composition:

Sect.(i): Fair value of financial instrument issued by the Company to directors, net of changes in fair value of derivatives recognized in equity, in the cash flow hedge reserve

Sect (ii): Changes in fair value of financial liabilities carried at amortized cost.

EPRA Cost ratios

EPRA Cost Ratios		*in thousands Euros*
Include:		
(i)	Administrative/operating expense line per IFRS income statement	
	Costs of raw materials and services	4,955
	Personnel costs	955
	Other operating costs	2,101
(ii)	Net service charge costs/fees	-
(iii)	Management fees less actual/estimated profit element	-
(iv)	Other operating income/recharges intended to cover overhead expenses less any related profits	-
(v)	Share of Joint Ventures expenses	11
Exclude (if part of the above):		
(vi)	Investment Property depreciation	-
(vii)	Ground rent costs	-
(viii)	Service charge costs recovered through rents but not separately invoiced	-
	EPRA Costs (including direct vacancy costs) (A)	**8,022**
(ix)	Direct vacancy costs	(266)
	EPRA Costs (excluding direct vacancy costs) (B)	**7,756**
(x)	Gross Rental Income less ground rent costs - per IFRS	15,584
(xi)	Less: service fee and service charge costs components of Gross Rental Income (if relevant)	-
(xii)	Add: share of Joint Ventures (Gross Rental Income less ground rent costs)	9
	Gross Rental Income (C)	**15,593**
	EPRA Cost Ratio (including direct vacancy costs) (A/C)	**51.4%**
	EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**49.7%**

Composition:

Sect (i): Costs net from re-charges revenues
Sect (v): *Portion of rental expenses of Porta Nuova Bonnet fund, recorded in "Investments in associated companies"*
Sect (ix): Direct costs related to vacant Deutsche Bank portfolio
Sect (x): Rental income net re-charges to tenants
Sect (xii): Portion of rental income of Porta Nuova Bonnet fund, recorded in "Investments in associated companies"

The costs incurred are capitalized on the carrying value of the investment property when it is probable that they will generate future economic benefits and their cost can be measured reliably. Other maintenance and repair costs are expensed as incurred. At December 31st, 2016, there are no capitalized operating expenses and overheads on the value of property.

EPRA NIY and EPRA topped-up NIY

EPRA NIY and "topped-up" NIY disclosure		*in thousands Euros*
Investment property – wholly owned		345,620
Investment property – share of JVs/Funds		160,919
Trading property (including share of JVs)		-
Less: developments		(33,036)
Completed property portfolio		**473,503**
Allowance for estimated purchasers' costs		-
Gross up completed property portfolio valuation	**B**	**473,503**
Annualised cash passing rental income		28,194
Property outgoings		3,257
Annualised net rents	**A**	**24,937**
Add: notional rent expiration of rent free periods or other lease incentives		347
Topped-up net annualized rent	**C**	**25,284**
EPRA NIY	**A/B**	**5.3%**
EPRA "topped-up" NIY	**C/B**	**5.3%**

The investment property and the gross and net annualized rents are calculated on the percentage of ownership of each property (100% Vodafone Village; 100% of Deutsche Bank portfolio, 86.7% of Gioiaotto and Palazzo Sturzo).

EPRA vacancy rate

EPRA Vacancy Rate		*in thousands Euros*
Estimated Rental Value of vacant space	**A**	1,160
Estimated rental value of the whole portfolio	**B**	27,713
EPRA Vacancy Rate	**A/B**	**4.2%**

The 99% of EPRA Vacancy Rate is attributable to the Deutsche Bank portfolio, due to the vacancy of five branches. These properties were not leased at the time of acquisition during the IPO.

Like-for-like rents

Rents	Renegotiation of rents	Inflation	Other	Rents at December 31, 2016	LfL %
7,677	220	-	-	7,897	2.90%

The table above shows the rents from the IPO to May 13th, 2016 and the subsequent variation at December 31st, 2016. Considering equal perimeters, the variation is due to a lease contract addendum for six Deutsche Bank branches, which provides an overall increase of rents for about Euro 220 thousands annually, with effect from November 1st, 2016.

At December 31st, 2016 the total initial gross revenue amounted to Euro 29.5 million, of which Euro 220 thousands relating to contract addendum on Deutsche Bank's portfolio, while the remaining part is attributable to the acquisitions of properties during the year.

Top 10 investment properties

#	City	Address	Type of asset	Legal title to availability	NRA	Portfolio	% owned	Acquisition date	Year of redevelopment / refurbishment completion activities	Vacancy rate EPRA
1	Milan	Via Lorenteggio 240	Office	Fully owned	39,991	Vodafone Village	100%	June 2016	n.a.	0%
2	Rome	Piazzale Luigi Sturzo 23-31	Office/ Retail	Partially owned	13,530	Sturzo 23-31	87%	July 2016	n.a.	0%
3	Milan	Via Melchiorre Gioia 6 - 8	Office/ Retail	Partially owned	13,032	Gioiaotto	87%	July 2016	n.a.	0%
4	Milan	Via Bonnet 6A-8A-10A	Office/ Retail	Partially owned	19,600	Bonnet	36%	Dec. 2016	In redevelopment	87%
5	Naples	Vico Corrieri - Via Santa Brigida, 10	Bank branch	Fully owned	2,777	Deutsche Bank	100%	May 2016	n.a.	0%
6	Naples	Vico Corrieri - Via Santa Brigida, 10	Bank branch	Fully owned	1,819	Deutsche Bank	100%	May 2016	n.a.	0%
7	Como	Viale Cavallotti, 3/A	Bank branch	Fully owned	2,713	Deutsche Bank	100%	May 2016	n.a.	0%
8	Rome	Piazza Ss Apostoli 70/a7b7c/73	Bank branch	Fully owned	826	Deutsche Bank	100%	May 2016	n.a.	0%
9	Turin	Via Arcivescovado, 7	Bank branch	Fully owned	4,074	Deutsche Bank	100%	May 2016	n.a.	100%
10	Sorrento	Piazza Angelina Lauro, 22/27	Bank branch	Fully owned	882	Deutsche Bank	100%	May 2016	n.a.	0%

The table above shows the data related to the top 10 property of the Company, acquired in the current year.

Top 10 tenants

#	Rank top 10 tenant	%
1	Vodafone	45%
2	Deutsche Bank	24%
3	Fastweb	7%
4	AXA	4%
5	Bernoni Grand Thornton	3%
6	Nevis/NH (*)	2%
7	Axelero	2%
8	Willis	2%
9	Confindustria Energia	1%
10	QBE Insurance	1%

(*) Considering the lease contract expiring on December 31st, 2016

Real estate portfolio: term lease contracts

Properties	WALT	Maturity bands in the first contractual deadline (% on the amount of annualized rent stabilized)				Total %	Total €/m
		1 year	1-2 years	3-5 years	Over 5 year		
Deutsche Bank Portfolio	9.8	0%	0%	0%	100%	100%	7,499
Vodafone Village	10.1	0%	0%	0%	100%	100%	13,840
Gioia 6-8	5.0	22%	0%	20%	59%	100%	3,224
Sturzo 23-31	5.5	0%	27%	24%	49%	100%	5,091
Bonnet (*)	3.0	0%	0%	41%	59%	100%	347
Total	**8.7**	**2%**	**5%**	**7%**	**86%**	**100%**	**30,001**

(*) Considering rents pro-quota (35.7%)

Real estate portfolio: other information

Properties	NRA (excluding parking)	Market Value (€/000)	Initial gross rent (€/000)	Initial gross rent (€/nra)	Gross stabilized rent (€/000)	ERV	Reversion (%)
Deutsche Bank Portfolio	57,836	138,620	7,897	137	7,499	8,468	13%
Vodafone Village (*)	39,991	207,000	13,840	320	13,840	10,363	-25%
Gioia 6-8	13,032	66,800	2,586	198	3,224	4,211	31%
Sturzo 23-31	13,530	80,700	4,861	359	5,091	4,670	-8%
Bonnet (**)	19,600	33,036	296	15	347	8,689	n.s.
Total	**143,989**	**526,156**	**29,480**	**205(***)**	**30,001**	**36,402**	**10%**

(*) Considering rents (€/NRA) for office area
(**) Considering rents and market value pro-quota (35.7%)
(***) Average of the data

Development portfolio

Development / refurbishment assets	City	NRA	% owned	Cost to date	Estimated capex	Estimated rental value at completion of the development	Breakdown of lettable area accordingly to regions	Breakdown of lettable area accordingly to usage	Expected date of completion	Status
Bonnet	Milan	19,600	35.7%	33,036	≈ 50,000	≈ 9,000	100% Milan	88% office 12% retail	IV Q 2019	Project phase

On December 20th, 2016, the Company acquired 35.7% of Porta Nuova Bonnet Fund, which includes a real estate asset located in Milan, in Porta Nuova district (i.e. "Bonnet").

On the date of this report, the building is in the planning stage and the expected date of completion is at the end of 2019. For these reason, the proportion of the development which has been let as at the balance sheet date is 0%.

The table below shows the data related to Bonnet asset (100%) from Porta Nuova Bonnet Fund's Annual Report as at December 31st, 2016.

Development / refurbishment assets	Net book value at December 31, 2016	Methods of accounting	Fair value at December 31, 2016	Last evaluation report ' date
Bonnet	92,500	Fair Value	92,500	December 31, 2016

Please note that the associated in Porta Nuova Bonnet Fund (35.7%), for Euro 13,214 thousands, is recognized in the Company's financial statements using the equity method.

Capital expenditure

Property-related CAPEX	In thousands Euro
Acquisitions	471,400
Development (ground-up/green field/brown field)	-
Like-for-like portfolio	4,951
Other	4,549
Capital Expenditure	**480,900**

The first amount reported in the table above includes the overall value of acquisitions occurred during the year, in particular:

- Vodafone Village, for Euro 200,000 thousands
- Deutsche Bank portfolio, for Euro 125,900 thousands
- Gioiaotto, for Euro 65,300 thousands
- Palazzo Sturzo, for Euro 80,200 thousands

Like for like portfolio includes the revaluations of the assets, such as:

- Vodafone Village, for Euro 2,718 thousands
- Deutsche Bank portfolio, for Euro 500 thousands
- Gioiaotto, for Euro 1,238 thousands
- Palazzo Sturzo, for Euro 495 thousands

The item “Other” includes capitalized costs mainly related to acquisition of assets, including:

- Vodafone Village, for Euro 4,282 thousands
- Gioiaotto, for Euro 262 thousands
- Palazzo Sturzo, for Euro 5 thousands

ANNEXES

GLOSSARY

	Definition
Accounting Period	Accouting period means the period commencing on the Trading Date and ending on December 31 of the same year and thereafter each successive period of 12 calendar months each of which starts on the end of the preceding Accounting Period and ends at midnight on 31 December in each year.
Admission	Admission to the exchange of ordinary shares on the MTA segment Italian stock exchange.
ALM	Asset Liabilities Management is the practice of managing risks growing due to mismatches between assets and liabilities. The process is a cross between the risk management and strategic planning.
Asset Management Agreement	The agreement entered into on October 15, 2015 by and between COIMA RES and COIMA SGR and modified on November 15, 2015.
Bad Leaver	A serious and repeated breach of obligations provided for by applicable laws and regulations, due to gross negligence or willful misconduct of a member of the Board of Directors, which irreparably compromises the trust relationship between the relevant director and the Company and which does not allow to continue, even temporarily, the management relationship.
Bonnet	Bonnet is the building located in Milan, in via Bonnet, held through Porta Nuova Bonnet investment (35,7%).
Break option	The right of the tenant to withdraw the lease agreement.
Capital Increase	Capital increase resolved by the shareholders' meeting of the Company on September 14, 2015, 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 - Investment 2SCS	It is a subsidiary owned indirectly via MHREC Real Estate S.à.r.l., which owns 33.33% of the unites.
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 CORE FUND IV	Fund of which the Company owns 100% of the shares.
COIMA RES SIINQ I	COIMA RES S.p.A. SIINQ I, of which COIMA RES owns 100% of the share capital.
COIMA S.r.l.	COIMA S.r.l., with registered office in Milan, Via Fatebenefratelli, 9.
COIMA SGR	COIMA SGR S.p.A., with registered office in Milan, Via Moscova, 18.
Company	COIMA RES S.p.A. SIIQ (formerly Itares S.p.A.), with registered office in Milan, Via della Moscova, 18.
Coupon	The value accrued by the Financial Instrument.
Deruta	Deruta is the building located in Milan, in Via Deruta, acquired January 26, 2017 by COIMA RES SIINQ I.
Deutsche Bank Portfolio	The 95 bank branches of COIMA CORE FUND IV, leased to Deutsche Bank

EBITDA	Earnings before Interest, Taxes, Depreciation & Amortization, is the most significant measure of a company's operating performance as it indicates earnings regardless of the company's means of financing, taxes or investment cycle. EBITDA is a proxy for the operating cash flow that the company is capable of generating.
EPRA Cost Ratios	Calculated as administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.
EPRA Earnings	Recurring earnings from core operational activities. EPRA Earnings is a key measure of a company's operational performance and represents the net income generated from the operational activities.
EPRA NAV	Epra Net Asset Value is calculated based on the consolidated shareholders' equity adjusted include properties and other investment interests at fair value and to exclude certain items not expected to crystallize in a long-term investment property business model, as per EPRA's recommendations.
EPRA Net Initial Yield	Calculated as Net Initial Rent divided by the gross market value of the property.
EPRA NNNAV	Triple Net Asset Value is the EPRA NAV adjusted to include the fair value of financial instruments, debt and deferred taxes.
EPRA topped up Net Initial Yield	Calculated as Net Stabilised Rent divided by the gross market value of the property.
EPS	Earnings Per Share calculated as Earning on the basis of the basic number of shares.
Expected Gross Stabilized Rent	Gross Stabilized Rent adjusted for selected active asset management actions incentives.
FFO	Fund From Operations calculated as Core Business EBITDA adjusted to include net interest expenses. FFO is the indicator most commonly used to evaluate a REIT's performance.
Gioiaotto	Gioiaotto is the building located in Milan, in Melchiorre Gioia 6-8, held through MHREC Fund.
Good Leaver	Cases of Good Leaver are: (i) failure to appoint the members of the Board of Directors according to the terms and conditions set forth in the Director Service Agreement and/or non-confirmation/ratification of such members after Listing; (ii) termination of the office 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.
Gross Expected Stabilised Yield	Calculated as Expected Gross Stabilised Rent divided by the gross market value of the property.
Gross Initial Rent	Annualized rents being received as at a certain date taking into account lease incentives such as free rent periods, discounted rent periods and step rents.
Gross Initial Yield	Calculated as Gross Initial Rent divided by the gross market value of the property.
Gross Stabilized Rent	Annualized rents being received as at a certain date adjusted for unexpired lease incentives. The adjustment includes the annualized cash rent that will apply at the expire of the lease incentive.
Gross Stabilized Yield	Calculated as Gross Stabilised Rent divided by the gross market value of the property.
Initial Portfolio	The Deutsche Bank branches and the Vodafone properties.
Interest Coverage Ratios	Ratio between the EBITDA and the interest expenses.
LEED Certification	Certification of building efficiency issued by the U.S. Green Building Council.
MHREC or MH Real Estate Crescita	Fund of which the Company acquired 86.67% of the shares on July 27, 2016.
MHREC S.à.r.l.	MHREC Real Estate S.à.r.l., subsidiary of MHREC Fund.
Net Expected Stabilized Rent	Corresponds to Expected Gross Stabilized Rent for the period less, service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Net Expected Stabilized Yield	Calculated as Expected Net Stabilised Rent divided by the gross market value of the property.

Net Initial Rent	Corresponds to gross initial rent for the period less service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Net Liquidity	Net Liquidity or Net Financial Position is the effective Net Debt of the Company.
Net Stabilized Rent	Corresponds to Gross Stabilized Rent for the period less service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Palazzo Sturzo or "2331 Eur Center"	It is the building located in Roma, in Piazza Don Luigi Sturzo, held through MHREC Fund.
Porta Nuova Bonnet	Fund established on October 20, 2016, of which COIMA RES owned 35,7%.
Promote Fee	Performance fee payable by COIMA RES to SGR, related Asset Management Agreement.
Qatar Holding	Qatar Holding LLC, a company with principal offices in Doha, Qatar, Q-Tel Tower, PO Box 23224, wholly-owned by Qatar Investment Authority, sovereign fund of the State of Qatar.
Recurring EBITDA	Calculated as EBITDA amended to exclude the non-recurring income and include non-recurring expenses.
Recurring FFO	Calculated as FFO amended to exclude the non-recurring income and include non-recurring expenses.
Shareholder Return	Shareholder Return means, in respect of each Accounting Period, the sum of (a) the change in the EPRA NAV of the Company during such year less the net proceeds of any issues of ordinary shares during such year; and (b) the total dividends (or any other form of remuneration or distribution to the shareholders) that are paid in such year.
Shareholder Return Outperformance	Shareholder Return Outperformance means, means, in respect of each Accounting Period, the amount in euro by which the Shareholder Return for the year exceeds the Shareholder Return that would have produced a determined Shareholder Return.
SIINQ	Unlisted real estate invested company regulated by article 1, paragraph 125 of the Finance Act 2007.
SIIQ	Listed real estate investment company regulated by article 1, paragraphs 119-141-bis of the Finance Act 2007.
Weighted Average Debt Maturity	Is the length of time the principal of a debt issue is expected to be outstanding. The average life is an average period before a debt is repaid through amortization or sinking fund payments.

INDEPENDENT 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: 31ST December 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 16. 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.

CBRE

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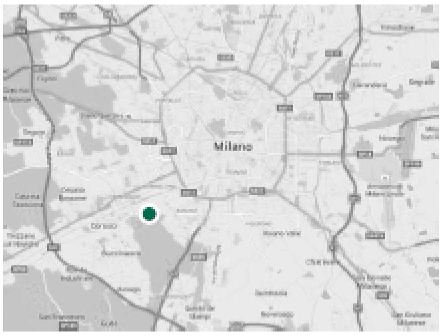
EXECUTIVE SUMMARY

CBRE

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 31st December 2016 is:

€ 207,000,000

(TWO HUNDRED SEVEN MILLION EUROS)

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exclusive of VAT and acquisition costs

Yield Profile

Net Initial Yield	6.13%
Net Exit Cap rate	5.90%
Gross Exit Yield	6.46%

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.

CBRE

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VALUATION REPORT

CBRE

VALUATION REPORT

CBRE

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	15th January 2017
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 15th January 2017.

Sede Legale e Amministrativa: Via del Lauro 5/7, 20121, Milano T +39 02 6556 701 F +39 02 6556 70 50
Sedi Secondarie: Via L. Bissolati 20, 00187, Roma T +39 06 4523 8501 F +39 06 4523 8531
Palazzo Paravia P.zza Statuto 18, 10122 Torino T +39 011 2272 901 F +39 011 2272 905
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

Valuation Date	31 December 2016
Capacity of Valuer	External.
Purpose	Half-yearly valuation
Market Value	Market Value as at 31 December 2016: € 207,000,000 (TWO HUNDRED SEVEN MILLION 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

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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.

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.

CBRE

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.
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Project Reference: 8622

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 06 December 2016.

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.

CBRE

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.

CBRE

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

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

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

Energy Performance Certificates

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

CBRE

use;

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

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

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

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

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

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 the properties owned by the Investment Closed Fund called MHREC

(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: 31 December 2016

CBRE

TABLE OF CONTENTS

1 EXECUTIVE SUMMARY

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

(i) Addressees of the Report; or

(ii) Parties who have received prior written consent from CBRE in the form of a reliance letter.

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 16. 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

CBRE

EXECUTIVE SUMMARY

CBRE

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.it

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	19 January 2017
Addressee (Client)	COIMA S.G.R. S.p.A. for and on behalf of the Fund "MHREC" Via della Moscova, 18 20121 Milano (MI) - Italy
The Property	The Property consists of an office building located in Roma, piazza Sturzo, an office building and hotel located in Milano, via Melchiorre Gioia 6/8 and by the participation in the company MHREC Real Estate Sàrl (LUX). For further details, please refer to the attached detailed table.
Ownership Purpose	Investment.
Instruction	Market value of the subject properties, as at valuation date, in accordance with your letter of instruction dated 8 June 2012.
Valuation Date	31 December 2016.
Capacity of Valuer	Independent.

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
Torino – Palazzo Paravia, P.zza Statuto, 18 – 10122 – t +39 011 2272 901 – f +39 011 2272 905
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c.c.i.a.a. Milano 1004000

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

Purpose

Bi-annual update valuation

Market Value

Market Value of the freehold-equivalent interest in the properties belonging to the Fund "MHREC" and participation in the company owned by the same fund, as at 31 December 2016:

€ 157.466.000,00

(ONE HUNDRED FIFTY SEVEN MILLION FOUR HUNDRED SIXTY SIX THOUSAND EUROS)

exclusive of VAT.

The amounts relative to "tenant incentive" and "deductions and warranty" which, according to the accounting information provided by the Client, are already included in the historical costs of the building, are:

- Tenant contribution € 3,171,489.91
- Deductions and warranty € 156,536.95

So, as required by the Client, in order to determine the Market Value of the subject properties according to the methods described in the present Report, the abovementioned amounts have been considered as already charged.

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 Assumptions	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 Assumptions	None
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.
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 2014).

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:

– Giovanni Angelini MRICS

CBRE

- Dario Marchese MRICS
- Raffaella Peloso MRICS
- Cesare Carbonchi

Under the supervision of Laura Mauri MRICS.

CBRE

Yours faithfully

Yours faithfully

Laura Mauri MRICS

Advisor

RICS Registered Valuer

For and on behalf of

CBRE Valuation S.p.A.

T: 039 02 6556 701

E: laura.mauri@cbre.com

Raffaella Peloso MRICS

Director

For and on behalf of

CBRE Valuation S.p.A..

T: 039 02 6556 701

E: raffaella.peloso@cbre.com

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Project Reference: 8619

Report Version: Standard Valuation Report template updated 5-5-2015.dotm

MARKET VALUE SCHEME

Market Value as at 31 December 2016 asset by asset

	City	Address	Asset	Market Value (€)
1	Roma	Piazzale Luigi Sturzo, 23-31	Offices/Shops	80,700,000.00
2a	Milano	via Melchiorre Gioia, 6/8	Office portion/Shops	43,600,000.00
2b	Milano	via Melchiorre Gioia, 6/8	Hotel Portion	23,200,000.00
		Participation in the company		9,966,000.00
		Total		**157,466,000.00**

exclusive of VAT

Both properties located in Milano and Roma, mainly for office use, present retail portions, which value is equal to € 15,600,00000 for the property in Roma and equal to € 5,730,000.00 for the property in Milano.

The amounts relative to "tenant incentive" and "deductions and warranty" which, according to the accounting information provided by the Client, are already included in the historical costs of the building, are:

- Tenant contribution € 3,171,489.91
- Deductions and warranty € 156,536.95

So, as required by the Client, in order to determine the Market Value of the subject properties according to the methods described in the present Report, the abovementioned amounts have been considered as already charged.

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. In particular, we have been asked to update the information already received for the valuation of the subject Fund as at 31/10/2016, confirming them if unchanged.
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 on 2 and 6 December 2016. The inspection was undertaken by: - Giovanni Angelini MRICS - Sara Capitta - Dario Marchese MRICS
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 offices of the municipalities of Roma and 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 emphasize, 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, in accordance with the "RICS Valuation – Professional Standards" (Red book January 2014) 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

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.

CBRE

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

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

(a) the Properties 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 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 meet/will meet their obligations under their leases;

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

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

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

(k) In Italy, it is common and often advantageous from a fiscal standpoint for transfers of real estate to take place via transfers of the capital of real estate companies (so-called share deal as opposed to asset deal). Our valuations do not take into account this possibility, where it exists.

It is common practice in Italy to carry out valuations of real estate gross of any disposal costs. Consequently, we have not deducted any cost that could emerge during the disposal phase, such as taxes (with the

CBRE

exclusion of Property Taxes and Register Tax), legal and agency fees, etc.

We have not made any allocations or deductions for duties and direct or indirect taxes of any kind.

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

LEGAL NOTICE

This Valuation Report (the "**Report**") has been prepared by CBRE VALUATION S.p.A. ("**CBRE**") exclusively for COIMA S.G.R. S.p.A. (il "**Cliente**") (the "**Client**") in accordance with the terms of engagement entered into between CBRE and the addressee n. 175bis dated 7 June 2012 and following extension with letter of instruction dated 30/12/2014 ("the **Instruction**"). The Report is confidential and it must not be disclosed to any person other than the Client without CBRE's prior written consent. CBRE has provided this report on the understanding that it will only be seen and used by the Client and no other person is entitled to rely upon it, unless CBRE has expressly agreed in writing. Where CBRE has expressly agreed that a person other than the Client can rely upon the report then CBRE shall have no greater liability to any party relying on this report than it would have had if such party had been named as a joint client under the Instruction.

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

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

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

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

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VALUATION REPORT

Market Value of n. 89 properties belonging to 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 SGR S.p.A.

Via della Moscova, 18

20121 - Milano

Valuation Date: 31 December 2016

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

(i) Addressees of the Report; or

(ii) Parties who have received prior written consent from CBRE in the form of a reliance letter.

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 13. 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.

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VALUATION REPORT

CBRE

VALUATION REPORT

CBRE VALUATION S.p.A.
Via del Lauro 5/7
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www.cbre.it

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	09 January 2016
Addressee	COIMA SGR S.p.A. For and on behalf of *COIMA CORE FUND IV* Via della Moscova, 18 *20121 Milano (MI) - Italia*
The Property	Investment Closed Fund called *Coima Core Fund IV* The Property, as at valuation date, consists of n. 89 properties after the sale (Deed of Sale dated 22 December 2016) of the portion located in Lecco – Rivabella, Via alla Spiaggia 7. The subject properties are divided for the subject anaysis into n. 95 units – bank agencies and offices, located in Italy and used by Deutsche Bank Group. For further details please refer to the attached detailed table.
Ownership Purpose	Income properties
Instruction	To value, on the basis of Market Value, the freehold-equivalent interest in the Property as at the Valuation Date in accordance with our Offer n. 271/14 dated 15 October 2014.
Valuation Date	31 December 2016
Capacity of Valuer	Independent Valuer

Valuation purpose

Biannual update of the Fund

Market Value

Market Value as at 31 December 2016:

€ 138,620,000.00

(ONE HUNDRED THIRTY EIGHT MILLION SIX HUNDRED TWENTY THOUSAND EURO),

exclusive of VAT and marketing.

The Market Value has been determined on the basis of the following valuation criteria.

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

Each valuation is based on the information provided by the Client.

As at valuation date we have assumed the total number of units belonging to the subject fund according to the information provided by the Client Alla data di valutazione.

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.

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.

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 properties have 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 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.

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.

We inform that the present report has been prepared by:

- Barbara Crupi (RICS Registered Valuer);

under the supervision of Laura Mauri.

Yours faithfully

Yours faithfully

CBRE

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Mirko Baldini

Managing Director

Laura Mauri MRICS

Executive Director

RICS Registered Valuer

For and on behalf of

CBRE Valuation S.p.A.

For and on behalf of

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Project Reference: 8573

Report Version: Standard Valuation
Report template updated 5-5-2015.dotm

SCOPE OF WORK & SOURCES OF INFORMATION

Sources of Information	We have carried out our work based upon information collected and supplied to us by the Client for the present update, which we have assumed to be correct and comprehensive. ✓ Deed of Sale, dated 22 December 2016, dof the portion located in Lecco, via alla Spiaggia 7.
The Property	The Property, as at valuation date, consists of n. 89 properties after the sale (Deed of Sale dated 22 December 2016) of the portion located in Lecco – Rivabella, Via alla Spiaggia 7. The subject properties are divided for the subject anaysis into n. 95 units – bank agencies and offices, located in Italy and used by Deutsche Bank Group.
Inspection	As instructed, for the present valuation we have inspected about the half of the properties internally in November and December 2016.
Areas	We have not measured the properties, but have relied upon the floor areas provided, assumed to be complete and correct.
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.

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Town Planning

We have made Planning enquiries by the public administration. 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, in accordance with the RICS Valuation – Professional Standards (January 2014) ("the Red Book"), which has been translated into Italian in "Standard Professionali di valutazione RICS 2014"., 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.

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:

CBRE

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

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

(c) the Properties possesses or will posses 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 Properties are free from rot, infestation, structural or latent defect;

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

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

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

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

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 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 meet/will meet their obligations under their leases;

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

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

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

(k) In Italy, it is common and often advantageous from a fiscal standpoint for transfers of real estate to take place via transfers of the capital of real estate companies (so-called share deal as opposed to asset deal). Our valuations do not take into account this possibility, where it exists.

CBRE

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

We have not made any allocations or deductions for duties and direct or indirect taxes of any kind.

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

LEGAL NOTICE

This Valuation Report (the "**Report**") has been prepared by CBRE Valuation S.p.A. ("**CBRE**") exclusively for COIMA SGR (the "**Client**") in accordance with the terms of engagement entered into between CBRE and the addressee n. 271/14 dated 15 October 2014 ("the **Instruction**"). The Report is confidential and it must not be disclosed to any person other than the Client without CBRE's prior written consent. CBRE has provided this report on the understanding that it will only be seen and used by the Client and no other person is entitled to rely upon it, unless CBRE has expressly agreed in writing. Where CBRE has expressly agreed that a person other than the Client can rely upon the report then CBRE shall have no greater liability to any party relying on this report than it would have had if such party had been named as a joint client under the Instruction.

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

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

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

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

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VALUATION CRITERIA

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Valuation criteria

Market Value

In accordance with the RICS Valuation – Professional Standards (January 2014) ("the Red Book"), the Market Value 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".

Discounted Cash Flow Method

The valuation through the discounted cash flow has been carried out discounting the rents deriving from the in force lease contracts; at the end of the relative leases or lease periods, we assume, where necessary, a refurbishment for the change of use or a renewal of the properties in order to optimized and let them at congruous market rents; the optimized income has been capitalized.

Costs for the change of use and final capitalized value have been discounted at a rate (different for each asset), which considers the risks deriving from the specific cases. The result of this operation determines the current value of each asset.

The elements considered in the DCF are:

- gross annual income deriving from the lease contracts;
- indexation of the current rents;
- time schedule relative to spaces occupation according to the lease contracts (use plan);
- management costs of the rented buildings (Property tax - I.M.U., TA.S.I.);
- time schedule for the optimization and re-lease, considering, where necessary, the current urban situation tempi and relative limitations;
- Capital Gain assumption;
- market rents;
- discounted and capitalization rates for each asset.

With all abovementioned elementrs we have developed the discounted cash flow for each asset in order to determine the "Market Value".

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Valuation methodologies

The market value of the subject properties has been obtained through on-site inspections carried out by CBRE VALUATION S.p.A., in order to determine the real estate situation at the present date (quality, conditions, characteristics, etc..) in addition to the documentation provided (floor area, uses, etc.).

Information on local market has been collected in order to determine all data necessary to develop valuation considerations (rental values and current prices, demand and supply levels, operators' expectations).

All data have been referred to the different functional uses of the properties, either the current use, in order to the determine the congruous rental value , and future use, in order to determine the highest and best use of the asset.

The highest and best use is defined as the reasonably probable and legal use which is physically possible, financially feasible, and that may confer the highest value to the property.

All data collected have been properly adjusted in order to be adapted to the specific characteristics of the properties under valuation; they have also been used to determine their attractiveness on the market itself.

In case of poor state of maintenance and repair of the buildings, we have determined costs and time schedule necessary to recover their physical condition in order to be in line with reference real estate market.

Floor area

Our valuation is based on data provided directly by the Property owner.

Lease situation

Our valuation is based on rental data (such as annual rents and lease expiry) provided by the Property; the tenant is the Deutsche Bank Group.

In particular, the occupancy situation and the minimale expiry dates provided are summarised as follows:

5 units are **free and immediatley available**:

- ✓ Milano, via dei Martinitt 3;
- ✓ Torino, via Arcivescovado 7;
- ✓ Livorno, via dei Carabinieri 30;
- ✓ Novedrate, Via Provinciale Novedratese 8 (portion not used as Bank agency);
- ✓ Padova, via Tommaseo (portion not used as Bank agency).

The follwoing units are **rented**:

- ✓ n. 3 leases with break option as at 2016 and 2017, renewed with the current Tenant, are:
  1. Desio (MB), C.so Italia (80,000.00 €/annum in addition to

250,000.00€, to be paid by the Property in 2017 for extraordinary maintenance intervention;

2. Prato (PO), via Ferrucci (250,000.00 €/annum);
3. Genova (GE), via Garibaldi (320,000.00 €/annum in addition to 1,500,000.00€, to be paid by the Property in 2017 for extraordinary maintenance intervention).

For these assets, the expiry date of the renewed leases is 31/12/2026, with potential renewal for additional 6 years (31/12/2032).

✓ Annual lease increase for n. 6 assets:

1. Como (CO), via Cavallotti 3/A (528,314.00 €/annum);
2. Verona (VR), Corso di Porta Nuova (225,404.00 €/annum);
3. Mestre (VE), Riviera XX Settembre (194,732.00 €/annum);
4. Napoli (NA), via Santa Brigida (629,014.00 €/annum);
5. Napoli (NA), via Santa Brigida (582,011.00 €/annum);
6. Sorrento (NA), Piazza Angelina Lauro (252,262.00 €/annum).

The first lease expiry of the rented buildings is on 31/12/2026, without right of early withdrawal.

Also for renewed positions, the new lease assumes a first lease expiry on 31/12/2026 and renewal for additional 6 years. Considering the strategic value of the bank agencies, during the valuation we have assumed that 75% of them (in terms of total rent) shall maintain its lease situation until the second lease expiry.

For all lease contracts the Tenant shall pay the ordinary and extra ordinary maintenance, the administration and insurance costs.

The Property Owner shall pay the property taxes (IMU-TASI) and the recording fees (0.5% of the annual perceived rent).

State of maintenance and repair

CBRE have not undertaken a structural survey, nor tested the services. We have not carried out verification in order to establish whether there is any potential for contamination (asbestos or other toxic material) and have therefore assumed that none exists.

In case of poor state of maintenance and repair we have included in the D.C.F. capex in line with the Italian market habit.

Low verification

We have carried out the present valuation assuming that all properties are in line with the in force regulation relative to their use as at valuation date. We have not carried out any verification in relation to urban and administrative regulations.

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Taxes, other Management costs and Miscellaneous

In Italy we do not consider the transaction costs for valuations. For this reason our valuation does not include any deduction relative to costs such as direct and indirect taxes, legal costs and transaction costs, etc.

Portfolio valuations, Companies' Disposal, Postponed Payments

Each property has been valued singularly and not as belonging to a portfolio.

In Italy properties are often transferred through capital disposal of real estate companies (thus having often a fiscal profit). Our valuations do not take into consideration this possibility, if existing.

Information

We have relied up information provided by the Property owner and we assumed such information to be exact and complete.

Mortgage

We have not considered the potential presence of mortgages or similar which could be connected to the subject properties.

Basis of Value

Money indicators

The money indicators used (prices, costs, rents) derive from the local market surveys, supported both by our data base and by real estate publications, and are referred to the date of the present valuation.

Please note that the abovementioned considerations develop flows (costs-revenues) at **nominal** money and **real** money.

Time schedule

In order to develop the valuation considerations, in addition to the income deriving from the in force leases, we have considered the refurbishment and re-lease periods, assuming the interventions of specialized operators aiming to the highest and best use of the properties.

Where the case, we have also considered the state of the buildings sites, in relationship with the assumed time schedule necessary to complete the urban iter (if not completed yet).

Consequently, each intervention presents a different time schedule.

CBRE

Management costs

The considered costs to be paid by the Property owner are:

- Property taxes (IMU+TASI): provided by the Client;
- Recording fee: equal to 0.50% of the perceived rents.

CapEx

In contrast to the Reserves for extra ordinary maintenance, the Capex are precise costs necessary to optimize and/or change the use of the property before its re-lease/disposal. The amounts stated in the report, as at valuation date, are obviously overrated when considered in the DCF.

Rents

The rents necessary for the valuation have been provided by the Client.

Market rents / Market prices

The market rents or market prices to consider at the end of the in force leases or relative to the vacant portions have been determined according to market data collected in the subject area.

Assumed inflation

Where the case, we assumed an inflation equal to 1.50% for the whole period considered.

Growth of Market Rent

Where the case, we have assumed a market growth equal to the inflation assumed to be 1.50%.

Rates (for the Discounted Cash Flow Method)

Each asset has been valued singularly. The rates considered as basis of valuation are:

- Discounted rate of the perceived rent;
- Discounted rate of the re-lease/disposal;
- Capitalization rate of the net final income after the re-lease.

Each rate includes the spread, the illiquidity and the segment risk, assuming a financial structure made by equity and by third party capital.

The rate relative to equity is determined by adding to the risk free rate, assumed to be equal to the Rendistato Index, which is the weighted average yield on a basket[1] of government securities, calculated monthly by the Bank of Italy and used as reference index, a spread which considers the investment lack of liquidity and an additional spread which considers the specific investment risk (segment risk).

The Risk free rate is the Rendistato Index with homogeneous expiry compared with the investment period.

The lack of liquidity could be defined as the difficulty to convert the investment value in cash; it is a risk connected to the transaction period; this risks depend on the building features.

The segment risk is connected to the specific characteristics of the investment; the higher is the possibility that an expected result is not achieved, the higher is the risk of that investment. It is a risk which depends on the reference market characteristics and on the competitiveness of the property under valuation within the reference market.

These two factors determine the spread on equity.

The remuneration of debt (third party capital) is equal to the "I.R.S." rate at 15 years plus a spread connected to the total risk of the subject development initiative. The I.R.S. rate (Interest Rate Swap) is the benchmark rate calculated by the European Banking Federation that indicates the average rate at which the major European banks stipulate swaps to hedge interest rate risk. It is used as an indexation parameter in the financial markets and for the stipulation of bank loans.

The Spread is the additional delta that banks add to the above mentioned index in order to determine the loan rates. It depends on the investor's warranties and on the specific investment risk

The return on equity is determined by adding to the Risk free rate a spread on equity (lack of liquidity + segment risk). Third party capital remuneration, instead, is equal to the "I.R.S" rate a spread.

Considering the percentage basis of the financial structure, normally 50% and 50% respectively, we obtain the rate used in the valuation.

This is used either to determine the discounted rate of rents and the discounted rate of the re-lease.

Vice versa the capitalization rate represents the "synthetic" factor, which allows the

[1] The basket on which is determined the Rendistato index consists of all treasury bonds ("BTP") quoted on MOT, with more than 1 year residual life. The BTP indexed to the inflation of the Euro zone are excluded. For further information please refer to the institutional web site of Bank of Italy (§http://www.bancaditalia.it/banca_centrale/operazioni/titoli/tassi/rendi)

conversion from expected income into current value. This rate is deduced from the market as it represents the ratio between rental value and transaction price.

Rates (for the Residual Method)

The rates considered as basis of each valuation are:

- Discounted rate of the transformation/disposal operation.

Each rate used has been considered congruous with the current market rates, considering the inflation and real estate market perpectives, and has beeen determined considering a financial structure made of 50% equity and 50% third party capital. This financial mix has been used as valuation assumption considering an economic operation referring to an "ordinary" entrepreneur. An "ordinary" entrepreneur features good technical and organization skills, he can have access to third party financial means in order to finance the development operation, i.e. he is someone who produces a good at an average cost as the majority of the businessmen; all "not-ordinary" transformation operations would create positive or negative extra profit.

The rate relative to equity is determined by adding to the risk free rate, assumed to be equal to the Rendistato Index, which is the weighted average yield on a basket[2] of government securities, calculated monthly by the Bank of Italy and used as reference index, a spread which considers the investment lack of liquidity, a spread which considers the urban risk connected to the development operation and an additional spread which considers the specific investment risk (segment risk).

The Risk free rate is the Rendistato Index with homogeneous expiry compared with the investment period.

The lack of liquidity could be defined as the difficulty to convert the investment value in cash; it is a risk connected to the transaction period; this risks depend on the building features.

The urban risk derives from the development operations or operations including strong building and urban requalification; it reflects the difficulty and/or temporary uncertainty to obtain the necessary titles to carry on the subject operation.

The segment risk is connected to the specific characteristics of the investment, reflecting also a percentage of the profit of the initiative promoter, i.e. the person

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[2] The basket on which is determined the Rendistato index consists of all treasury bonds ("BTP") quoted on MOT, with more than 1 year residual life. The BTP indexed to the inflation of the Euro zone are excluded. For further information please refer to the institutional web site of Bank of Italy (§http://www.bancaditalia.it/banca_centrale/operazioni/titoli/tassi/rendi)

who manages and dispose the property under development; the higher is the possibility that an expected result is achieved, the higher is the risk of that investment. It is a risk which depends on the reference market characteristics and on the competitiveness of the property under valuation within the reference market.

These three factors determine the spread on equity, defining the return on invested capital.

The remuneration of debt (third party capital) is equal to the "I.R.S." rate at 15 years plus a spread connected to the total risk of the subject development initiative. The I.R.S. rate (Interest Rate Swap) is the benchmark rate calculated by the European Banking Federation that indicates the average rate at which the major European banks stipulate swaps to hedge interest rate risk. It is used as an indexation parameter in the financial markets and for the stipulation of bank loans.

The Spread is the additional delta that banks add to the above mentioned index in order to determine the loan rates. It depends on the investor's warranties and on the specific investment risk.

The return on equity is determined by adding to the Risk free rate a spread on equity (lack of liquidity + urban risk + segment risk). Third party capital remuneration, instead, is equal to the "I.R.S" rate at 15 years plus a spread. Considering the percentage basis of the financial structure, we obtain the rate.

Fundamental Data of the used Rates

In the present valuation as at 31 December 2016 the considered fundamental data are specified as follows:

- Planned inflation: 1.50%;
- Equity: 50% of the invested capital;
- Equity – mobile average on 12 months gross Rendistato: 0.89%
- Debt: 50% of the invested capital;
- Third party - mobile average on 12 months I.R.S. at 15 years: 0,87%.

All valuations include net discounted cash flows according to the assumption of *"Half of Period - End of Period"*, that is assuming an annual discount of the flows after the first half of each period, with the exception of the last year where the discount is at the end of the period.

3

VALUES

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VALUES

NUMERO STABILE	CITTÀ	INDIRIZZO	VALORE DI MERCATO AL 31.12.2016
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	1.190.000,00
11	Asso	Piazza Monsignor Ratti, 5	460.000,00
65	Barga	Via Pascoli, 23/25	220.000,00
84	Bari	Via Della Resistenza, 54	880.000,00
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	Viale Lombardia, 179	2.030.000,00
75	Caivano	Via Buonfiglio, 34	280.000,00
12	Canzo	Via Mazzini, 12/14	350.000,00
9	Capriate San Gervasio	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	970.000,00
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	Piazza Garibaldi, 1/R / Via Queirolo, 77	110.000,00
32	Civate	Via Manzoni, 1	420.000,00
13	Civenna	Via Provinciale, 52	100.000,00
33	Colico	Via Nazionale, 126 / Via Baronia, 1	1.240.000,00
10	Como	Viale Cavallotti, 3/A	9.830.000,00
34	Dervio	Via Diaz, 62	300.000,00
50	Desio	Corso Italia, 65/67	940.000,00
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	3.920.000,00
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	1.160.000,00
89	Lecce	Via Salandra, 49/65 / Via Japigia, 12/D	1.530.000,00
23	Lecco	Corso Emanuele Filiberto, 108/110	460.000,00
22	Lecco	Piazza Carducci, 8	1.010.000,00
24	Lecco	Via Alla Spiaggia, 7	VENDUTO
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
37	Lierna	Via Roma, 124/126	510.000,00
17	Lipomo	Via Belvedere, 1	670.000,00
17b	Lipomo	Via Belvedere, 1	760.000,00
66	Livorno	Via Carabinieri, 30	2.010.000,00
18	Lurago D'Erba	Via Roma, 23	1.190.000,00

VALUES

NUMERO STABILE	CITTÀ	INDIRIZZO	VALORE DI MERCATO AL 31.12.2016
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 Carlo Baslini, 6 / Via Trento, 29	1.760.000,00
61	Mestre	Riviera XX Settembre, 15	3.360.000,00
3	Milano	Corso Sempione, 77	1.620.000,00
2	Milano	Piazza De Angeli	3.400.000,00
6	Milano	Via Dei Martinitt, 3	2.760.000,00
1	Milano	Via Larga, 16	2.890.000,00
4	Milano	Via Pierluigi Da Palestrina, 2	2.140.000,00
5	Milano	Viale Famagosta, 7	560.000,00
68	Montemurlo	Via Provinciale Scarpettini, 413	860.000,00
74	Napoli	Corso Novara, 3	820.000,00
73	Napoli	Via Santa Brigida, 10	11.050.000,00
73b	Napoli	Via Santa Brigida, 10	9.970.000,00
19	Novedrate	Via Provinciale Novedratese, 8	790.000,00
19b	Novedrate	Via Provinciale Novedratese, 8	510.000,00
41	Oggiono	Via Marco 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	850.000,00
62	Padova	Piazza Alcide De Gasperi, 34/35/45 A	630.000,00
62b	Padova	Piazza Alcide De Gasperi, 34/35/45 A	2.040.000,00
72	Pescara	Viale Marconi, 260-262/Via Tibullo	900.000,00
77	Piano di Sorrento	Corso Italia, 64	1.860.000,00
69	Pisa	Via Bonaini 115 / Via Puccini	500.000,00
83	Pontecagnano Faiano	Corso Umberto I, 131	610.000,00
78	Portici	Via Roma, 54/56	500.000,00
67	Prato	Via Francesco Ferrucci, 41	3.260.000,00
71	Roma	Piazza Ss Apostoli, 70	8.600.000,00
45	Rovagnate	Via Vittorio Veneto, 8 / Via Rododentro, 20	570.000,00
86	Rutigliano	Via San Francesco D'Assisi, 16	260.000,00
70	Sesto Fiorentino	Via Lucchese, 4/R	440.000,00
79	Sorrento	Piazza Angelina Lauro, 22/27	4.680.000,00
90	Taranto	Corso Umberto, 137/139/141/143	1.280.000,00
63	Thiene	Piazza Cesare Battisti, 5	890.000,00
53	Torino	Via Arcivescovado, 7	6.310.000,00
8	Trezzano Sul Naviglio	Viale Cristoforo Colombo, 23 / Viale Fermi	1.130.000,00
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 Cesare Battisti, 42/B	2.030.000,00
48	Veraurago	Via Roma, 66	450.000,00
60	Verona	Corso Porta Nuova, 135	4.440.000,00
60b	Verona	Via Locatelli, 6	110.000,00
		€	138.620.000

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