Real Estate SIIQ

COIMA RES

COIMA RES
Interim financial statements
for the period ending
September 30th, 2017

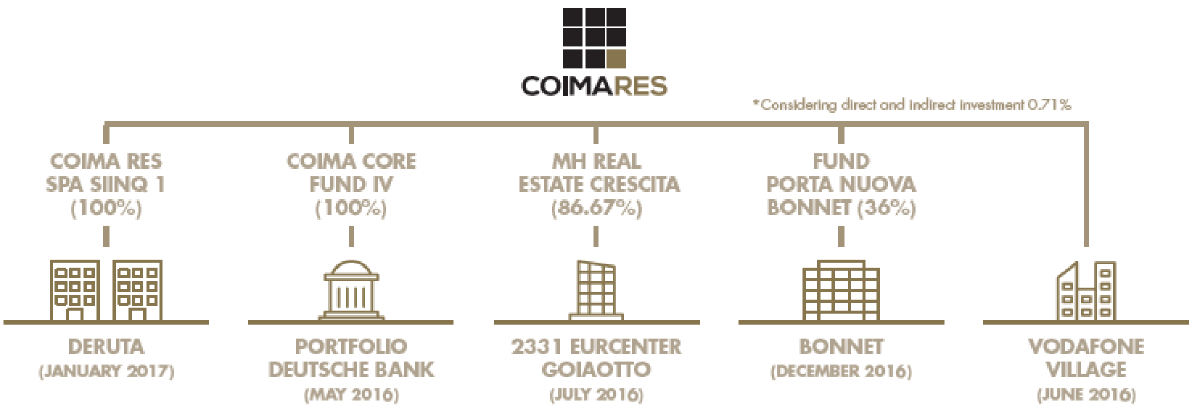
INDEX

CORPORATE INFORMATION

COIMA RES S.p.A. SIIQ, (the "**Company**" or "**COIMA RES**"), with legal incorporation in Milan, Piazza Gae Aulenti 12, with Tax Code, Register of Companies and VAT No. n. 09126500967, is a commercial real estate company listed on Borsa Italiana.
COIMA RES manages commercial real estate properties with primary focus on the office segment, in order to generate rental income from major national and international operators. The company operates with the beneficial tax status granted to SIIQs (Società di Investimento Immobiliare Quotata) which is similar to the designation of Real Estate Investment Trusts (REITs) in other jurisdictions. COIMA RES' investment strategy is focused on creating a high-quality real estate portfolio – underpinned by stable, growing and sustainable cash flows – through acquisition, management, and selective disposal of commercial properties with the potential for medium-term capital-value appreciation.

CORPORATE STRUCTURE

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



GOVERNANCE

Board of Directors

Caio Massimo Capuano	Chairman, Non-Executive Director
Feras Abdulaziz Al-Naama	Vice Chairman, Independent Director
Manfredi Catella	Key Manager (CEO), Executive Director
Luciano Gabriel	Independent Director
Olivier Elamine	Independent Director
Agostino Ardissone	Independent Director
Alessandra Stabilini	Independent Director
Michel Vauclair	Independent Director
Laura Zanetti	Independent Director

Board of Statutory Auditors

Massimo Laconca	Chairman
Milena Livio	Statutory Auditor
Marco Lori	Statutory Auditor
Emilio Aguzzi De Villeneuve	Alternate Auditor
Maria Stella Brena	Alternate Auditor
Maria Catalano	Alternate Auditor

Compensation Committee

Alessandra Stabilini	Chairman
Caio Massimo Capuano	Member
Olivier Elamine	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
Luciano Gabriel	Member

Internal Audit and Compliance

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

Risk Manager

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

External Auditors

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

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

Fulvio Di Gilio	Chief Financial Officer

Note on forward looking information

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

BOARD OF DIRECTORS' REPORT

Strong Operating Results, Improved Corporate Governance, Disciplined Capital Allocation.

The financials as of September 30th, 2017 are summarized in the table below.

Euro million	*September 30th, 2017*	per share	*December 31st, 2016*	per share	Δ	Δ%
Total property value [1]	545.4		493.1		52.3	10.6%
EPRA NAV	374.1	10.39	362.2	10.06	11.9	3.3%
EPRA NNNAV	371.9	10.33	359.6	9.99	12.3	3.4%
Debt position	302.3		290.0		12.3	4.2%
Cash position	81.0		113.1		(32.1)	(28.4%)
Net Loan To Value [2]	33.4%		27.4%		6.0 p.p.	n.m.
EPRA Net Initial Yield	5.4%		5.3%		0.1 p.p.	n.m.
EPRA "topped-up" NIY	5.5%		5.3%		0.2 p.p.	n.m.
EPRA vacancy rate	3.7%		4.2%		(0.5) p.p.	n.m.

Euro million	*Nine months ended September 30th, 2017*	per share	*Nine months ended September 30th, 2016*	per share	Δ	Δ%
Rents	25.1		8.4		16.7	n.m.
NOI	22.4		7.5		14.9	n.m.
EBITDA	15.6		3.8		11.8	n.m.
EBIT	21.4		5.8		15.6	n.m.
Recurring FFO	12.2		3.2		9.0	n.m.
Net Profit	16.0	0.44	6.3	0.17	9.7	n.m.
EPRA Earnings	10.2	0.28	2.3	0.06	7.9	n.m.
EPRA Cost Ratio (including direct vacancy costs)	38.3%		57.3%		(19.0) p.p.	n.m.
EPRA Cost Ratio (excluding direct vacancy costs)	36.5%		57.1%		(20.6) p.p.	n.m.
Like for like rental growth	1.1%		n.m.		n.m.	n.m.
WALT (years)	7.8		8.9		(1.1)	(12.4%)

Growth of EPRA NAV in first nine months

EPRA Net Asset Value per share as of September 30th, 2017 was Euro 10.39, an increase over the last twelve months of 6.1% before the April 2017 dividend payment related to FY 2016 and 5.0% after the April 2017 dividend payment. The increase in the NAV is related to positive operating results generated over the last twelve months, improvements made to the real estate portfolio and revaluation gains.

The key factors affecting the NAV increase in the first nine months of 2017 are:

- Addition of EPRA Earnings for the period of Euro 10.2 million;
- Addition of a net movement in fair value of Euro 5.9 million;
- Deduction of dividends paid of Euro 4.1 million;

[1] Considering Bonnet on a proportionally consolidated basis (Euro 33.8 million), the total property value is Euro 579.2 million.
[2] Net loan to value excludes Euro 39.3 million of debt related to VAT paid for Vodafone acquisition, which is expected to be repaid with proceeds from VAT receivables. Considering Bonnet on a proportionally consolidated basis, the Net LTV is 34.6% as of September 30th, 2017.

A significant improvement of the EPRA Cost Ratio to 38.3% from 57.3% in the year-ago period should be noted and from 40.4% as at June 30th, 2017. The improvement is mainly due to the reduction of one-off costs and other savings.

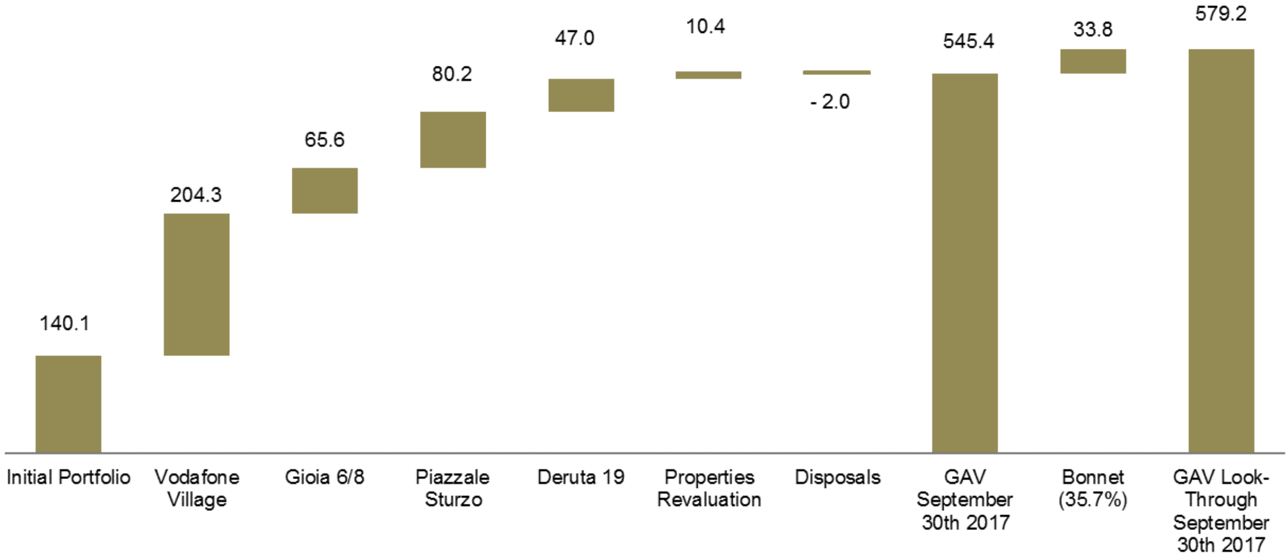
The following table summarizes the Company's balance sheet (also including the reclassification of the investment in the Bonnet Fund on a proportionally consolidated basis) as of September 30th, 2017.

Euro million	September 30th, 2017	Bonnet Look-Through	Adjustments	Look-Through adjusted
Investment properties	545.4	33.8		579.2
Financial assets	4.3			4.3
Investments accounted for using the equity method	16.5		(14.5)	2.0
VAT receivable	38.0			38.0
Total LT assets	**604.2**			**623.5**
Trade receivables	8.3	0.1		8.4
Other assets	0.0			0.0
Cash	81.0	0.3		81.3
Total current assets	**89.3**			**89.6**
Total assets	**693.5**			**713.2**
Debt	302.3	18.8		321.1
- of which Debt for VAT Line	39.3			39.3
Provisions	0.2			0.2
Other liabilities	0.1			0.1
Trade payables	6.1	0.9		7.0
Total liabilities	**308.7**			**328.4**
Minorities share of MHREC	11.1			11.1
NAV	**373.7**			**373.7**
NAV per share	10.38			10.38
Net Loan to Value	*33.4%*			*34.6%*
In-place annual rent	33.0	0.3		33.3
NOI margin	*89.1%*			*89.1%*
In-place NOI Yield	*5.4%*			*5.1%*

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

Investment properties includes Euro 136.7 million related to the Deutsche Bank portfolio, Euro 208.0 million related to Vodafone Village, Euro 68.0 million related to Gioiaotto, Euro 81.5 million related to Eurcenter and Euro 51.2 million related to Deruta.

The graph below shows the portfolio evolution since IPO, with a total revaluation of Euro 10.4 million.



The VAT receivables are related to VAT paid for the Vodafone complex acquisition.

The Company has a net debt position of Euro 221.3 million as of September 30th, 2017.

The trade payables and other liabilities mainly include amounts payable to suppliers and invoices to be paid in an amount of Euro 2,935 thousand (Euro 5,850 thousand as of December 31st, 2016), deferred income in an amount of Euro 1,926 thousand (Euro 1,488 thousand as of December 31st, 2016), Board of Directors and personnel liabilities in an amount of Euro 186 thousand (Euro 215 thousand as of December 31st, 2016).

As of September 30th, 2017, the weighted average debt maturity is 3.7 years and the weighted average “all in” cost of debt is 1.95% (79.7% of debt is hedged).

The Group equity amounts to Euro 373.7 million corresponding to a NAV per share of Euro 10.38.

The interim consolidated figures show a net profit of Euro 16.0 million for the nine-month period ending September 30th, 2017.

Euro million	*Nine months ended September 30th, 2017*	*Nine months ended September 30th, 2016*
Rents	25.1	8.4
Real estate operating expenses	(2.7)	(0.9)
NOI	**22.4**	**7.5**
Other revenues	0.0	0.0
G&A	(5.8)	(2.6)
Other expenses	(0.3)	(0.2)
Non-recurring general expenses	(0.8)	(0.9)
EBITDA	**15.6**	**3.8**
Net depreciation	(0.0)	0.0
Net movement in fair value	5.9	2.0
EBIT	**21.4**	**5.8**
Finance income	0.5	0.2
Income from investments	(0.1)	2.1
Financial expenses	(5.0)	(1.7)
Profit before taxation	**16.8**	**6.5**
Income tax	(0.0)	0.0
Profit after taxation	**16.8**	**6.5**
Minority share of MHREC	(0.8)	(0.1)
Profit attributable to COIMA RES	**16.0**	**6.3**
EPRA adjustments[3]	(5.8)	(4.0)
EPRA earnings	**10.2**	**2.3**
EPRA earnings per share	**0.28**	**0.06**
FFO	**11.0**	**2.3**
FFO adjustments[4]	1.2	0.9
Recurring FFO	**12.2**	**3.2**
Recurring FFO per share	**0.34**	**0.09**

The NOI includes rents generated by the Deutsche Bank portfolio, the Vodafone complex, Gioiaotto, Eurcenter and Deruta, net of direct property operating costs (such as property taxes, property management costs, utilities and maintenance costs). The NOI margin for the nine-month period ended September 30th, 2017 is 89.1% and the current in-place NOI yield is 5.4%.

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

The net movement in fair value of Euro 5.9 million is related to (i) Euro 7.3 million for the positive revaluations of Vodafone Village in an amount of Euro 1.0 million, Gioiaotto in an amount of Euro 1.4 million, Eurcenter in an amount of Euro 0.8 million and the Deruta building in an amount of Euro 4.1 million; and (ii) Euro 1.4 million for negative FV adjustments of 21 Deutsche Bank branches for which COIMA RES has accepted, through COIMA CORE FUND IV, a binding offer at a slight discount to book value in October 2017.

The financial income is related to bank deposits remunerated at approximately 18 bps annually plus interest income on the VAT refund.
The financial expenses are mainly related to in-place debt and the FV adjustments of the hedging derivative instruments, in compliance with the IFRS principles.

The Group profit per share amounts to Euro 0.44 (Euro 16.0 million total) and is calculated according to IFRS principles, considering the average number of shares outstanding during the period.

[3] Includes mainly Fair Value adjustments on investment properties of Euro 5.9 million.
[4] Includes non-recurring general costs mainly related to the start-up phase of the Company.

PORTFOLIO AS OF SEPTEMBER 30th, 2017

As of September 30th, 2017, COIMA RES' portfolio totals Euro 579.2[5] million and includes the Deutsche Bank portfolio, the Vodafone Village, Gioiaotto, Eurcenter, Bonnet and Deruta.

The net rentable area is 155,353 square meters and gross initial rents are approximately Euro 33.3 million. The overall initial portfolio WALT is approximately 7.8 years, the EPRA net initial yield is 5.4%.

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

Main figures of real estate portfolio as at September 30th, 2017

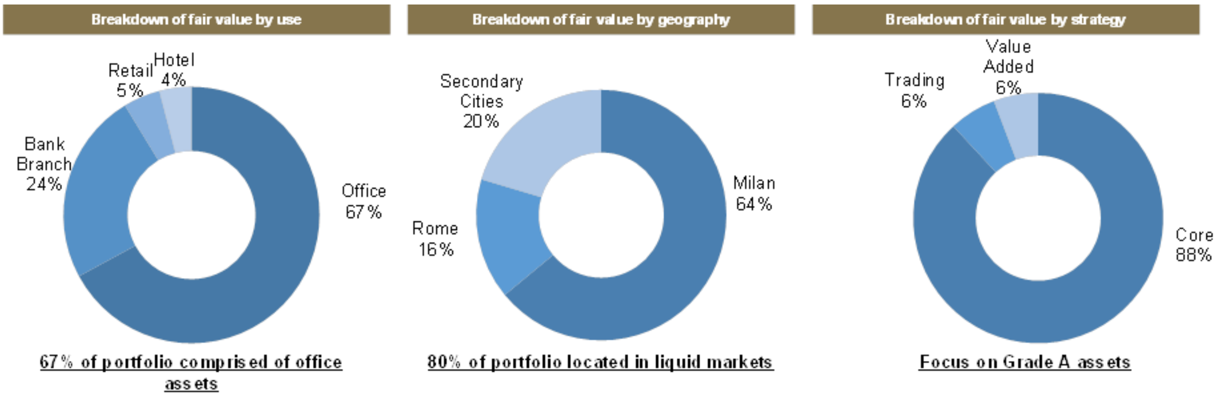
	Deutsche Bank Portfolio	Vodafone Village	Gioiaotto	Eurcenter	Bonnet	Deruta	Portfolio September 30th, 2017
City	Various	Milano	Milano	Rome	Milan	Milan	-
Address	Various	Lorenteggio 240	Melchiorre Gioia 6-8	Piazzale Sturzo 23-31	Via Bonnet	Via Deruta 19	-
Sub-market	Various	Lorenteggio BD	Porta Nuova BD	EUR BD	Porta Nuova BD	Piazza Udine BD	-
Asset class	Bank Branches	Office	Office Hotel Retail	Office Retail	Office Retail	Office	-
% of ownership	100.0%	100.0%	86.7%	86.7%	35.7%	100.0%	-
NRA excluding parkings (sqm)	56,778	39,991	13,032	13,530	19,600	12,422	**155,353**
EPRA occupancy rate	86%	100%	100%	100%	n.m	100%	**96.7%**
Tenants (#)	1	1	9	10	6	1	**28**
WALT (years)	9.1	9.3	6.6[6]	4.7[6]	2.5	4.3	**7.8**
Gross initial rents (€m)	7.5	13.9	3.0[6]	5.1[6]	0.3[7]	3.6	**33.3**
Net initial rents (€m)	6.0	12.8	2.7[6]	4.5[6]	0.1[7]	3.2	**29.4**
Gross stabilised rents (€/m)	7.5	13.9	4.1[6]	5.1[6]	0.3[7]	3.6	**34.4**
Net stabilised rents (€m)	6.0	12.8	3.6[6]	4.5[6]	0.1[7]	3.2	**30.3**
Expected gross stabilised rents (€m)	7.5	13.9	4.1[6]	5.1[6]	3.1[7]	3.6	**37.2**
Expected net stabilised rents (€m)	6.1	12.8	3.6[6]	4.5[6]	2.9[7]	3.2	**33.2**
Fair Value (€m)	136.7	208.0	68.0[6]	81.6[6]	33.8[7]	51.2	**579.2**
Gross initial yield[8]	5.5%	6.7%	4.5%	6.2%	n.m.	6.9%	**6.1%**
EPRA net initial yield[8]	4.4%	6.2%	3.9%	5.5%	n.m.	6.3%	**5.4%**
Gross stabilised yield[8]	5.5%	6.7%	6.0%	6.3%	n.m.	6.9%	**6.3%**
EPRA topped-up NIY[8]	4.4%	6.2%	5.4%	5.6%	n.m.	6.3%	**5.5%**
Expected gross stabilised yield	6.0%[9]	6.7%	6.0%	6.3%	6.2%[10]	6.9%	**6.4%**
Expected net stabilised yield	4.9%[9]	6.2%	5.4%	5.6%	5.7%[10]	6.3%	**5.7%**

[6] Accounted at 100%
[7] Pro-rata (35.7%)
[8] Excluding the redevelopment of Bonnet
[9] Vacant buildings excluded from the calculation
[10] Expected capex taken into account (hard & soft costs)

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

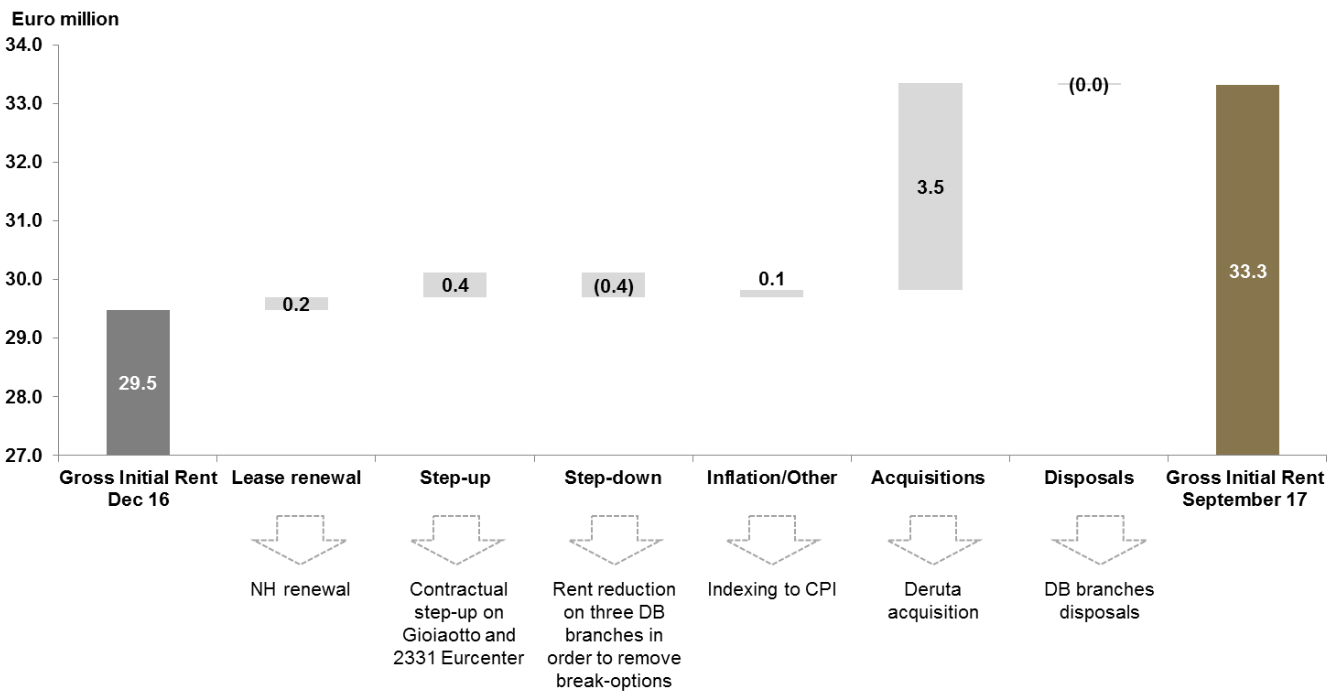
- on office use;
- on Italy's most attractive markets (Milan 64% and Rome 16%);
- primarily income-producing assets;
- Grade B/C buildings to be converted to Grade A.

Portfolio breakdown as of September 30th, 2017



Rental evolution

The graph below summarises the evolution of our rental income for the period ending September 30th, 2017.



Acquisition of Office Building Via Deruta in Milan

On January 16th, 2017, COIMA RES finalised the agreement to purchase for Euro 47.0 million the Deruta property located in Milan. The fair value of the property is Euro 51.2 million as of September 30th, 2017. A feasibility study has been carried out to evaluate (i) an increase in the capacity of the complex and (ii) optimisation of energy performance of the property.

Lease Renewal and Refurbishment for NH Hotel at Gioaiotto

On January 23rd, 2017, the MH Real Estate Crescita Fund ("MHREC"), 86.7% owned by COIMA RES, renewed and extended the lease with NH Hotel. The new lease signed with the NH Hotel (in force from January 1st, 2017), will run for nine years (no possibility to withdraw) plus a renewal option for a further six years. The stabilised minimum rent is Euro 1.5 million (120% above the previous rent) with a potential increase based on the hotel's annual turnover. NH Hotel Group undertook to perform renovation works for Euro 4.0 million by the end of 2018 (MHREC will contribute Euro 1.4 million to this amount). NH Hotel has finalised the renovation design project in Q3 2017 with commencement of works planned for Q4 2017.

MHREC Refinancing Extends Maturity and Lowers Borrowing Spread

On April 12th, 2017, COIMA RES announced that MHREC refinanced Euro 73.0 million of debt on two office buildings: Gioiaotto in Milan and Eurcenter in Rome. The refinancing extended by 3.7 years the previous maturity to 2022. A margin reduction of 25 bps was achieved.

Active Asset Management on Eurcenter

In May 2017, our application to increase the covered rentable area by c. 3% on the rooftop (320 sqm) and mezzanine level (40 sqm) was accepted by the relevant authorities. The design is being finalized and preliminary leasing activity with current tenants is being carried out.

Bonnet Project on Track with Approval of Massing Design by Relevant Authorities

On October 5th, 2017, the relevant authorities approved the massing design for the Bonnet project. The environmental clean-up was completed in October 2017, the strip-out will be completed in November 2017 and demolition works and excavations are expected to begin in November 2017. The final approval for the construction works is expected by January 2018. The construction phase will start in H1 2018 with completion of the overall project planned for the beginning of 2020. As a reminder, London-based studio PLP Architecture has been selected for the development of the Via Bonnet complex, focussing on the high-rise building and the adjacent square which will include a retail box. PLP Architecture has designed many high-profile projects, including: "The Edge" in Amsterdam (named the world's most sustainable building), 1 Page Street in London (Burberry's headquarters) and Nova Victoria in London.

Investments and Pipeline

COIMA RES is approx. 88% invested post Deutsche Bank branches disposal and Monte Rosa acquisition. Current investment firepower amounts to c. Euro 80 million at an LTV target below 45% (pro forma for the Monte Rosa acquisition and Deutsche Bank branches disposal). Core to Core plus remain the current focus for COIMA RES. Value-add projects (also in JV) will be selectively considered given the expertise and track record of the COIMA platform and considering the meaningful tightening of prime yields. The Milan office market currently remains the primary focus for COIMA RES. Pipeline in excess of Euro 500 million currently under investigation.

Changes to Board of Directors Further Improve Independence

On April 26th, 2017, the Board of Directors appointed two new independent directors of high international standing and long experience in managing listed real estate companies: Luciano Gabriel and Olivier Elamine. In addition, the Board of Directors has decided to propose to the next shareholders' meeting the annual appointment of all Board members.

Roadshow Activity

COIMA RES organizes regular monthly update calls focussed on the Italian real estate sector, the next one is scheduled for November 30th, 2017. In addition, the 6th edition of the COIMA Real Estate Forum and the related property tour of COIMA RES assets will take place in Milan on October 26th, 2017.

SUBSEQUENT EVENTS

VAT Reimbursement

On October 20th, 2017, COIMA RES has received a reimbursement payment from the Italian Inland Revenue Agency of Euro 38.7 million related to the VAT incurred by COIMA RES at the time of the acquisition of the Vodafone Village (June 2016). The cash received will be used for the full repayment of the related VAT Line, thus simplifying the COIMA RES capital structure. The reimbursement has been made by the Italian Inland Revenue Agency c. 8 months in advance of COIMA RES initial expectations. The reimbursement is neutral on an LTV basis, as both the VAT receivable and the VAT Line had already been excluded from the LTV calculation.

Portfolio Sale of Deutsche Bank Branches in the South of Italy

On October 25th, 2017, COIMA RES announced that it has accepted, through COIMA CORE FUND IV, a binding offer for the sale of a portfolio of 21 Deutsche Bank branches for a price of Euro 37.8 million essentially in line with the book value as of June 30th, 2017 (3.6% discount). The portfolio represents 11,416 sqm and includes the branch in Naples on Via Santa Brigida (4,600 sqm) and several smaller branches in the regions of Campania (10 branches), Abruzzo (1 branch) and Puglia (8 branches). The transaction marks the completion of our original non-core disposal program 2 years in advance and removes all remaining exposure to the South of Italy from the portfolio. As a reminder, to date, COIMA RES has sold Deutsche Bank branches in the North of Italy at a blended premium to book value of 4.1%. Since IPO, COIMA RES has sold 24 Deutsche Bank branches worth Euro 40 million. COIMA RES remains open to consider the disposal of additional bank branches on an opportunistic basis.

Acquisition of Monte Rosa Office Property in Milan

On October 24th, 2017, COIMA RES has purchased "off-market" an office complex in Via Monte Rosa 93, Milan ("**Monte Rosa**") for Euro 57.0 million (plus Euro 1.55 million in transfer tax and due diligence costs). The fair value is equal to Euro 59.2 million, as estimated by the independent appraiser CBRE. The fair value implies an EPRA net initial yield of 5.0% and an EPRA topped-up net initial yield of 5.2% (excluding the vacant portion of the property). Gross passing rent is Euro 3.5 million per year and gross stabilised rent is Euro 3.6 million per year (excluding the vacant portion of the property). The seller of the property is TEUR S.p.A., the Italian sub-holding of the Techint Group.

Monte Rosa represents a sizeable core plus asset rented at attractive levels (considering the recent rental growth in Milan), situated in an established semi-central Milan business district. Proximity to the newly developed CityLife district and good transport connections to two metro lines (MM1 and MM5) add to the asset's appeal. The acquisition contemplates a short-to-medium-term value enhancement strategy including (i) lease-up of vacant premises and reletting of space vacating over the coming years and (ii) a potential recovery of surfaces previously authorized which could increase the surfaces by up to c. 30%. We estimate a net stabilised yield of c. 5.6% based on lease-up of vacant premises.

Monte Rosa is composed of four buildings which were subject to intensive refurbishment works in 1997. The complex is characterised by efficient space utilisation with total gross buildable area ("**GBA**") of 23,728 sqm and net rentable area ("**NRA**") of c. 14,500 sqm (excluding parking areas).

The Monte Rosa acquisition was sourced "off-market" and is structured as a sale and leaseback of the Italian headquarters of the Techint Group on a nine-year basis with an unbreakable master lease 100% indexed to CPI. Techint - a global industrial conglomerate with revenues exceeding US$15 billion and 48,500 employees worldwide - will therefore become one of the main tenants in the complex, accounting for 40% of the NRA. The other tenants are PricewaterhouseCoopers and an Italian tourism company, occupying 43% and 6% of NRA, respectively. The overall WALT is 5.2 years.

Pro-forma for the Deutsche Bank branches disposal, VAT reimbursement and the Monte Rosa acquisition, the Net LTV for COIMA RES is 37.0%[11], as of September 30th, 2017.

DIVIDENDS

In line with our announcement on April 27th, 2017, COIMA RES Board of Directors resolved to distribute to shareholders an interim dividend for the fiscal year 2017 of Euro 3,240,630 (Euro 0.09 per share) with an ex-dividend date on November 13th, 2017, record date on November 14th, 2017 and payment date on November 15th, 2017. COIMA RES independent auditors, today have issued their report pursuant to Article 2433-bis, paragraph 5, of the Italian Civil Code. The Board's resolution on the interim dividend was made based on the accounts of the parent company COIMA RES S.p.A. SIIQ as of September 30th, 2017, which were prepared in accordance with IFRS. As a reminder, COIMA RES paid its first dividend of Euro 4,068,352 (c. Euro 0.11 per share) on April 12th, 2017, representing 70% of 2016 distributable profits.

The Board of Directors report relating to the interim dividend distribution for the fiscal year 2017 is available for review at COIMA RES Headquarters (Piazza Gae Aulenti, no. 12, 20154, Milano, Italy) and is available in electronic form upon request.

[11] Pro-forma Net LTV considering Bonnet on a proportionally consolidated basis

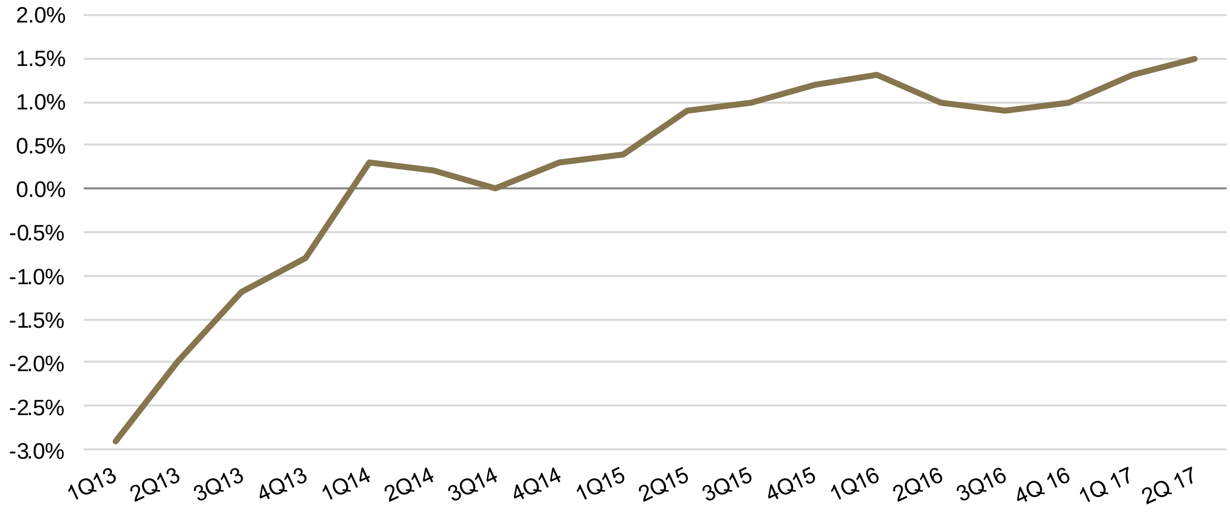
ITALY: ECONOMIC AND REAL ESTATE MARKET CONDITIONS

Continued macroeconomic improvement in Italy

Italy has continued to report positive economic data in recent months suggesting that economic recovery has not only started, but is strengthening. Among the favourable statistics, GDP rose in the second quarter for the 14th consecutive time, and the pace of expansion accelerated: GDP increased by 0.3% in the second quarter of 2017 compared with the first quarter, and by 1.5% compared with the second quarter of 2016.

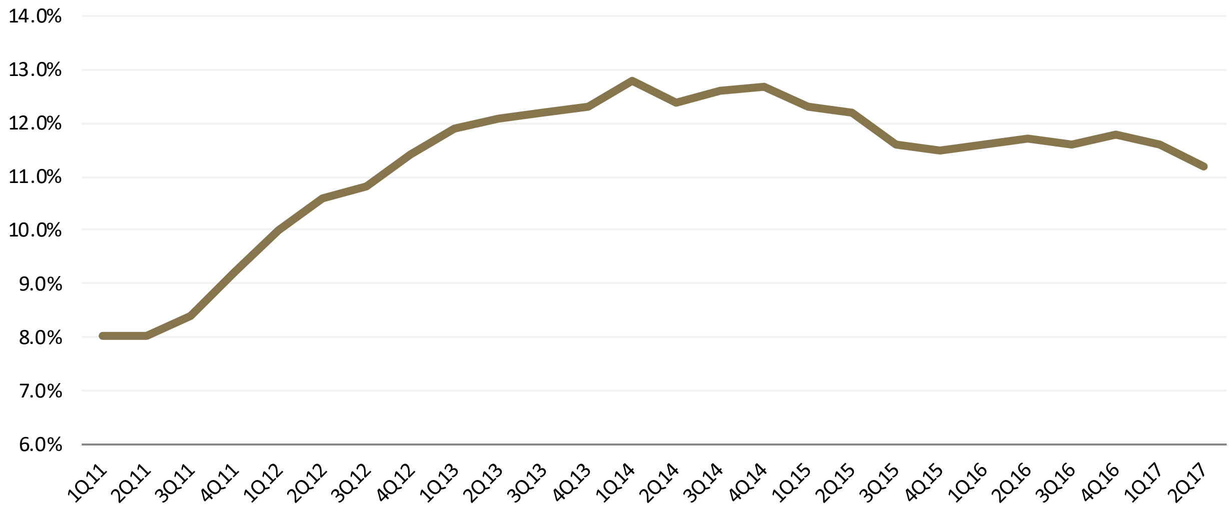
Faster economic growth was accompanied by a fall in the unemployment rate. Even the youth unemployment rate, highest in the Eurozone after Greece and Spain, has started to drop. The positive macroeconomic factors were reflected in the volume of bad bank loans which fell to a three-year low in July, posting the largest decline since records began in 1998.

Italy: Growth in Real GDP year on year



Source: National Institute of Statistics

Italy: Unemployment Rate

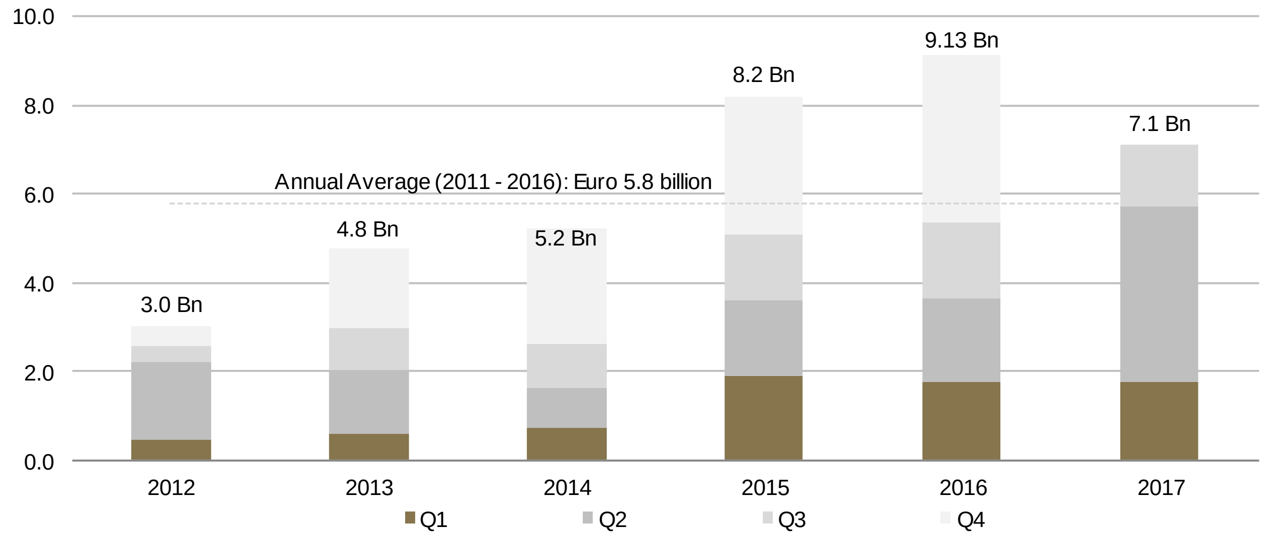


Source: National Institute of Statistics

Improvements in overall inflation, and in an economy's recovery, also feed into the rise in home prices. At the height of the crisis, home prices fell by 6% year-on-year in the first quarter of 2013 after which the rate of decline of prices has slowed. In the second quarter of 2017, the latest period for which data is available, home prices fell by a slight 0.1%, suggesting that we may see positive price increases during the coming quarters.

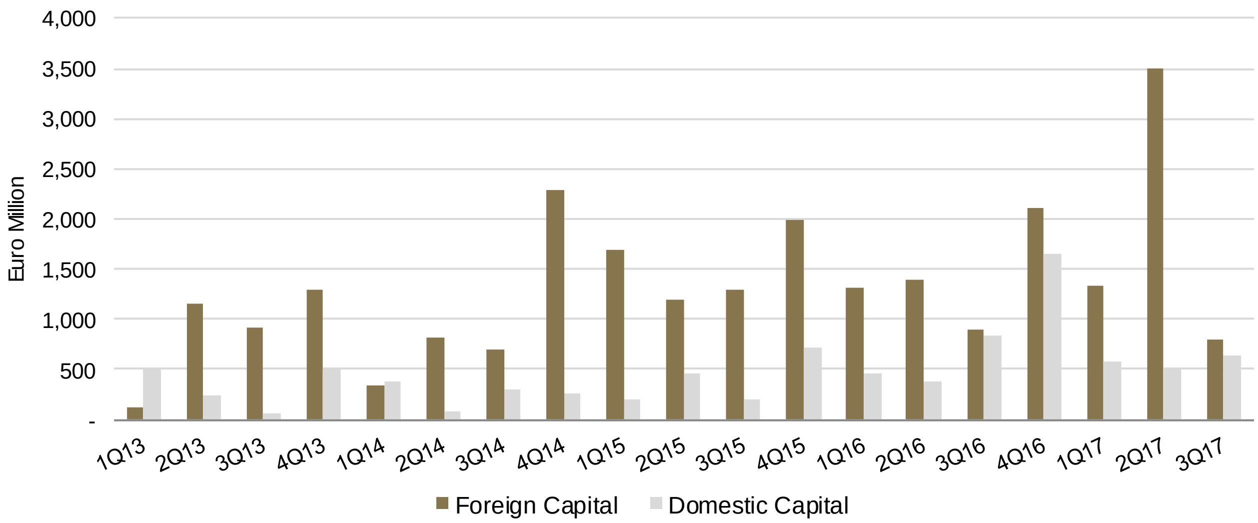
Italian Real Estate market continues to grow, bolstered by foreign capital

In the first nine months of 2017, total investment volume for commercial real estate – i.e. office, retail, logistic and hotels – reached Euro 7.1 billion, recording a +33% increase with respect to the first nine months of 2016.



Italian CRE Investment Volume[12]

The third quarter of 2017 has seen a significant increase in the volume invested by domestic players, which accounted for 44% of total capital invested in Italy (vs. 13% in the previous quarter). However, foreign investors continue to be the most active players on the market, with over Euro 790 million invested over the quarter (56% of the total volume).

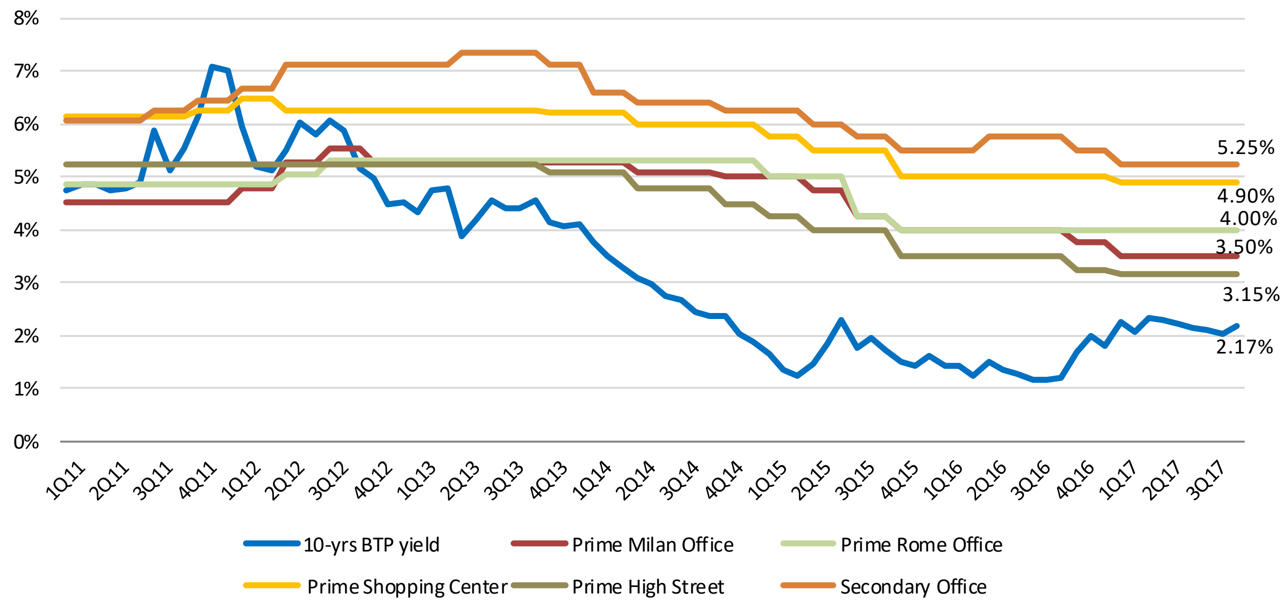


Italian CRE Market – Capital by source[13]

[12] Source: CBRE Report – Q3 2017
[13] Source: CBRE Report – Q3 2017

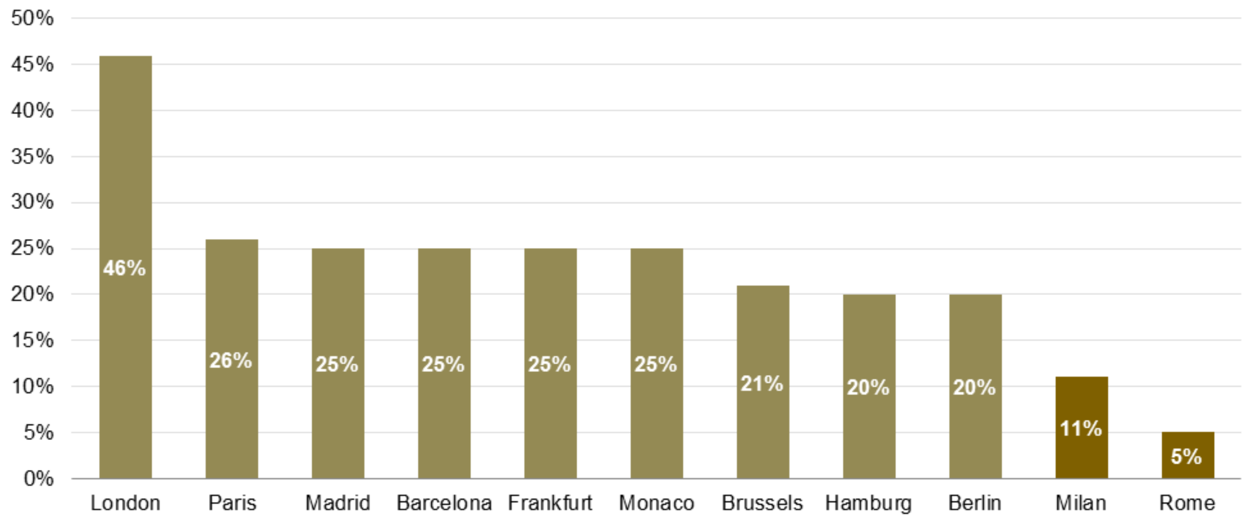
Yield compression in prime locations and lack of Grade A office space increases appeal of core+ and value-added opportunities

After a year of consistent compression, prime yields across all asset classes started to show signs of stabilization: net yields for prime offices in Milan and Rome CBDs have remained stable, at 3.50% and 4.00%, respectively. Similarly, net yields for quality offices in secondary locations were recorded at 5.25% for the third quarter in a row.



Italian CRE Prime Net Yields[14]

The Italian Real Estate market continues to suffer from a chronic shortage of quality assets, offering the lowest stock of Grade A buildings among European office markets. At the same time, investors continue to exhibit 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 creates opportunities in the Core +/Value added investment sectors.

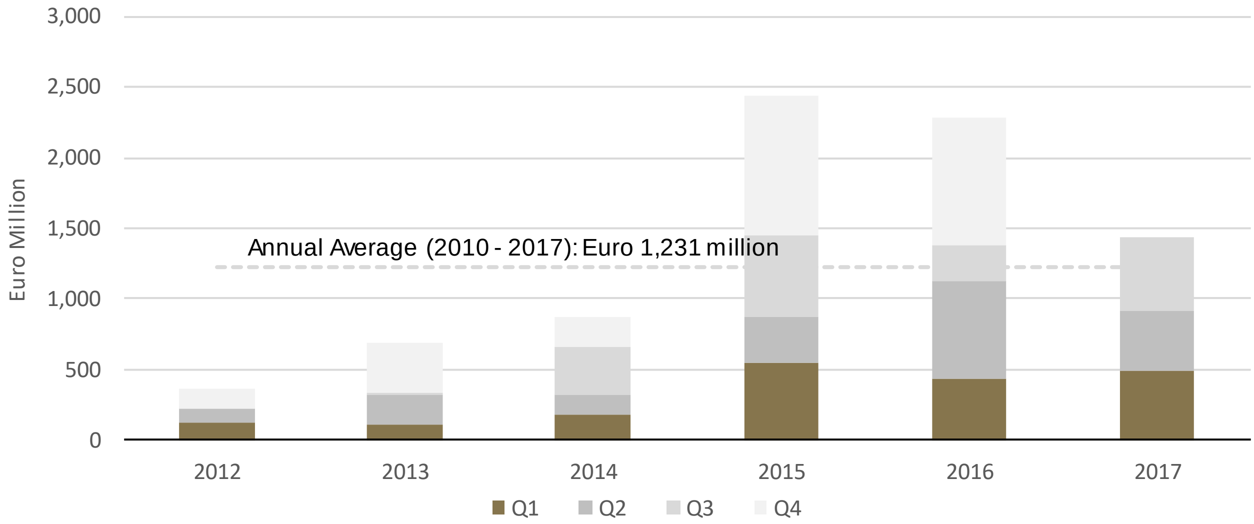


Grade A office stock over total office stock[15]

[14] Source: CBRE Report – Q3 2017
[15] Source: JLL Data – H1 2016

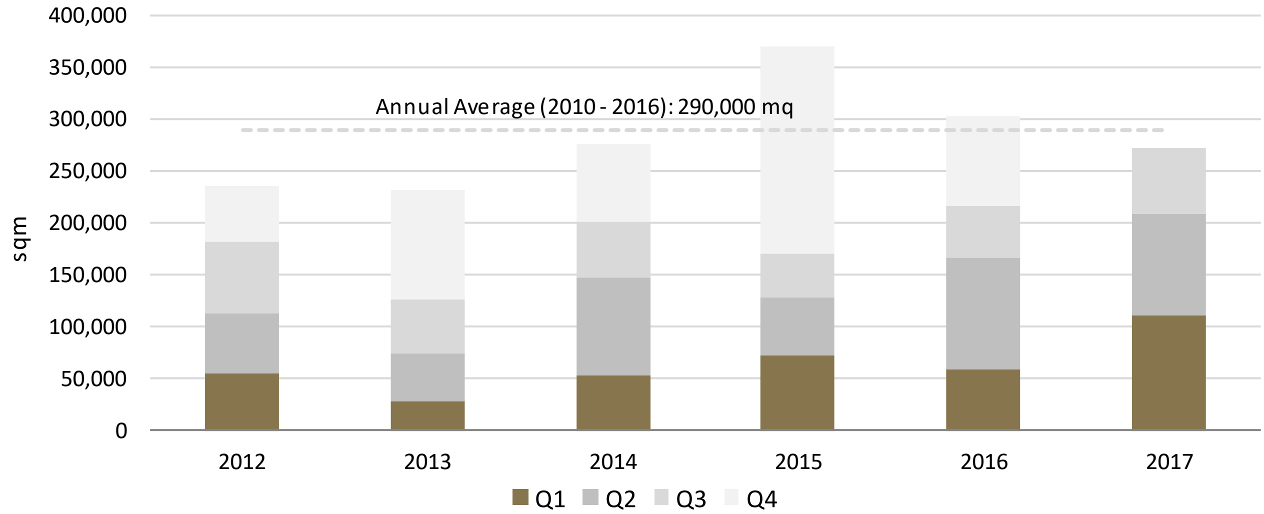
Milan's real estate market continues to attract the majority of investors' demand

The positive dynamic of the Milan economy, the quality of its infrastructure and the excellence of human capital continue to encourage formation of new companies and attract international-company interest for the Lombardy region – with resulting benefits to the real estate sector. Indeed, Milan remains by far the most active and best-performing real estate market in Italy, with over Euro 524 million of office investment transactions recorded in of the third quarter of 2017, doubling the volume reached in Q3 2016.



Milan Office Market Investment Volume [16]

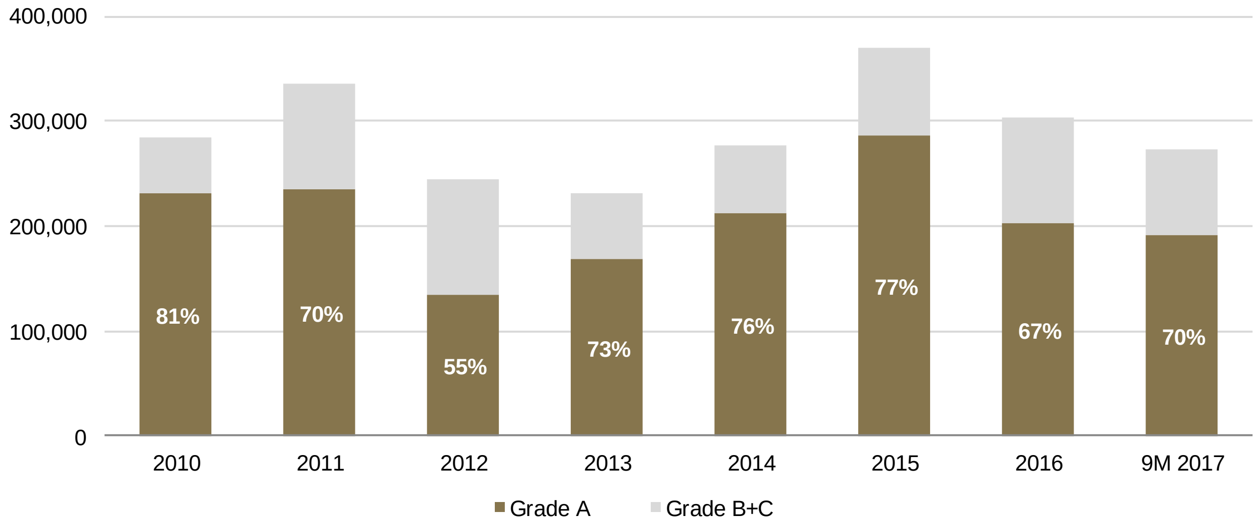
Occupational demand remained robust, with Q3 2017 take-up of 63,919 square metres vs 50,000 square meters in the year-ago period.



Milan Office Market Take-Up Volume [17]

Tenants' demand for quality spaces continues to be strong and increasing, with about 70% of total office demand in the first three quarters of 2017 focused on Grade A premises.

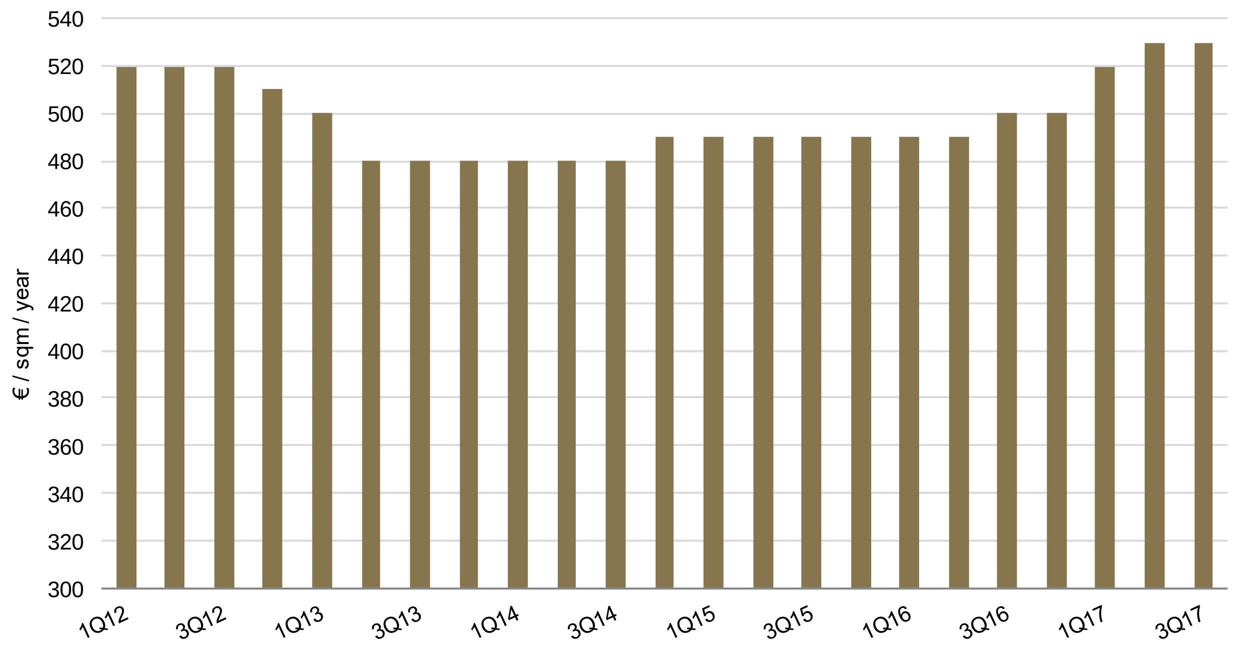
[16] Source: CBRE Report – Q3 2017
[17] Source: CBRE Report – Q3 2017



Milan Office Market Take-Up Volume [18]

Prime rent for Milan has remained stable at Euro 530/sqm year for the second quarter, with the highest values still recorded in the CBD and Porta Nuova business district.

Increasing demand is putting pressure on prime rents, which are expected to increase to approx. Euro 550/sqm in the coming months.

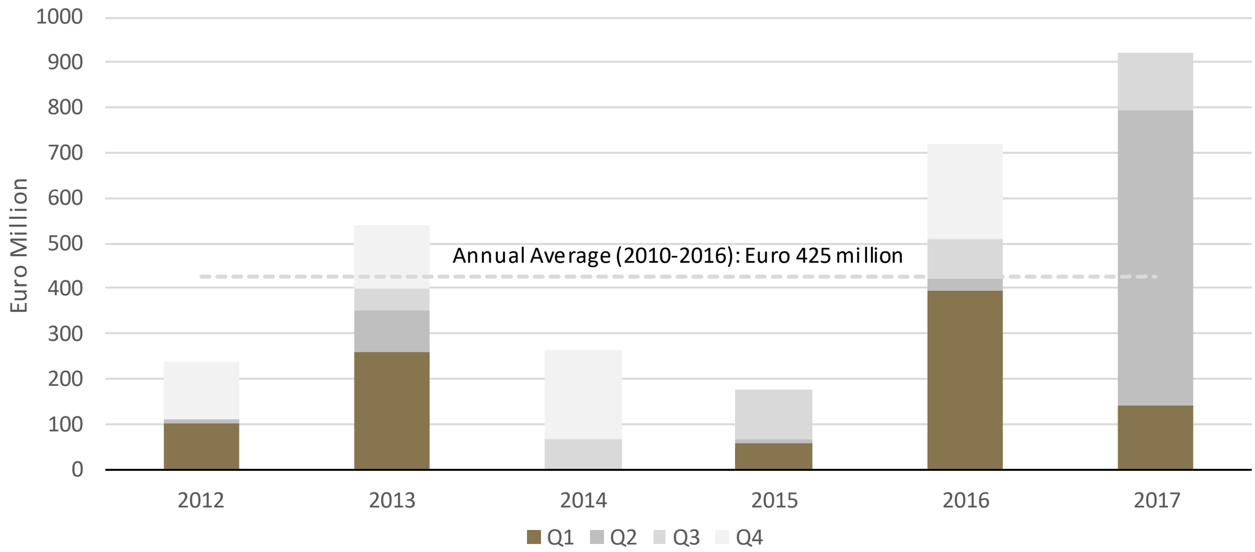


Milan Office Market Prime Rent [19]

[18] Source: CBRE Report – Q3 2017
[19] Source: CBRE Report – Q3 2017

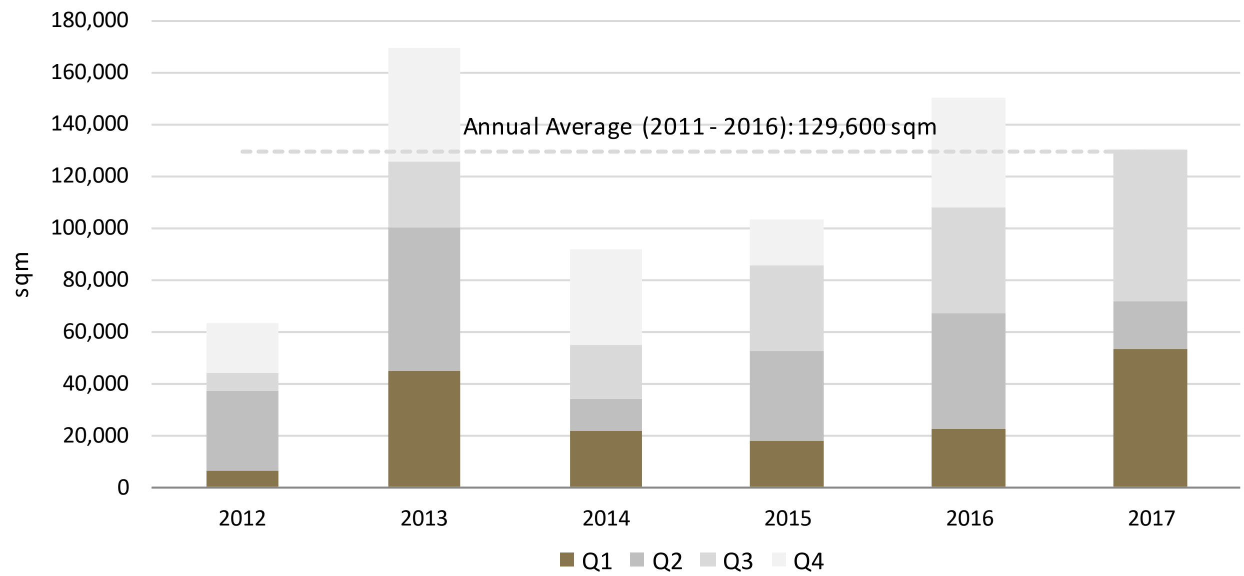
Rome Real Estate Market

Rome's real estate investment market is experiencing unprecedented growth. In the third quarter of 2017, the Rome CRE investment market recorded ca. Euro 128 million of new investments, approx. 47% higher compared to the previous year's figures. In the first three quarters of 2017, Rome has attracted overall investment of ca. Euro 920 million - an 80% increase compared to the year-ago period.



Rome Office Market Investment Volume [20]

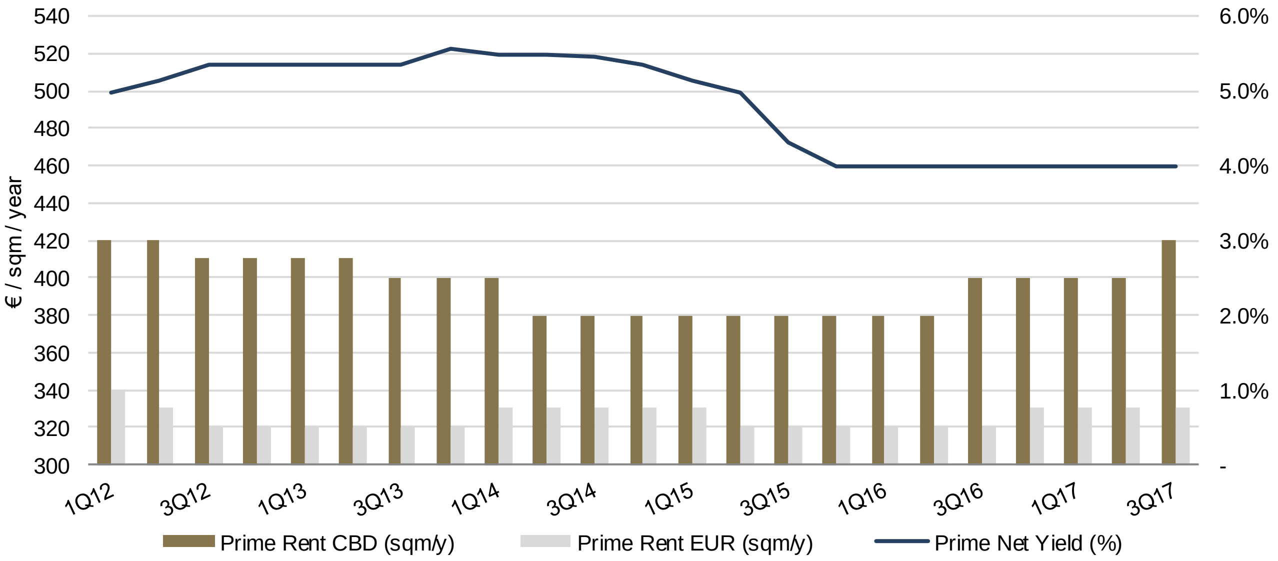
Occupational demand was strong during Q3 2017 too, with office take-up of ca. 58,500 square metres, the highest value recorded in a single quarter in the last six years.



Rome Office Market Take-Up Volume [21]

Rome office rents recorded a slight increase over the last quarter, reaching an all-time record of 420 Euro/sqm/year. Prime net yields remained stable at 4.0%.

[20] Source: CBRE Report – Q3 2017
[21] Source: CBRE Report – Q3 2017



Rome Office Market Prime Rent and Net Yield [22]

[22] Source: CBRE Report – Q3 2017

CONSOLIDATED INCOME STATEMENT

(Euro thousand)	Notes	Nine months ended September 30th, 2017	*of which related parties*	Nine months ended September 30th, 2016	*of which related parties*
Income statement					
Revenues	1	26,667	-	8,864	-
Cost of raw materials and services	2	(7,133)	(3,252)	(3,473)	-
Personnel costs	3	(1,181)	(581)	(659)	-
Other operating expenses	4	(2,801)	(29)	(928)	(104)
Amortization, depreciation and write-downs		(5)	-	-	-
Adjustment to fair value of property	6	5,884	-	2,018	-
Operating Earnings		**21,430**	**(3,862)**	**5,822**	**(104)**
Net income attributable to non-controlling interests		(119)	-	-	-
Income / (losses)		-	-	2,093	-
of which non-recurring		-	-	*2,093*	-
Financial income	5	488	-	195	-
Financial expenses	5	(5,007)	-	(1,680)	-
Profit before tax		**16,792**	**(3,862)**	**6,430**	**(104)**
Income tax		(10)	-	-	-
Profit for the period		**16,782**	**(3,862)**	**6,430**	**(104)**
Minority interest		(789)		(111)	-
Profit for the Group		**15,993**	**(3,862)**	**6,319**	**(104)**

EARNINGS PER SHARE

(Euro thousand)	Notes	Nine months ended September 30th, 2017	Nine months ended September 30th, 2016
Earnings per share			
Basic, net income attributable to ordinary COIMA RES SIIQ' shareholders	13	0.44	0.34
Diluted, net income attributable to ordinary COIMA RES SIIQ' shareholders	13	0.44	0.34

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Below are the main items of profit and loss that have most significantly affected Group profit as of September 30th, 2017.

1. Revenues

The revenues amount to Euro 26,667 thousand as of September 30th, 2017 and include:

- Euro 25,123 thousand of rents accrued on the real estate portfolio;
- Euro 1,514 thousand of operational expenses recharged to tenants;
- Euro 30 thousand of capital gains from the sale of two Deutsche Bank branches located in Gravedona and Casargo, sold at a price above book value.

2. Cost of raw materials and services

The cost for raw materials and services amounts to Euro 7,133 thousand as of September 30th, 2017. The breakdown of the figure is detailed below:

(Euro thousand)	Corporate	Vodafone Village	DB Portfolio	Gioiaotto and Eurcenter	MHREC S.à.r.l.	Deruta	Nine months ended September 30th, 2017	Nine months ended September 30th, 2016
Asset management fee	(995)	(891)	(531)	(689)	-	-	(3,106)	(1,515)
Property management fee	-	(156)	(62)	(296)	-	(9)	(523)	(64)
Valuation of the property	-	(13)	(57)	(9)	-	(5)	(84)	(61)
Maintenance and service charges	(17)	(151)	(32)	(135)	-	-	(335)	(69)
Utilities	(3)	(726)	(1)	(176)	-	-	(906)	(369)
Insurance	(98)	(44)	(49)	(36)	-	(17)	(244)	(102)
Legal, administrative and technical advices	(826)	(6)	(112)	(149)	(8)	(18)	(1,119)	(736)
Audit	(142)	-	(26)	(20)	(2)	(9)	(199)	(130)
Governance and other control functions	(223)	-	-	-	-	(11)	(234)	(131)
IT services	(104)	-	-	-	-	-	(104)	(103)
Communication, marketing and PR	(204)	-	-	(1)	-	(1)	(206)	(144)
Other costs	(27)	-	(7)	-	(39)	-	(73)	(50)
Cost for raw materials and services	**(2,639)**	**(1,987)**	**(877)**	**(1,511)**	**(49)**	**(70)**	**(7,133)**	**(3,473)**

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

Property management fees are mainly related to ordinary activities for the administration and maintenance of the buildings.

The expenses related to the valuation of the property are due in respect of the agreement in place with the independent expert CBRE Valuation for the preparation of the appraisals for the buildings.

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

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

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

Legal, administrative and technical advice costs are mainly related to professional services such as:

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

Costs for governance and other control functions are mainly related to the Board of Statutory Auditors (Euro 93 thousand), risk management (Euro 48 thousand) and other control functions (Euro 93 thousand).

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

Marketing and communications costs are mainly related to digital and media relations expenses (Euro 113 thousand); organization of events (Euro 55 thousand) and other marketing costs (Euro 38 thousand).

3. Personnel costs

The personnel expenses amount to Euro 1,181 thousand and include:

- wages, salaries and similar expenses (amounting to Euro 535 thousand) related to wages for the Company's employees.
- social security contributions (amounting to Euro 111 thousand) paid by the Company to social security funds.
- other personnel costs (amounting to Euro 535 thousand) include mainly the Board of Directors' remuneration.

4. Other operating expenses

The other operating expenses, amounting to Euro 2,802 thousand, are mainly related to property taxes and stamp duties. The breakdown of the figure is detailed below:

(Euro thousand)	Corporate	Vodafone Village	DB Portfolio	Gioiaotto and Eurcenter	MHREC S.à.r.l.	Deruta	Nine months ended September 30th, 2017	Nine months ended September 30th, 2016
Property taxes (IMU)	-	(520)	(925)	(496)	-	(173)	(2,114)	(671)
Property taxes (TASI)	-	(35)	(28)	(32)	-	(12)	(107)	(30)
Stamp duties	-	(92)	(59)	(55)	-	(27)	(223)	(92)
Other taxes	-	(1)	-	(100)	-	-	(101)	(2)
Membership fee	(9)	-	-	-	-	-	(9)	(10)
Room, board and journeys	(50)	-	-	-	-	-	(50)	(3)
Rounding, rebates and contingencies	(3)	-	(4)	(16)	-	-	(23)	(1)
Other administrative costs	(65)	-	-	-	-	-	(65)	(4)
Other operating costs	(29)	-	(2)	(3)	-	(67)	(99)	(115)
Other operating expenses	**(156)**	**(648)**	**(1,017)**	**(702)**	**-**	**(279)**	**(2,802)**	**(928)**

5. Financial income and expenses

Financial income amounts to Euro 488 thousand and refers to:

- Interest income on VAT refund of Euro 437 thousand;
- Interest income on bank accounts of Euro 51 thousand.

Interest income on VAT refunds is related to interest accrued on VAT receivables (Euro 38,000 thousand) generated by the acquisition of Vodafone Village, while interest income on bank accounts is related to interest accrued on Company liquid assets.
During the year COIMA RES SIIQ placed the remaining cash to be invested in a short-term time deposit which paid interest of 18 bps on an annual basis.

Financial expenses, amounting to Euro 5,007 thousand, includes interest accrued on existing bank borrowings.

CONSOLIDATED BALANCE SHEET

(Euro thousand)	Notes	September 30th, 2017	*of which related parties*	December 31th, 2016	*of which related parties*
Assets					
Real estate investments	6	533,266	-	480,900	-
Other tangible assets		302	-	3	-
Intangible assets		79	-	-	-
Investments accounted for using the equity method	7	16,532	-	16,187	-
Available for sale financial assets	8	1,481	-	-	-
Non-current deferred tax assets		8	-	6	-
Derivatives	9	821	-	613	-
Non-current financial receivables	10	1,620	1,620	1,621	1,621
Trade and other non-current receivables	10	38,000	-	38,000	-
Total non - current assets		**592,109**	**1,620**	**537,330**	**1.621**
Inventories	11	12,140	-	12,220	-
Trade and other current receivables	10	8,252	49	8,739	115
Cash and cash equivalents	12	81,025	-	113,102	-
Total current assets		**101,417**	**49**	**134,061**	**115**
Total assets		**693,526**	**1,669**	**671,391**	**1,736**
Liabilities					
Capital stock		14,451	-	14,451	-
Share premium reserve		335,549	-	335,549	-
Valuations reserve		8	-	75	-
Other reserves		7,734	-	-	-
Profit / (loss) for the period		15,993	-	12,123	-
Profit / (loss) carried forward		-	-	(320)	-
Total group shareholders' equity		**373,735**	**-**	**361,878**	**-**
Total minority equity		**11,117**	**-**	**11,114**	**-**
Shareholders' equity	**13**	**384,852**	**-**	**372.992**	**-**
Bank borrowings and other non-current lenders	14	302,278	-	289,973	-
Deferred tax liabilities		3	-	-	-
Payables for post-employment benefits		15	-	5	-
Provisions for risks and charges	15	184	58	125	-
Trade payables and other non-current liabilities	16	587	402	577	391
Total non-current liabilities		**303,067**	**460**	**290,680**	**391**
Trade payables and other current liabilities	16	5,553	1,510	7,713	3,762
Current tax payables		54	-	6	-
Total current liabilities		**5,607**	**1,510**	**7,719**	**3,762**
Total liabilities		**308,674**	**1,971**	**298,399**	**4,153**
Total liabilities and shareholders' equity		**693,526**	**1,971**	**671,391**	**4,153**

NOTES TO THE BALANCE SHEET

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

6. Real estate investments

Property investments as of September 30th, 2017 are detailed as follows:

- Vodafone Village with fair value of Euro 208,000 thousand;
- Deutsche Bank branches with fair value of Euro 124,550 thousand;
- Gioiaotto with fair value of Euro 67,955 thousand and Eurcenter, with fair value of Euro 81,561 thousand;
- Deruta 19 with fair value of Euro 51,200 thousand.

Comparing the amounts reported with the last appraisals produced by independent experts on June 30th, 2017, the change in the values is related to:

- the sale of the Deutsche Bank branch located in Casargo for Euro 180 thousand;
- the mark-down of the fair value of 21 Deutsche Bank branches to the price offered as per the binding offer made for these assets, amounting to Euro 1,430 thousand;
- certain capitalized costs on Gioiaotto and Eurcenter amounting to Euro 26 thousand.

7. Investments accounted for using the equity method

The item, amounting to Euro 16,532 thousand, includes:

- Porta Nuova Bonnet equity investment of Euro 14,534 thousand, whose units have been subscribed by the Company on December 20th, 2016;
- Co – Investment 2 SCS equity investment of Euro 1,998 thousand, owned indirectly by MHREC S.à.r.l., which owns 33.33%.

8. Available for sale financial assets

Available for sale financial assets, amounting to Euro 1,481 thousand, relate to a temporary investment of part of COIMA RES' excess cash into certain investment funds through an investment mandate assigned to Pictet.

9. Derivatives

The derivative instruments, with a fair value of Euro 821 thousand, were entered into to hedge 79.7% of our floating interest rate exposure as of September 30th, 2017.
The Company has recorded the financial instruments based on international accounting principles, verifying the effectiveness of the hedging relation, by performing the test retrospectively.

The increase of Euro 131 thousand since June 30th, 2017 is partially explained by the closing of a new interest rate cap for the MHREC Fund, used to hedge interest rate exposure related to the MHREC facility loan.

10. Trade and other receivables

Non-current financial receivables relate to loans granted by MHREC S.à.r.l. to the associated company Co – Investment 2 SCS.
Trade and other non-current receivables refer entirely to the VAT refund request of August 1st 2016, resulting from the acquisition of Vodafone Village.
The Company accrued interest of 2% on that amount, in adherence with Italian fiscal law.

Current receivables, amounting to Euro 8,252 thousand, include:

- other VAT receivables in an amount of Euro 4,555 thousand;
- prepayments and accrued income in an amount of Euro 2,301 thousand;
- rental receivables in an amount of Euro 1,329 thousand;
- deposits, advance and other receivables in an amount of Euro 67 thousand.

11. Inventories

Inventories, amounting to Euro 12,140 thousand, include the remaining vacant Deutsche Bank branches.

12. Cash and cash equivalents

The Company's cash and cash equivalents represents the residual IPO proceeds remaining to be invested and the net cash generated by our investment property portfolio.

13. Shareholders' equity

As of September 30th, 2017, the net equity of the Company amounts to Euro 384,852 thousand.
Share capital, amounting to Euro 14,451 thousand, is represented by 36,007,000 shares, without par value, and all fully subscribed for and paid up.

Reserves include:

- share premium reserve of Euro 335,549 thousand;
- legal reserve of Euro 1,729 thousand;
- other reserves of Euro 7,773 thousand.

Minority interests are related to the participation of other investors (13.33%) in the results of the MHREC Fund.

14. Bank borrowings and other non-current lenders

The bank borrowings, amounting to Euro 302,278 thousand, include:

- Euro 209,927 thousand related to two credit-facility lines granted by Banca IMI, Unicredit, BNP Paribas and ING Bank to the Company on June 30th, 2016;
- Euro 72,642 thousand related to a loan-facility granted by UBI Banca, ING Bank and Credit Agricole to the MHREC Fund, refinanced on March 31st, 2017 with a new maturity date (March 31st, 2022) and an interest rate of 3M Euribor + 150 bps margin;
- Euro 19,709 thousand related to a loan-facility granted by ING Bank to COIMA RES SIINQ I for the Deruta 19 acquisition.

(Euro thousand)	September 30th, 2017	Maturity date	Rate	Arrangement fee	Agency fee	Covenant	% Hedging	Bank
COIMA RES - Senior Line	170,659	June 29, 2021	Eur 3M +180bps	90 bps	30	LTV Portfolio: <60% LTV Consolidated: <60% ICR Portfolio >1.80x ICR/DSCR	60%	BNP (25%) Banca IMI (25%) ING Bank N.V. (25%) UniCredit (25%)

COIMA RES - VAT Line	39,266	June 29, 2019	Eur 3M +150bps			Consolidated >1.40x	97%	
MHREC	72,642	March 31, 2022	Eur 3M +150bps	50 bps	25	LTV: <60% ICR >1.75x	80%	CA -CIB (33%) ING Bank N.V. (33%) UBI Banca (33%)
COIMA RES SIINQ I	19,709	January 16, 2022	Eur 3M +160bps	90 bps	N/A	LTV: <55% ICR >3.00x	81%	ING Bank N.V.

15. Provision for liabilities and charges

The provision for risks and charges, amounting to Euro 184 thousand, includes the discounted value of the long-term incentive plan granted to some employees. The incentives are on a three-year basis and have a performance-component and a significant component related to the retention of beneficiaries.

16. Trade payables and other liabilities

Trade payables and other non-current liabilities, amounting to Euro 587 thousand, are comprised of:

- Euro 402 thousand related to the fair value of the financial instruments granted to key managers;
- Euro 185 thousand related to cash deposits received from tenants.

The trade payables and other current liabilities, amounting to Euro 5,553 thousand include the following:

- trade payables to suppliers and invoices to be received of Euro 2,935 thousand;
- accruals and deferred income of Euro 1,926 thousand;
- security provisions, personnel debts and other payables of Euro 692 thousand.

Risks, guarantees and commitments

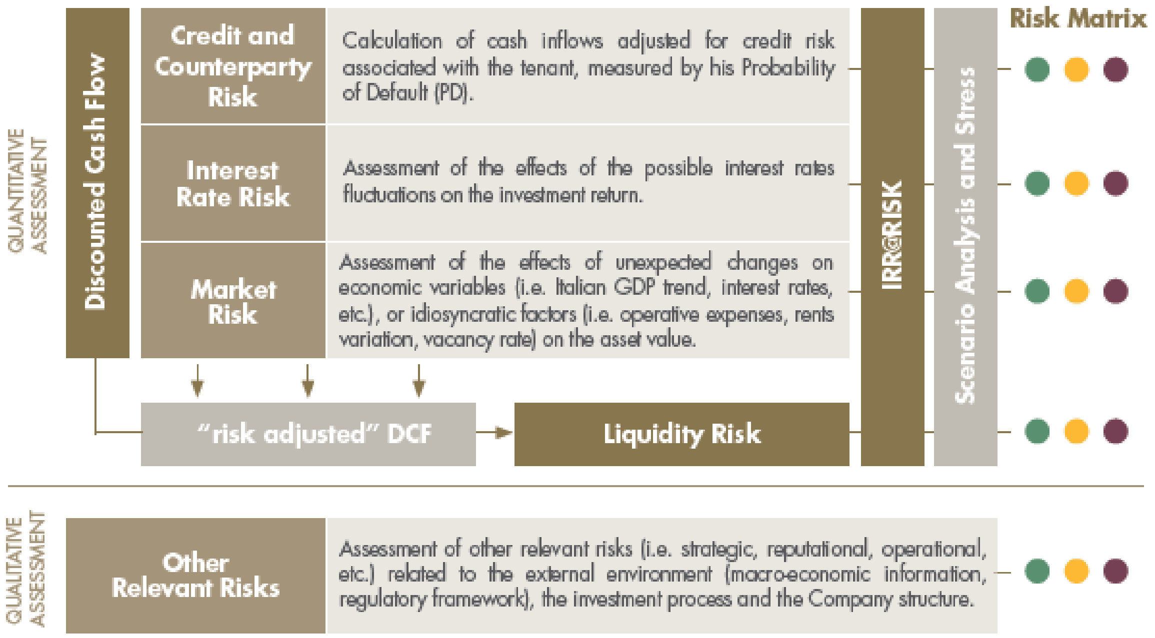
Risks

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

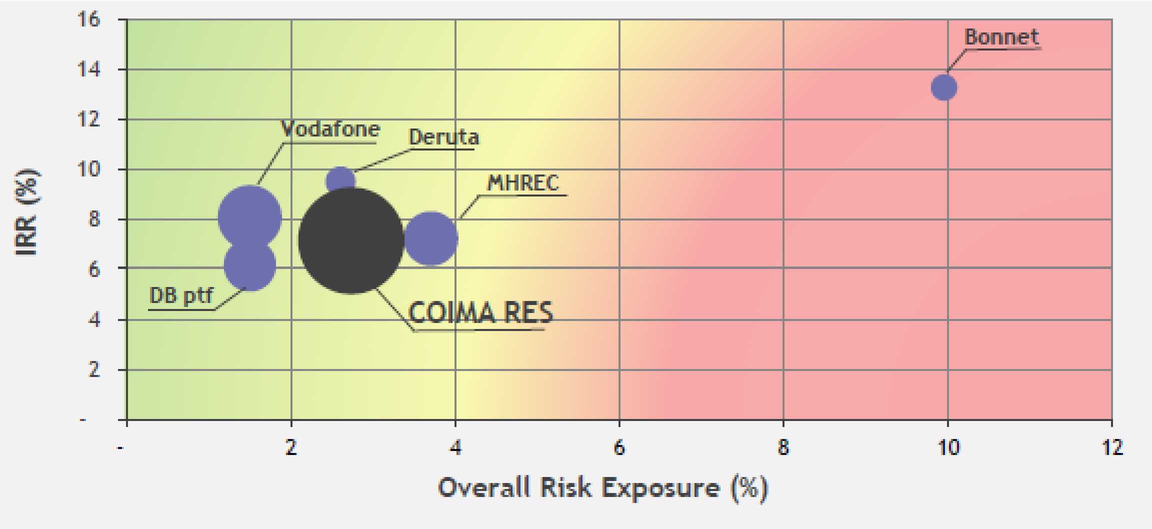
	Risks	COIMA RES mitigation
1	**Market risk** - the risk of losses related to the fluctuation in the prices of properties in the portfolio resulting from adverse changes of macroeconomic variables, the property market and/or the specific characteristics of the properties owned by the Company. This risk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

7	**Operating risk** - the risk of suffering losses resulting from the inadequacy or malfunction of procedures, human resources and internal systems or external events. This risk includes the risk of outsourcing, i.e. the operating losses arising from the performance of the outsourced activities.	Operating risks are addressed by adopting adequate internal procedures and the structuring of the internal control system on three levels: - Level One: Scheduled checks carried out by the business units and staff functions; - Level Two: Checks carried out by the Legal, Compliance and Risk Management functions; - Level Three: Checks carried out by the internal audit function based on the Audit Plan. The Company also periodically monitors these risks through suitable risk assessment techniques based on international best-practices.
8	**Legal and compliance risk** - the risk of changes in performance due to changes in the legislative framework.	The Company continuously monitors the risk of non-compliance with current legislation and compliance requirements. Our compliance checks include asset and profit tests to ensure that legal requirements, necessary to maintain the SIIQ status are met now and in the future, as indicated in the Articles of Association.
9	**Reputational risk** - the current or future risk of a fall in profits or capital, resulting from a negative perception of the Company's image by customers, counterparties, shareholders, investors or the Regulatory Authorities.	Reputational risk, like operating risk, is mitigated by adopting an adequate organizational and control structure, consistent with international best-practices. We also mitigate reputational risk by putting in place stringent and specific procedures such as supervising external communication, overseeing interaction with stakeholders (for example, governmental authorities) and monitoring contact with investors (e.g. complaint management).
10	**Strategic risk** - Pure risk and business risk; this consists of the current or prospective risk of a fall in profits or capital, resulting from changes in the operating environment or from incorrect corporate decisions, inadequate implementation of decisions, poor reaction to changes in the competitive environment, customer behaviour or technological developments.	In addition to a comprehensive strategic planning and evaluation process for analysis of investments, strategic risk is mitigated by the high level of experience and professionalism of Company management, with regard to the real estate market, operational/financial management, and internal controls.

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



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



Guarantees and commitments

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

- first mortgage of Euro 432,550 thousand;
- pledge on the Coima Core Fund IV units;
- pledge on operating bank accounts linked to the loan agreement, with the exception of the account to which any 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.

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

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

MHREC Fund has granted the following guarantees to banks in relation to the loan it has taken on:

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

Mortgage debt encumbering real estate is as follows:

Date	Amount	Grade	Bank
June 24th, 2016	146,000,000	I	UBI Bank

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

As for the lease agreement signed on July 21st, 2017 with COIMA RES and Porta Nuova Garibaldi, managed by COIMA SGR S.p.A., the Company has granted a guarantee to the landlord amounting to ca. Euro 25 thousand.

Regarding the VAT reimbursement, COIMA RES has granted a guarantee to the Italian Inland Revenue Agency amounting to Euro 41,187 thousand.

The Company has a commitment of Euro 25,000 thousand to the Porta Nuova Bonnet Fund. Note that as of September 30th, 2017 the Porta Nuova Bonnet Fund drew Euro 13,678 thousand and therefore has a residual claim of Euro 11,322 thousand on the Company.

Criteria for the preparation of the interim consolidated financial statements

The interim consolidated financial statements have been prepared adopting the same principles of consolidation and measurement criteria described in the last annual report as at December 31st, 2016 and in the half-year financial statement as of June 30th, 2017. The interim consolidated financial statements do not disclose all the information required during preparation of the annual consolidated financial statements nor all the information required by IAS 34.

The consolidation perimeter includes COIMA RES SIIQ as parent company, COIMA CORE FUND IV, MHREC Fund, MHREC S.a.r.l. and COIMA RES 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 in accordance with the equity method.

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

Pursuant to art. 154-bis, subsection 2 of the Italian Consolidated Law on Finance, the Manager responsible for preparing the Company's financial reports, Fulvio Di Gilio, hereby declares that the accounting information contained in this Interim Consolidated Financial Statement as at September 30th, 2017 corresponds to corporate records, books and accounts.

Milan, October 25th, 2017

Manager responsible for preparing the Company's financial reports

Fulvio Di Gilio

GLOSSARY

	Definition
Accounting Period	Accounting period means each successive period of 12 calendar months each of which starts on 1 January and ends at midnight on December 31st in each year.
ALM	Asset Liabilities Management is the practice of managing risks stemming from mismatches between assets and liabilities. The process is a mix between risk management and strategic planning.
Asset Management Agreement	The agreement entered into on October 15th, 2015 by and between COIMA RES and COIMA SGR and modified on November 15th, 2015.
Bonnet	Bonnet is the building located in Milan, in via Bonnet, held through the Porta Nuova Bonnet investment (35.7%).
Break Option	The right of the tenant to withdraw from the lease agreement.
CBD	Central Business District, which is the area where the prime office market is mainly located.
CBRE	CBRE Valuation S.p.A., with registered office in Milan, Via del Lauro, 5/6.
CO - Investment 2SCS	A subsidiary owned indirectly via MHREC Real Estate S.à.r.l., which owns 33.33% of the units.
COIMA CORE FUND IV	Fund in which the Company owns 100% of the shares.
COIMA 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, Piazza Gae Aulenti no.12.
COIMA SGR	COIMA SGR S.p.A., with registered office in Milan, Piazza Gae Aulenti no.12.
Company or COIMA RES	COIMA RES S.p.A. SIIQ, with registered office in Milan, Piazza Gae Aulenti no.12.
Core	The *core* assets are characterized mainly by high liquidity and low risk. This type of property is located in strategic areas and is intended to be held in the portfolio on a long-term basis so as to fortify the company's risk-return profile.
Core plus	The *core plus* assets are similar to the *core* category, except that some investments may exhibit enhancement potential (such as partially vacant areas or tenancies with short term expiries). For this type of risk, the profile is considered medium-low.
Coupon	The value accrued on the Financial Instrument.
Deruta 19 or Deruta	Deruta is the building complex located in Milan, Via Deruta 19, acquired on January 16th, 2017 by COIMA RES SIINQ I.
Deutsche Bank Portfolio	The bank branches of COIMA CORE FUND IV, leased to Deutsche Bank
EBITDA	Earnings before Interest, Taxes, Depreciation & Amortisation, is the most widely used measure of a company's operating performance as it isolates operating earnings, excluding the effects of capital structure, taxes or depreciation regime. EBITDA is a proxy for the operating cash flow that the company is able to generate.
EPRA Cost Ratios	Calculated as administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.
EPRA Earnings	Recurring earnings from core operational activities. EPRA Earnings is a key measure of a company's operational performance and represents the net income generated from the operational activities.
EPRA NAV	EPRA Net Asset Value is calculated based on the consolidated shareholders' equity adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallize in a long-term investment property business model, as per EPRA's recommendations.
EPRA Net Initial Yield	Calculated as Net Initial Rent divided by the gross market value of the property.
EPRA NNNAV	Triple Net Asset Value is the EPRA NAV adjusted to include the fair value of financial instruments, debt and deferred taxes.
EPRA topped up Net Initial Yield	Calculated as Net Stabilised Rent divided by the gross market value of the property.
EPS	Earnings Per Share calculated as net income divided by the basic number of shares outstanding.
Expected Gross Stabilised Rent	Gross Stabilised Rent adjusted for selected active asset management initiatives.
FFO	Funds From Operations calculated as Core Business EBITDA less net interest expense.

Gioiaotto	Gioiaotto is the building located in Milan, in Melchiorre Gioia 6-8, held through the MHREC Fund.
Good Secondary	High quality properties located in central or peripheral areas of primary cities.
Gross Expected Stabilised Yield	Calculated as Expected Gross Stabilised Rent divided by the gross market value of the property.
Gross Initial Rent	Annualised rents being received as at a certain date considering lease incentives such as rent-free periods, discounted rent periods and step rents.
Gross Initial Yield	Calculated as Gross Initial Rent divided by the gross market value of the property.
Gross Stabilised Rent	Annualised rents being received as at a certain date adjusted for unexpired lease incentives. The adjustment includes the annualised cash rent that will apply at the expiry of the lease incentive.
Gross Stabilised Yield	Calculated as Gross Stabilised Rent divided by the gross market value of the property.
Initial Portfolio	The Deutsche Bank branches and the Vodafone properties.
Interest Coverage Ratios	Ratio between the EBITDA and interest expense.
LEED Certification	Certification of building efficiency issued by the U.S. Green Building Council.
MHREC or MH Real Estate Crescita	Fund of which the Company acquired 86.67% of the shares on July 27th, 2016.
MHREC S.à.r.l.	MHREC Real Estate S.à.r.l., subsidiary of MHREC Fund.
Net Expected Stabilised Rent	Corresponds to Expected Gross Stabilised Rent for the period less, service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Net Expected Stabilised Yield	Calculated as Expected Net Stabilised Rent divided by the gross market value of the property.
Net Initial Rent	Corresponds to gross initial rent for the period less service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Net Liquidity	Net Liquidity or Net Financial Position is the effective Net Debt of the Company.
Net Stabilised Rent	Corresponds to Gross Stabilised Rent for the period less service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Palazzo Sturzo or "Eurcenter"	The building located in Roma, in Piazza Don Luigi Sturzo, held through the MHREC Fund.
Porta Nuova Bonnet	Fund established on October 20th, 2016, of which COIMA RES owns 35.7%.
Promote Fee	Performance fee payable by COIMA RES to SGR, related to the Asset Management Agreement.
Qatar Holding	Qatar Holding LLC, a company with principal offices in Doha, Qatar, Q-Tel Tower, PO Box 23224, wholly-owned by Qatar Investment Authority, sovereign fund of the State of Qatar.
Recurring FFO	Calculated as FFO adjusted to exclude non-recurring income and expenses.
Shareholder Return	Shareholder Return means, in respect of each Accounting Period, the sum of (a) the change in the EPRA NAV of the Company during such year less the net proceeds of any issues of ordinary shares during such year; and (b) the total dividends (or any other form of remuneration or distribution to the shareholders) that are paid in such year.
Shareholder Return Outperformance	Shareholder Return Outperformance means, in respect of each Accounting Period, the amount in Euro by which the Shareholder Return for the year exceeds the Shareholder Return that would have produced a determined Shareholder Return.
SIINQ	Unlisted real estate investment company regulated by article 1, paragraph 125 of the Finance Act 2007.
SIIQ	Listed real estate investment company regulated by article 1, paragraphs 119-141-bis of the Finance Act 2007.
Weighted Average Debt Maturity	It is the length of time the principal of a debt issue is expected to be outstanding. The average life is an average period before a debt is repaid through amortisation or sinking fund payments.
Value-added	This type of assets includes buildings undergoing redevelopment and refurbishment, usually vacant or with high rate of vacancy. Compared to the core category, value added real estate has a medium-high risk profile and is expected to generate returns through real estate value appreciation over time.