COIMARES

E-MARKET SDIR CERTIFIED

ANNUAL REPORT 2020


Milan, Porta Nuova


Regione
Lombardia
inLOMBARDIA

Index

01

COMPANY

02

MANAGEMENT

03

GOVERNANCE

04

SUSTAINABILITY

05

FINANCIAL REVIEW

01

Company

COIMA RES is a real estate investment trust (REIT) which owns a portfolio mainly consisting of office properties in Milan

688 million Euro
VALUE OF THE REAL ESTATE PORTFOLIO

91 % IN MILAN

87 % OFFICES

151,000 SQUARE METERS

Data on a pro-quota basis

LETTER FROM THE CEO

Dear Shareholders, Investors, Tenants and Partners,

At the end of our fifth year of activity, we are pleased to present the operational and financial results achieved by COIMA RES in 2020.

Notwithstanding the complex health and macroeconomic context which developed on the back of the COVID-19 pandemic, COIMA RES has reported solid operational and financial results in 2020, maintaining a prudent level of indebtedness (average net LTV of 38.1% on a consolidated basis), preserving an ample liquidity buffer (equal on average to Euro 48.7 million on a consolidated basis) and confirming a dividend per share in line with the level of the previous two years (equal to Euro 0.30 per share).

During the year, we continued to operate in line with our strategy, offering our shareholders exposure to a quality real estate portfolio mainly consisting of office properties located in Milan. Today, the office component of our portfolio is equal to 87% and the component located in Milan is equal to 91%. In addition, in recent years we have consolidated our position in the district of Porta Nuova where 53% of the COIMA RES portfolio is currently located. The tenant base of COIMA RES is mainly composed of medium-large sized multinational corporations with primary standing and reputation, this feature has allowed us to collect almost all the rents due for 2020.

A cornerstone of our strategy is sustainability, an aspect that allows us to best position our offering with respect to tenants' demand, to help reduce the risk profile of COIMA RES and to minimise the long-term environmental impact of our buildings.

Approx. 72% of our office portfolio is either newly built or recently renovated and certified according to the LEED protocol. This percentage includes the Corso Como Place project which, despite the complexity associated with managing construction sites during the COVID-19 pandemic, has been completed at no additional cost vs budget and delivered to the tenants. The remaining 28% comprises properties that will be upgraded and renovated in the coming years to improve their energy performance and to maximise their appeal to tenants.

In line with its strategy, COIMA RES decided in June 2020 to acquire a minority stake in the Gioia 22 property in Porta Nuova. The closing of the acquisition is expected for 2022. The Gioia 22 building, designed by Pelli Clarke Pelli Architects, presents innovation and sustainability features that are unique in the Italian market. For example, Gioia 22 is the largest building in Italy to obtain the Nearly Zero Energy Building (NZEB) certification as well as to qualify for the LEED, WELL and Cradle to Cradle certifications.

Furthermore, in 2020, COIMA started the process to obtain the LEED for Communities and WELL Community certifications for the entire Porta Nuova district in Milan, aiming to make it the first district redevelopment project globally to obtain this double certification. These two complementary certifications will analyse the social, environmental, and economic aspects of the Porta Nuova development, documenting the commitment to the community in the creation of a district through the activation of public spaces, the creation of an innovative and replicable urban economic model and the development of tools to communicate with the community.

From a financial point of view, the year 2020 also saw the signing of a new asset management contract between COIMA RES and COIMA SGR. This included a substantial improvement in the economic terms in favour of COIMA RES contributing to improve its profitability. With the same spirit, I have continued to renounce the remuneration related to my position as CEO.

COIMA RES also continued its journey to enhance its transparency and its dialogue with the market. In recognition of this, we were proud to receive the Gold Award from EPRA for our financial and sustainability reporting for the fourth consecutive year. In addition, the website www.coimares.com has improved its positioning in the Webranking research, for the third year in a row. This research is conducted by Comprend and Lundquist and evaluates the transparency of corporate communication of listed companies. Today, COIMA RES ranks number 18 out of a group of 122 listed Italian companies participating in the research.

It is evident that the COVID-19 pandemic has led to a rapid conversion of typical organisational models of corporates, with most employees working remotely with a seemingly limited impact on productivity. The experience of recent months has fuelled a debate on how work will be organized after the first contingent phase of the pandemic and the need for office space by companies has been questioned, especially at a time when the global economic crisis will lead companies to revise their hiring plans, their organisational models, and their cost base.

We believe that the foreseeable increase in the adoption of the practice of remote work in Italy and Milan will affect tenants' demand for office space both from a qualitative and quantitative point of view. The aggregate demand for office space will decrease marginally, but at the same time tenants will be more attentive to the quality of the space they lease. This will support the demand for office space and properties with advanced features in respect to environmental sustainability and that put people at the centre to encourage collaboration and creativity, acting as real productivity tools for corporates.

In particular, we believe that the polarisation between neighbourhoods will further consolidate and accelerate, and that qualified neighbourhoods (i.e. neighbourhoods which are well connected to the public transport network, equipped with a good availability of services, wellness options and the presence of quality public spaces, and characterized from a high degree of diversification in terms of end uses) will continue to meet strong interest from office tenants, maintaining a limited level of vacancy.

The current economic and market context is not without challenges: COIMA RES is ready to transform these challenges into opportunities with the aim of generating value for its tenants, for its shareholders and in a broader sense for the citizens of the areas in which we operate.

Best regards,

Manfredi Catella
Founder and Chief Executive Officer, COIMA RES

COMPANY PROFILE

COIMA RES S.p.A. SIIQ ("**COIMA RES**", or the "**Company**") is a Real Estate Investment Trust ("**REIT**"). COIMA RES was founded in 2015 by Manfredi Catella, jointly with COIMA S.r.l. and COIMA SGR S.p.A. ("**COIMA SGR**"), and was subsequently listed on the Mercato Telematico Azionario organized and managed by Borsa Italiana in 2016.

COIMA RES currently owns a quality real estate portfolio mainly concentrated in the office segment in Milan.

COIMA RES is led by Manfredi Catella, as Founder and CEO, and is managed by a team of six professionals employed by the Company, including: Fulvio Di Gilio (Chief Financial Officer), Yuri D'Agostino (Investment Director), Alberto Goretti (Investor Relations Director), Emiliano Mancuso (Planning & Control Senior Manager) and Carlotta Ciuffardi (Finance & Control Manager).

The COIMA RES Board of Directors is composed of 9 members (7 of which are independent). The Board is responsible for the ordinary and extraordinary management of COIMA RES.

COIMA RES avails itself of the support of COIMA SGR for investment and asset management activities, under the responsibility of key managers Gabriele Bonfiglioli (Head of Investments) and Matteo Ravà (Head of Asset Management), and COIMA S.r.l. for property, facility and development management activities.

COIMA SGR and COIMA S.r.l. are controlled by the Catella family.

COIMA SGR, created in 2007 as Hines Italia SGR SpA and renamed COIMA SGR in 2015 to correspond with the change of control that saw the Catella family buying out the Hines group, is today one of the main independent companies in the management of real estate assets in Italy.

COIMA S.r.l., active in the real estate market since 1974, carries out property, facility and development management activities, mainly on projects promoted by COIMA SGR but also for third party clients.

THE REIT FRAMEWORK

The Real Estate Investment Trust (“**REIT**”) framework was initially introduced and regulated in Italy by the 2007 budget law. The framework was subsequently integrated and modified in November 2014.

The framework offers the possibility of adopting, in the presence of certain requirements set by the law, a taxation system in which the profit deriving from the property leasing business and the profit from the disposal of properties are exempt from taxation (so-called “**exempt activity**”).

The main requirements and obligations of the special tax regime guaranteed to REITs can be summarized as follows:

Subjective requirements	◦ ***Company incorporated in the form of a joint stock company*** ◦ ***Residence in the territory of the Italian state*** ◦ ***The shares are traded on regulated markets***
Statutory requirements	◦ ***Investment rules*** ◦ ***Limits on the concentration of risks on investments and counterparties*** ◦ ***Maximum leverage limit, at individual and group level***
Shareholding structure requirements	◦ ***No shareholder must have more than 60% of the voting rights*** ◦ ***Free float greater than 25%***
Objective requirements	◦ ***The properties owned represent at least 80% of the total assets*** ◦ ***Revenues from leasing of owned properties represent at least 80% of total revenues***
Distribution requirements	◦ ***Requirement of distributing at least 70% of the net profit (determined as per the separate accounts) deriving from the leasing activity and from equity investments*** ◦ ***Requirement of distributing, within 2 years following the realisation, of 50% of the capital gains realised on disposal of properties and of investments in SIIQ, SIINQ and qualified real estate funds***

INVESTMENT CASE

1

FOCUSSED REAL ESTATE PORTFOLIO

Euro 688 million portfolio, 87% offices, 91% in Milan, 53% in Porta Nuova

2

SOLID AND DIVERSIFIED TENANT BASE

12 of the 15 main tenants are multinational corporations

3

STABLE CASH FLOW DERIVING FROM LEASING AGREEMENTS

76% of the portfolio leased on the back of long-term contracts

4

VALUE CREATION THROUGH REFURBISHMENT PROJECTS

24% of the porfolio to be repositioned in the short-medium term

5
SUSTAINABLE FINANCIAL STRUCTURE
Net LTV equal to 38.3%, Euro 49 million of liquidity available (on a consolidated basis)

6
SOLID CORPORATE GOVERNANCE
7 of 9 board members are independent, gender parity amongst non-executives

7
SUSTAINABILITY AS A CORNERSTONE OF THE INVESTMENT STRATEGY
66% of the portfolio is LEED certified, Porta Nuova certification in progress

8
LIQUID AND TRANSPARENT INVESTMENT INSTRUMENT
Shares traded on Borsa Italiana, EPRA Gold Standards in reporting

Milan, Sarca, façade

STRATEGY AND BUSINESS MODEL

The strategy of COIMA RES aims to create value in the medium to long term through the active management of the real estate portfolio. Sustainability is one of the cornerstones of our strategy, and this allows us to best position our offering with respect to the tenants' demand, contributing in reducing the risk profile and minimising the long term environmental impact of our buildings.

Caio Massimo Capuano
Chairman, COIMA RES

Strategy

COIMA RES' objective is to create value for its shareholders in the medium to long term, within the context of the parameters established by the Real Estate Investment Trust (REIT) framework.

This objective is pursued through the execution of a clear strategy that envisages the active management of a quality real estate portfolio capable of satisfying the present and future demand from tenants.

In particular, COIMA RES has chosen to focus its portfolio mainly on office properties located in Milan. This choice allows COIMA RES to make the most of the skills of COIMA SGR and COIMA S.r.l., which have both built a remarkable track record in the development and management of office properties in Milan in recent years. This choice also exposes COIMA RES to the largest, most liquid and most transparent segment in the Italian real estate landscape, features that have remained intact even in the difficult context of the COVID-19 pandemic experienced in 2020.

In an environment in which corporates are proving to be increasingly demanding in their choices of office spaces, also aligning them with their sustainability policies, the investment strategy of COIMA RES favours office properties that are well integrated with the urban fabric, able to reach, immediately or through refurbishment projects, high environmental performances that can put people at the centre, fostering collaboration and creativity and acting as real business productivity tools.

Business model

The business model supporting COIMA RES' strategy envisages:

- A rigorous capital allocation process when executing investments
- The active management of the real estate portfolio, aimed at optimising cash flows and possibly repositioning and upgrading some of the properties in the portfolio (in order to improve their environmental performance, their integration with the urban fabric and, in general, their attractiveness on the market)
- The rotation of the portfolio assets over time, aimed at crystallising performance and free up capital for new investments

A cornerstone of the business model of COIMA RES is the support received by COIMA SGR and COIMA S.r.l. for the acquisition and disposal of properties, the management of the tenant base, the operational management of the assets and the management of the assets' refurbishment processes.

E-MARKET SDIR CERTIFIED

OVERVIEW OF ACTIVITIES

The year 2020 was characterized by the outbreak of the COVID-19 pandemic at a global level, and in particular, Italy was the first European country to introduce restrictive measures (lock-down) at the beginning of March 2020. In this difficult context, COIMA RES and the companies of the COIMA platform have remained fully operational working remotely since February 25th, 2020.

One of the priorities of COIMA RES was the management and protection of its tenants, and in this context COIMA RES has kept its tenants regularly informed on the safe use of buildings and implemented a stringent sanitization program of the properties.

A particularly complex aspect concerned the management of the development site linked to the Corso Como Place project. In conjunction with the first lockdown phase, the construction site was halted between March 13th, 2020, and May 3rd, 2020. Between May 4th, 2020, and May 18th, 2020, additional safety measures were introduced in the building site to ensure the health and safety of the workers in relation to the COVID-19 risk. On the back of this process, work resumed, and two shifts were organised (compared to a single shift before COVID-19) in order to reduce the density of the personnel active on the construction site.

Despite the temporary suspension of the works, the project was completed at the end of 2020 substantially in line with the total budget.

JANUARY	CLOSING OF DISPOSAL OF 8 BANK BRANCHES FOR EURO 13.1 MILLION
MARCH	NEW ASSET MANAGEMENT AGREEMENT WITH COIMA SGR FINALISED
JUNE	ANNUAL GENERAL MEETING
JUNE	NEW BOARD OF DIRECTORS APPOINTED
JUNE	AGREEMENT FOR THE ACQUISITION OF A STAKE IN GIOIA 22 PROPERTY
JUNE	PAYMENT OF 2019 FINAL DIVIDEND FOR EURO 0.20 PER SHARE
SEPTEMBER	EPRA "GOLD AWARD" FOR ANNUAL FINANCIAL & SUSTAINABILITY REPORT 2019
OCTOBER	OBTAINED REVOLVING CREDIT FACILITY FOR EURO 10.0 MILLION
OCTOBER	CLOSING OF DISPOSAL OF 2 BANK BRANCHES FOR EURO 6.2 MILLION
NOVEMBER	PAYMENT OF 2020 INTERIM DIVIDEND FOR EURO 0.10 PER SHARE
DECEMBER	CLOSING OF DISPOSAL OF TELECOM PORTFOLIO
DECEMBER	COMPLETION OF CORSO COMO PLACE DEVELOPMENT PROJECT

Milan, COIMA Headquarters, interior

Key data

44.4 *Euro million*
GROSS RENTS

448.3 *Euro million (12.42 Euro per share)*
EPRA NET TANGIBLE ASSETS

40.3 *Euro million*
NET OPERATING INCOME

10.8 *Euro million (0.30 Euro per share)*
DIVIDEND[1]

15.6 *Euro million*
NET PROFIT

3.5%
RETURN ON EQUITY

17.5 *Euro million (0.49 Euro per share)*
EPRA EARNINGS

5.1%
EPRA NET INITIAL YIELD

24.5 *Euro million (0.68 Euro per share)*
FFO

2.5%
EPRA VACANCY RATE

24.2 *Euro million (0.67 Euro per share)*
RECURRING FFO

4.3 *years*
WALT

688.3 *Euro million*
PORTFOLIO VALUE
(pro-quota basis)

66%
PORTFOLIO LEED CERTIFIED

291.4 *Euro million*
NET FINACIAL POSITION

40 *kgCO_2e/sqm per year*
CARBON INTENSITY

38.3%
NET LOAN TO VALUE

182 *kWh/sqm per year*
ENERGY INTENSITY

1 Subject to shareholders' approval

MAIN DATA		2020	2019	2018	2017
Income statement					
Gross Rents	Euro million	44.4	37.3	36.3	34.2
Net Operating Income (NOI)	Euro million	40.3	33.4	32.3	30.5
EBITDA	Euro million	31.5	23.5	25.0	21.6
Net Profit	Euro million	15.6	32.0	46.3	28.9
EPRA Earnings	Euro million	17.5	14.0	15.1	15.3
Recurring FFO	Euro million	24.2	17.6	17.7	16.8
EPRA Earnings per share	Euro	0.49	0.39	0.42	0.42
Recurring FFO per share	Euro	0.67	0,49	0.49	0.47
Balance sheet					
IFRS Net Asset Value	Euro million	445.5	440.1	418.7	383.4
EPRA Net Tangible Assets	Euro million	448.3	443.7	421.6*	384.6*
IFRS Net Asset Value per share	Euro	12.34	12.19	11.63	10.65
EPRA Net Tangible Assets per share	Euro	12.42	12.29	11.71*	10.68*
Cash flow					
Capex (pro-quota)	Euro million	9.5	9.8	5.1	1.3
Acquisitions (pro-quota)	Euro million	-	138.2	103.7	105.7
Disposals (pro-quota)	Euro million	7.8	131.2	79.7	38.5
Dividend (fiscal year)	Euro million	10.8	10.8	10.8	9.7
Dividend per share (fiscal year)	Euro million	0.30	0.30	0.30	0.27
Performance indicator					
Return on Equity	%	3.5%	7.6%	11.8%	8.0%
Indebtness					
Gross debt	Euro million	339.0	358.1	291.3	263.1
Cash	Euro million	48.7	42.7	82.2	27.0
Net debt	Euro million	291.4	315.4	209.1	236.1
Net Loan to Value (LTV)	%	38.3%	38.8%	33.5%	37.1%
Interest Cover Ratio (ICR)	x	4.1x	3.4x	4.0x	3.2x
Average "all in" cost of debt	%	1.98%	2.01%	2.03%	1.97%
Average debt maturity	years	2.4	3.4	4.4	3.7
Real estate portfolio					
Number of assets in the portfolio	-	67	72	77	78
Value of the portfolio (consolidated)	Euro million	758.1	767.7	623.5	575.6
Value of the portfolio (pro-quota)	Euro million	688.3	688.4	654.4	589.9
Commercial surface (pro-quota)	square meters	151,000	165,000	172,000	172,000
WALT	years	4.3	5.3	6.2	7.2
EPRA Net Initial Yield	%	5.1%	4.6%	5.2%	5.3%
EPRA Topped-up Net Initial Yield	%	5.3%	5.3%	5.3%	5.5%
EPRA Vacancy Rate	%	2.5%	2.0%	4.6%	4.8%

** EPRA NAV*

THE REAL ESTATE PORFOLIO

The year 2020 saw the completion of the Corso Como Place development project, which was delivered to the tenants Accenture and Bending Spoons in January 2021, and the completion of the sale of a portfolio of bank branches and of the Telecom Portfolio, in line with the strategy of COIMA RES aimed at concentrating on quality office properties in qualified neighbourhoods of Milan.

Matteo Ravà
Head of Asset Management, COIMA SGR

COIMA RES owns a portfolio of properties valued at Euro 688.3 million (real estate assets accounted for on a pro-quota basis), characterized by an EPRA Net Initial Yield of 5.1% and by an EPRA Topped-up Net Initial Yield of 5.3%.

Geographically, 91% of COIMA RES' portfolio is concentrated in Milan (53% in the district of Milan Porta Nuova and 39% in other districts in Milan), 4% in Lombardy (ex-Milan) and 5% in other regions of Northern and Central Italy.

From an end use point of view, the COIMA RES portfolio is focused for 87% on the office segment (also including the Pavilion asset), for 4% on the hotel segment and for 10% on the bank branches segment.

The properties are held both directly and through subsidiaries and funds. In particular, COIMA RES deploys joint venture structures in order to access also medium to large size projects managed by the COIMA platform with minority interests.

COIMA RES' portfolio is characterized by a low vacancy level (EPRA Vacancy Rate of 2.5%), which is mainly concentrated on three vacant bank branches and on a marginal portion of the Monte Rosa property which is vacant. The Corso Como Place project is not accounted for in the EPRA Vacancy Rate calculation as, whilst the renovation works are now completed, the property was not yet formally delivered to the tenants as of December 31st, 2020.

The COIMA RES office buildings in Milan are situated in various districts of the city. The main sub-group is represented by the buildings located in the Porta Nuova district, where 5 properties are situated (Gioiaotto, Corso Como Place, Pavilion, Tocqueville and Microsoft) which make up approximately 53% of COIMA RES' portfolio. The other 4 office buildings are situated in secondary districts, in particular the Lorenteggio district as regards the Vodafone complex, the Bicocca district as regards the Sarca building (which hosts the Philips headquarters), the Lambrate district as regards the Deruta property and the City Life district with regard to Monte Rosa.

All COIMA RES office buildings in Milan are well connected to the public transport system and to the Milan subway network.

The COIMA RES portfolio is characterised by assets with different profiles, in particular:

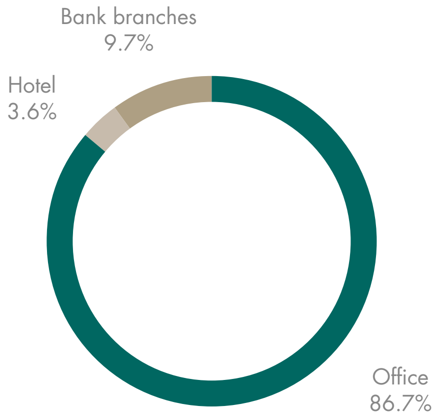
- properties leased with medium-long term contracts already in the stabilised phase, where the rental growth is mainly linked to inflation or contractual step-ups and / or achieved on the back of re-letting of space (where new lease agreements can be stipulated at premium level compared to previous leases)
- properties characterised by lease agreements with short residual duration, where, upon expiry of the existing lease contracts, renovation works are expected to be carried out and where at the back of these processes it is possible to reasonably assume the stipulation of lease agreements at higher levels compared to the previous ones
- vacant properties, where a refurbishment plan is being implemented (or being delivered to the tenants on the back of refurbishment plans already finalised)

In a market environment in which tenants are proving to be increasingly demanding as far as their real estate choices are concerned, the investment strategy of COIMA RES favours properties capable of achieving, immediately or through renovation, high energy and environmental performances, also proven by obtaining the highest certification standards (for example, the LEED protocol).

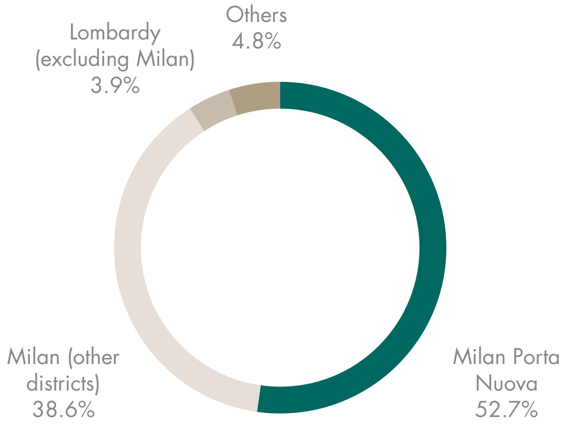
Overview of the real estate porfolio

(breakdown of the real estate portfolio by Gross Asset Value on a pro-quota basis as of December 31st, 2020)

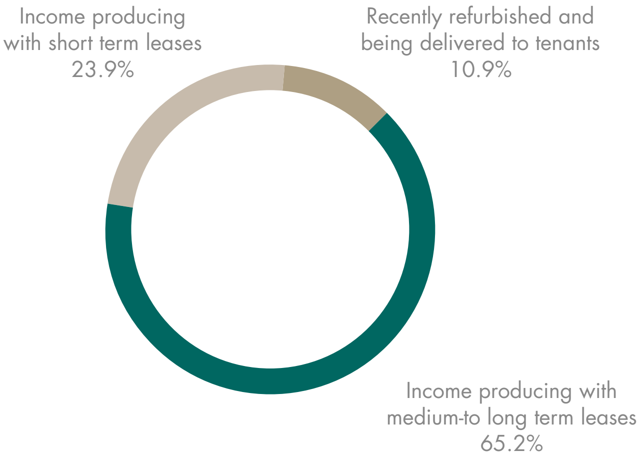
END USE



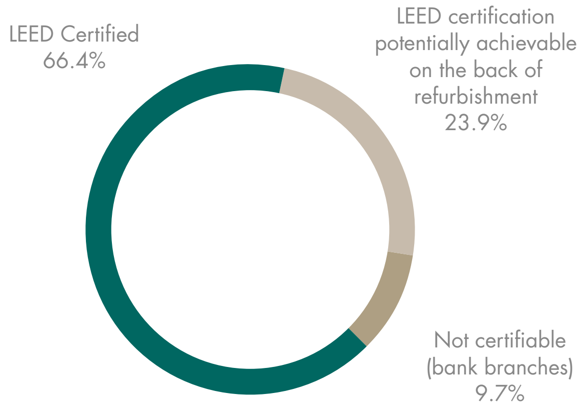
GEOGRAPHY



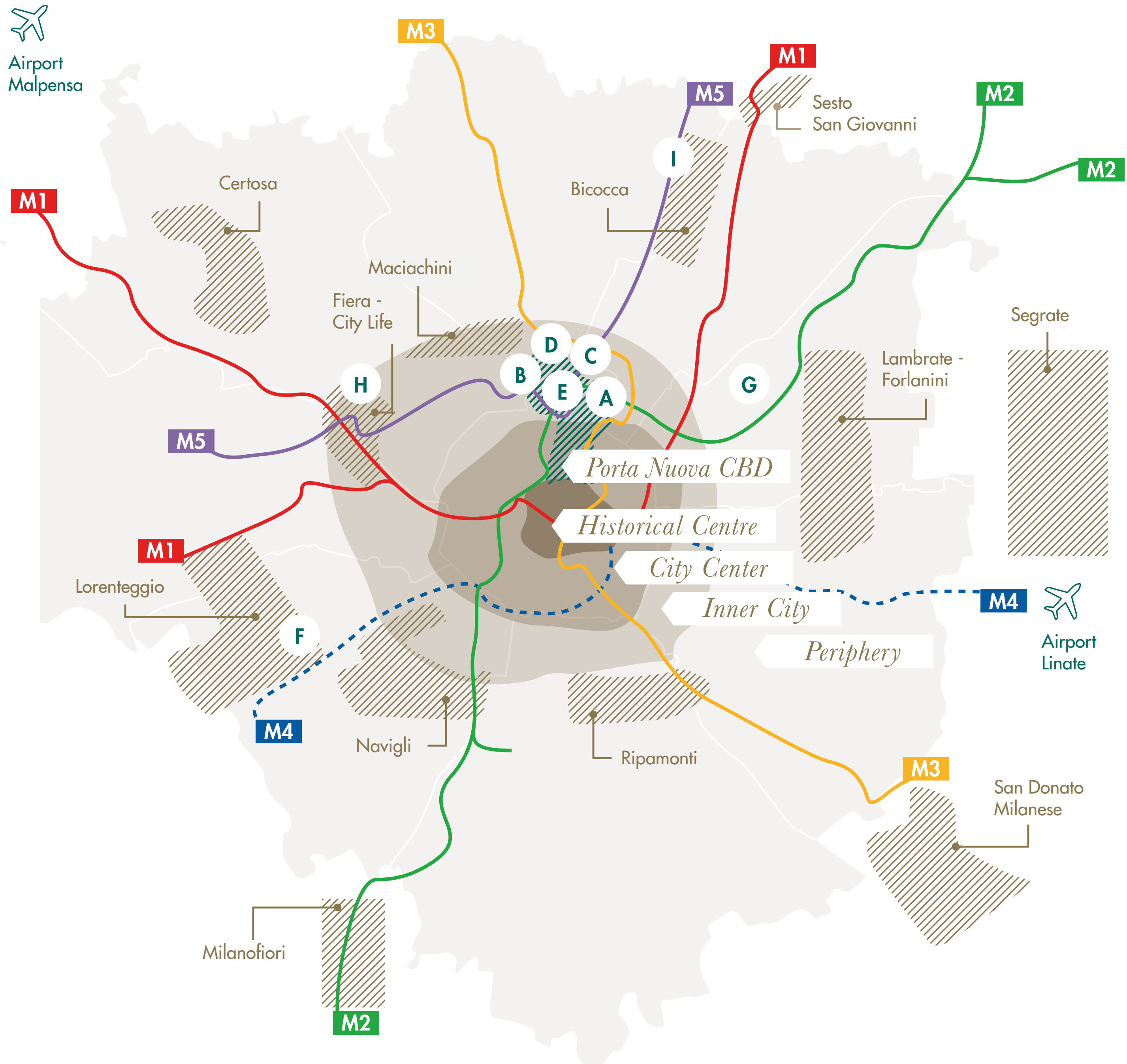
PROFILE



CERTIFICATIONS



Location of Milan office assets



Porta Nuova

A GIOIAOTTO

B CORSO COMO PLACE

C PAVILION

D TOCQUEVILLE

E MICROSOFT

Other districts

F VODAFONE

G DERUTA

H MONTE ROSA

I SARCA

1. Milan, Gioiaotto, exterior

2. Milan, Vodafone, façade

E-MARKET SDIR CERTIFIED

Main metrics of the real estate portfolio

	Office assets in Milan Porta Nuova				
	Microsoft	**Corso Como Place**	**Pavilion**	**Gioiaotto**	**Tocqueville**
Location	Milan Porta Nuova	Milan Porta Nuova	Milan Porta Nuova	Milan Porta Nuova	Milan Porta Nuova
Address	Viale Pasubio 21	Via Privata Nino Bonnet 6/a & 10	Piazza Gae Aulenti 10	Viale Melchiorre Gioia 6/8	Via Alessio di Tocqueville 13
End use	Office	Office	Office, Events Centre	Office, Hotel	Office
Commercial surface (sqm)	10,773	23,574	3,576	14,545	9,604
Strategy	Core	Value-add	Core	Core	Core + / Value-add
Construction year	2016	Years 1950's 1960's	2014	Years 1960's	1969
Year of last refurbishment	-	2020	-	2014	2003
Ownership (pro-quota)	84%	36%	100%	88%	100%
Gross Asset Value (100%)	**€99.2m**	**€210.7m**	**€72.7m**	**€82.0m**	**€59.5m**
Gross Asset Value (pro-quota)	**€82.9m**	**€75.3m**	**€72.7m**	**€72.3m**	**€59.5m**
Main tenants	Microsoft	Accenture (preliminary lease agreement), Bending Spoons (preliminary lease agreement), Sisal	IBM	QBE, Angelini Beauty, NH Hotel	Sisal
WALT (years)	2.9	n.m.	7.1	4.8	1.3
Occupancy rate	zero	n.m.	zero	zero	zero
EPRA Net Initial Yield	4.3%	n.m.	4.6%	4.7%	3.5%
EPRA Topped-up Net Initial Yield	4.3%	n.m.	4.6%	4.9%	5.2%
LEED certification	✓	✓	✓	✓	-
Architect	Herzog & de Meuron	PLP	Michele De Lucchi	Park Associati	n.m.

	Office assets in Milan (other districts)					Total
	Vodafone	**Monte Rosa**	**Sarca**	**Deruta**	**Deutsche Bank branches**	
	Milan Lorenteggio	Milan City-Life	Milan Bicocca	Milan Lambrate	Various	
	Via Lorenteggio 240	Viale Monte Rosa 93	Viale Sarca 235	Via Deruta 19	n.a.	
	Office	Office	Office	Office	Bank branches	
	42,039	19,539	17,611	26,012	26,776	
	Core	Core + / Value-add	Core	Core + / Value-add	Core	
	2012	Years 1940's 1950's 1960's	Years 1980's	2007	-	
	-	1997	2017	-	-	
	50%	100%	78%	100%	100%	
	€211.0m	**€60.6m**	**€62.1m**	**€44.4m**	**€66.6m**	
	€105.5m	**€60.6m**	**€48.6m**	**€44.4m**	**€66.6m**	**€688.3m**
	Vodafone	Techint, PwC	Philips, Signify	BNP Paribas	Deutsche Bank	
	6.1	2.9	5.2	1.0	6.2	4.3
	zero	15%	zero	zero	5%	2.5%
	6.2%	5.0%	5.7%	7.4%	4.8%	5.1%
	6.2%	5.0%	5.8%	7.4%	5.4%	5.3%
	✓	-	✓	-	-	
	Gantes & Marini	n.m.	Alessandro Scandurra	n.m.	n.m.	


Milan, Sarca, façade

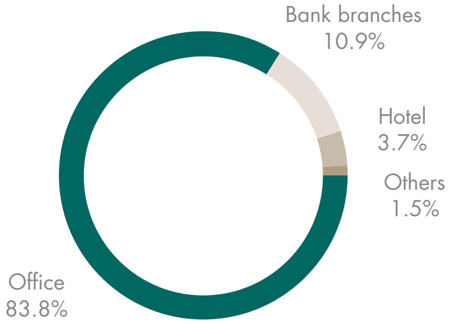
Overview of the portfolio of tenants

COIMA RES' portfolio of tenants is mostly made of mid to large-sized multinational corporations: the ten most significant tenants, representing 87% of the rent roll as of December 31st, 2020 (on a pro-quota basis) include Vodafone, Deutsche Bank, Microsoft, BNP Paribas, IBM, Sisal, PwC, Techint, NH Hotels and Philips.

The attractive level of diversification within the COIMA RES tenant portfolio follows the sale of a 50% stake in the property let to Vodafone, completed in June 2019, as well as the progressive disposal of several bank branches over the last five years, which have reduced the exposure to the two main COIMA RES tenants. The COIMA RES tenant base was further enhanced in 2019 through the acquisition of the Microsoft and Philips headquarters.

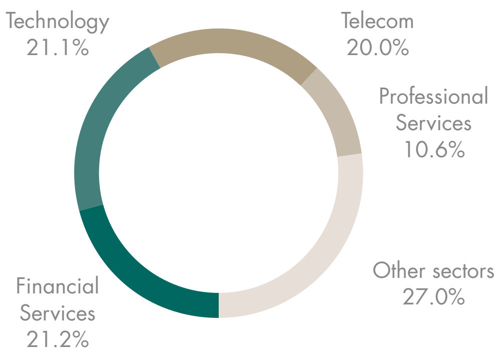
BREAKDOWN OF IN PLACE ANNUALISED RENTS (ON A PRO-QUOTA BASIS) BY END USE

Data as of December 31st, 2020



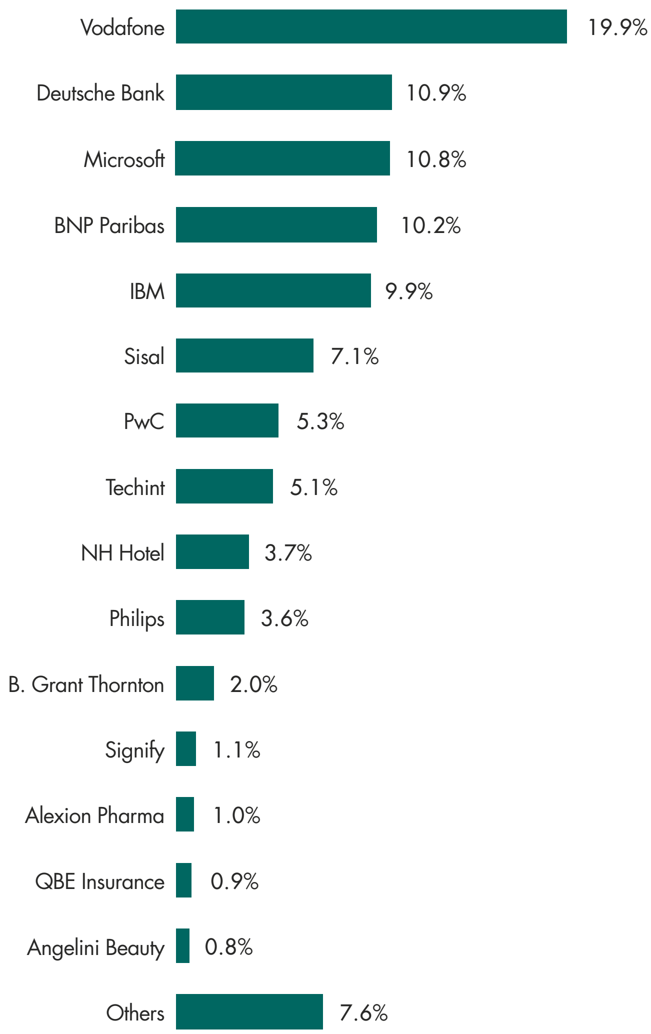
BREAKDOWN OF IN PLACE ANNUALISED RENTS (ON A PRO-QUOTA BASIS) BY SECTOR

Data as of December 31st, 2020



MAIN TENANTS (ON THE BASIS OF PRO-QUOTA IN PLACE ANNUALISED RENTS)

Data as of December 31st, 2020



Description of assets

MICROSOFT

The Microsoft headquarters is a recently built property that is LEED Gold certified and designed by the international architecture firm Herzog & de Meuron. Its construction was completed in 2016 and it is the Italian headquarters of global technology company, Microsoft. The property is situated in the district of Porta Nuova, near the Monumentale and Garibaldi metro stations.

GIOIAOTTO

Built in the 1970s and renovated in 2014, Gioiaotto was the first LEED Platinum certified building in Milan. Approx. 50% of the building is let to a variety of office tenants, while the remaining 50% is let to NH Hotel. The hotel space was subject to light refurbishment works in 2018, aimed at upgrading the interiors of the hotel to reach the NH Collection level.

PAVILION

The LEED Gold certified mixed-use building was designed by Michele De Lucchi and built in 2014. Strategically located in the heart of Porta Nuova between Piazza Gae Aulenti and the park “Biblioteca degli Alberi” (the third largest park in the centre of Milan), the property is currently let to IBM as a space for innovation and meeting with its stakeholders. The unique technical characteristics of the Pavilion and its 360° visibility offers a high degree of flexibility in terms of end uses.

1. Milan, Microsoft, façade

2. Milan, Gioiaotto, façade

3. Milan, Pavilion, exterior

1. Milan, Tocqueville, façade

2. Milan, Corso Como Place, exterior

TOCQUEVILLE

A 10-storey building in the Milan Porta Nuova area located between the Microsoft and UniCredit headquarters and opposite the Corso Como Place project. The building was initially built in 1969 and the last renovation dates 2003. The main tenant of the property is Sisal, the second largest gaming company and the largest payment service provider in Italy, which occupies 89% of the space. At lease expiry, there is the potential for extensive refurbishment to redevelop the building to improve passing rent. This will also improve the area in line with the expected completion of the renovation of the Corso Como Place complex.

CORSO COMO PLACE

A complex located in Milan Porta Nuova between the UniCredit and Microsoft headquarters that is well connected to the public transport network through a high-speed railway station (Garibaldi station) and two metro lines (MM2 and MM5). The complex originally comprised of two independent buildings that were constructed in the 1950's and 1960's: a high-rise building (Building A) and a low-rise building (Building B).

Between 2017 and 2020, Building A was completely redeveloped, and a new complex (Building C) was constructed. The Corso Como Place project is characterized by the use of various "next generation" technologies in terms of sustainability and innovation, with the implementation of Smart Building infrastructure, the application of international sustainability certifications such as LEED and WELL and with extensive use of renewable energy sources. The project also creates a new public space in front of Tocqueville and will lead to the upgrade of the road and pavement that connects with Corso Como.

Between August and September 2019, two preliminary lease agreements were signed with Accenture for the entire Building A and with Bending Spoons for 80% of Building C. The project was completed in 2020 and delivered to tenants in early 2021.

Value-add portion

Building A
100% PRE-LET
TO ACCENTURE

Building C
80% PRE-LET
TO BENDING SPOONS

Core + portion

Building B
100% LET

VODAFONE COMPLEX

A complex consisting of three buildings and fully let to Vodafone on the basis of a long-term contract (expiring in January 2027). Located in the Lorenteggio district, the area will benefit from the completion of the MM4 metro line (expected by 2023) that will connect the district directly to Linate airport.

The complex represents an important example of excellence in construction quality and sustainability, as demonstrated by the LEED certification. The complex was purchased by COIMA RES during the first phase of the post IPO investment program, with the aim of obtaining long-term cash flow and a medium-high return on invested capital (EPRA Net Initial Yield greater than 6%).

In 2019 with the desired view to diversify the base of tenants and properties in the portfolio, COIMA RES sold a 50% stake in the Vodafone complex to a primary South Korean investor, monetising part of the initial investment. COIMA RES continues to consolidate the Vodafone complex in its accounts thanks to the governance agreed with the Korean investor who acts as financial partner, leaving COIMA RES with primary control over decision making.

MONTE ROSA

A complex consisting of four properties that were built between 1942 and 1961 and underwent extensive renovation in 1997.

The Monte Rosa complex is situated in a semi-central business district in Milan: the proximity to the recent development of CityLife and the excellent connection to public transport with two subway lines (MM1 and MM5) make the property particularly interesting. The property is let to two main tenants: Techint (contract expiring in 2026) and PwC, which will vacate the property in Q1 2021 to consolidate its space in the third tower of CityLife. This is in line with the strategy that was planned at the time of the acquisition which foresees the opportunity to execute a refurbishment and repositioning program for the space previously occupied by PwC.

SARCA

The Sarca building is a multitenant property, LEED Platinum certified, which hosts the headquarters of Philips and other companies. The complex was built in the 1980’s and was completely renovated in 2016-2017 based on a project by the Italian architect Alessandro Scandurra. Philips, the world leader in the medical technology sector, occupies approximately half of the space, with the remainder let to other tenants operating in different sectors. The property is situated in the Bicocca district near the MM5 metro stations of Ponale, Bignami and Bicocca.

1. Milan, Vodafone, façade
2. Milan, Monte Rosa, façade
3. Milan, Sarca, façade

DERUTA

The Deruta complex was built in 2007 and is situated in the north-east part of Milan, an area that is well connected to the public transport network and the highway system, offering excellent accessibility through the MM2 metro (Udine station at 5 minutes walking distance), railway stations (Lambrate Station 0.6 km, Central Station 2.7 km), the motorway network (East ring road 1.2 km), and Linate airport (just a 10-minute drive away).

The property was purchased by COIMA RES during the first phase of the post IPO investment program with the aim of obtaining cash flow and a medium-high return on invested capital (EPRA Net Initial Yield close to 7%). There is the potential to refurbish the building in a scenario whereby the current tenant would decide not to renew the lease, allowing to reposition the asset and creating a more energy-efficient building.

BANK BRANCHES

A portfolio consisting of 58 bank branches located in the north and centre of Italy. As of December 31st, 2020, 54 branches are leased to Deutsche Bank on a long-term basis, three minor branches are vacant and one branch in Turin that was previously vacant was let to an operator in the wellness sector in 2019.

Portfolio contributed (in exchange for shares of COIMA RES) by Qatar Holding LLC during the IPO with the intention of creating a stable and long-term cash flow for COIMA RES. The initial portfolio consisted of 96 branches distributed throughout Italy for an aggregate value of Euro 140.1 million.

In the last four years, a meaningful disposal plan has been implemented which saw the sale of a total of 38 branches for an aggregate value of Euro 66.3 million, equal to approximately 48% of the initial portfolio which saw the weight of the banking branch portfolio decrease below 10% of the total portfolio of COIMA RES. The strategy for the residual portfolio envisages further disposals in the medium term.

1. Milan, Deruta, façade

2. Rome, Deutsche Bank Portfolio, façade

E-MARKET SDIR CERTIFIED

ACTIVE PORTFOLIO MANAGEMENT

Acquisitions

In 2020, COIMA RES continued to invest in line with its strategy to concentrate its portfolio on quality office properties in Milan, particularly in the Porta Nuova area.

» ***GIOIA 22***

In June 2020, COIMA RES signed a binding agreement for the acquisition of a 10-25% stake in the Gioia 22 property, a 35,800 sqm building with 26 above ground floors situated in Via Melchiorre Gioia 22, in the Milan Porta Nuova district. The transaction is expected to close by 2022, subject to certain conditions, including 75% of the property being let. The exact stake to be acquired by COIMA RES in the property will be determined by COIMA RES, at its discretion, within the abovementioned range, in proximity of the closing. The purchase price attributes a value of Euro 442.1 million to the property. The acquisition will be financed through COIMA RES' own financial resources. The property has been delivered on the back of the demolition of the ex-INPS property, which was built in 1961 and that has been vacant since 2012, after a clean-up process which saw the removal of 200 tons of asbestos. The building, designed by the Pelli Clarke Pelli Architects, is the largest in Italy to achieve the Nearly Zero Energy Building (NZEB) certification in addition to being a candidate for the LEED, WELL and Cradle to Cradle certifications. The property will be equipped with more than 6,000 sq m of photovoltaic panels which, together with the deployment of ground water, will allow for a reduction in energy consumption of 75% compared to traditional buildings.

Disposals

In 2020, COIMA RES continued to reduce its exposure to non-strategic and mature assets and to reduce the concentration of its portfolio of assets and tenants.

» ***BANK BRANCHES***

Between January and October 2020, COIMA RES completed the disposal of 10 bank branches for an aggregate value of Euro 19.2 million. The transactions refer to the disposal of a portfolio of 11 bank branches announced in November 2019 for a total value of Euro 23.5 million. The disposal of the eleventh bank branch situated in Milano Via dei Martinitt (for Euro 4.3 million) was closed in January 2021.


Milan, Corso Como Place, façade

TELECOM PORTFOLIO

The disposal of the Telecom Portfolio to APWireless, a subsidiary of Radius Global Infrastructure was completed in December 2020. The Telecom Portfolio consisted of five properties situated in the north and centre of Italy let on a long-term basis to TIM (Telecom Italia). COIMA RES acquired indirectly a minority stake (equal to 13.7%, on a pro-quota basis) in the Telecom Portfolio in 2019, as a result of the acquisition of the Microsoft and Philips headquarters.

Development projects

CORSO COMO PLACE

In light of the COVID-19 crisis, the activity on the Corso Como Place building site was suspended from March 13th, 2020 until May 3rd, 2020. Between May 4th, 2020, and May 18th, 2020, additional safety measures were introduced in the building site to ensure the health and safety of the workers in relation to the COVID-19 risk. Following this process, works resumed using a pattern of two shifts to reduce the volume of personnel active on the site at any one time. Despite the temporary suspension of the works, the project was completed at the end of 2020 with costs substantially in line with the total budget. The project was delivered to the tenants Accenture and Bending Spoons at the beginning of 2021, according to the preliminary lease agreements signed in 2019.

Leasing agreements

GIOIAOTTO

In Q3 2020, COIMA RES has renewed the lease agreement with QBE (a global insurance company) for an additional 6 years. The lease, which is for more than 900 sqm office space at the Gioiaotto property in Porta Nuova in Milan, has been signed at a 44% premium to the previous rent in place and in line with the prime rent in the area.

ITALY: REAL ESTATE SECTOR

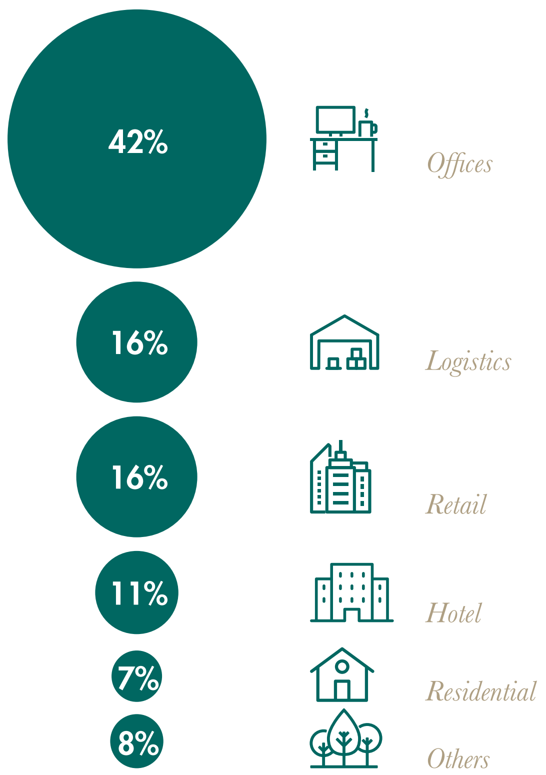
The real estate market in Italy experienced a 29% contraction in the overall investment volumes in 2020, reaching a total value of Euro 8.8 billion. The office segment saw the highest share of investment volumes, in line with what was recorded in 2019. The City of Milan continues to attract the highest share of investments, accounting for 38% of total investment volumes.

ITALIAN REAL ESTATE INVESTMENT VOLUMES IN 2020

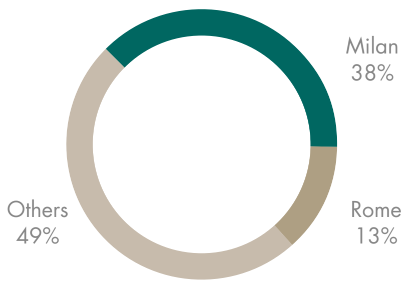
Euro **8.8** *billion*

-29% vs 2019
In line vs 2018
-23% vs 2017

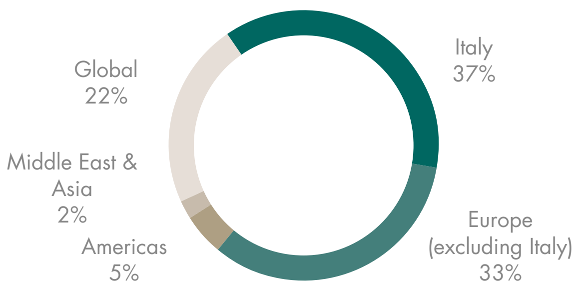
INVESTMENT VOLUMES BY ASSET TYPE



INVESTMENT VOLUMES BY CITY



INVESTMENT VOLUMES BY INVESTOR ORIGIN



Source: CBRE, JLL

MILAN: OFFICE MARKET

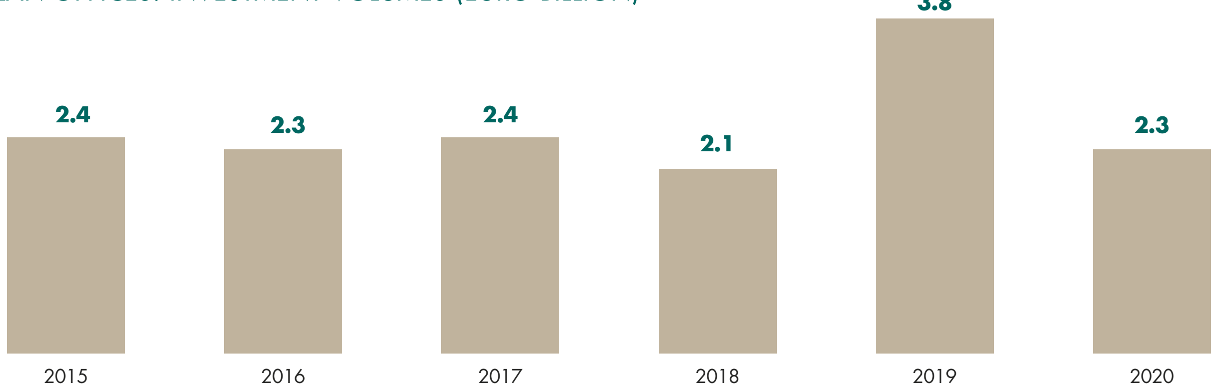
The investment market for Milan offices has been relatively active in 2020, with investors focussing mainly on low-risk properties, such as buildings that have been recently renovated and are let on a long-term basis, often situated in very central areas of the city. The letting market has been slower in 2020 compared with the last few years, with corporates mainly focussing on the management of their own operations and reassessing their organizational structures.

Gabriele Bonfiglioli
Head of Investments, COIMA SGR

Milan offices: investment market

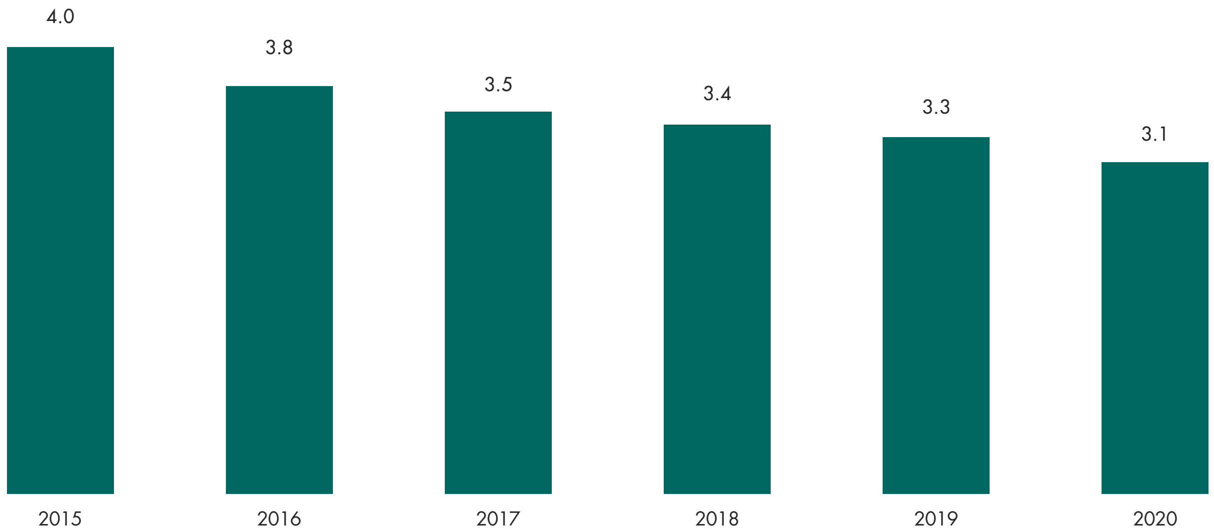
The investment market for Milan offices has recorded volumes for Euro 2.3 billion in 2020, a 39% decline compared to the volumes registered in 2019. Valuations of "prime" office properties in Milan have seen a further increase vs 2019, with a yield compression of 20 bps in 2020.

MILAN OFFICES: INVESTMENT VOLUMES (EURO BILLION)



Source: CBRE

MILAN OFFICES: PRIME NET YIELD EVOLUTION (%)

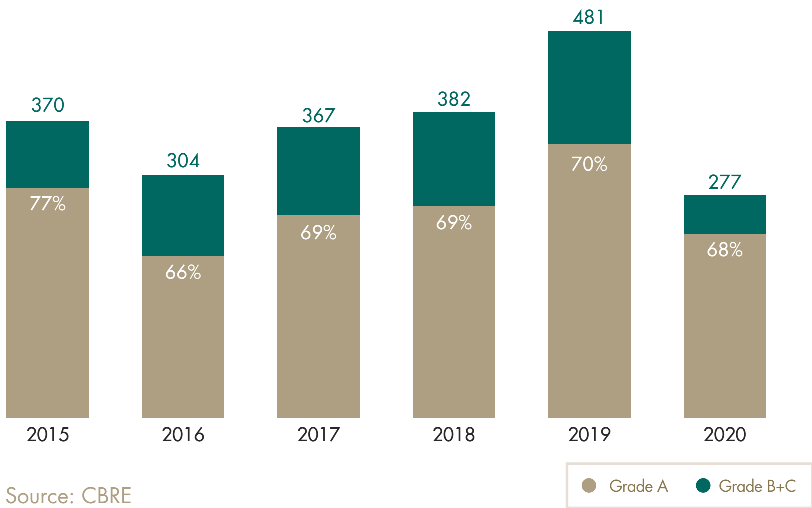


Source: CBRE

Milan offices: leasing market

The Milan office leasing market recorded a take of 277,000 sq m in 2020, a level 32% below the one recorded in 2019. Coherently with recent years, the demand from tenants is predominantly concentrated on Grade A properties. The headline rental levels for the various districts in Milan has remained relatively stable in 2020 vs the end of 2019.

MILAN OFFICES: CORPORATES TAKE UP (THOUSANDS OF SQM)



Source: CBRE

MILAN OFFICES: HEADLINE RENTS BY DISTRICTS (€/SQM)

DISTRICT	RENTAL LEVEL (DEC-20)	TREND IN 2020
Historical Centre	€600/sqm	Stable
Porta Nuova / CBD	€600/sqm	Stable
Centre	€500/sqm	Stable
CityLife	€420/sqm	Stable
Semicentre	€390/sqm	Stable
Scalo Porta Romana	€350/sqm	Stable
Periphery	€280/sqm	Stable
Bicocca	€250/sqm	Stable
Milanofiori	€240/sqm	Stable
San Donato Milanese	€210/sqm	Stable
Hinterland	€210/sqm	Stable
Sesto San Giovanni	€200/sqm	Stable

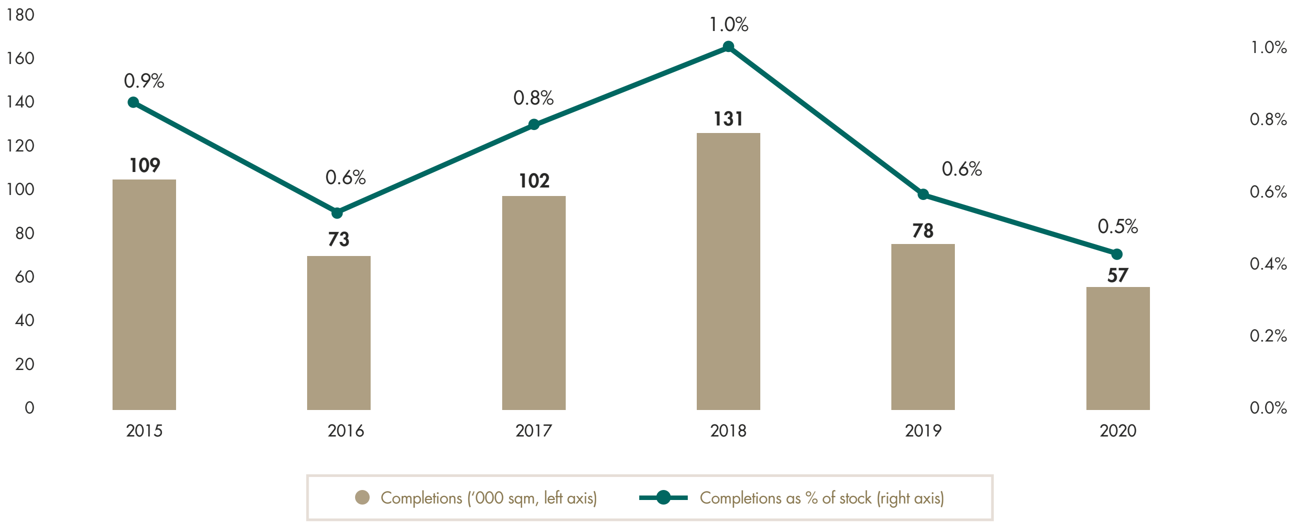
Source: CBRE

Milan offices: development projects and vacancy

The year 2020 saw a modest level of completion of office projects and the current development pipeline under construction to be delivered in 2021-2023 is equal to c. 217,000 sqm per annum (c. 1.7% of the total office stock in Milan as of December 31st, 2020) and is already 42% pre-let.

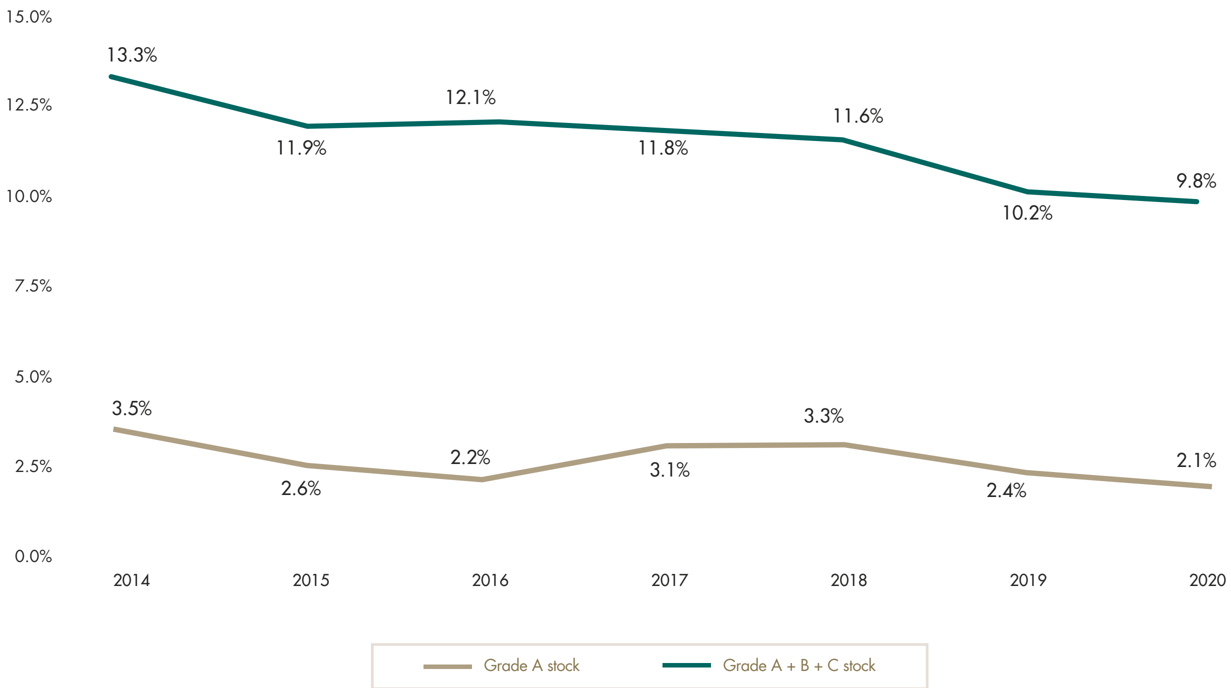
The vacancy rate in the Milan office market is at 9.8% as of December 31st, 2020, decreasing by 40 bps compared to December 31st, 2019. A similar trend is also related to the vacancy rate for Grade A offices, at a level of 2.1% of the total office stock in Milan, decreasing by 30 bps compared to December 31st, 2019.

PROJECT COMPLETIONS



Source: CBRE

VACANCY RATE BY GRADE (%)



Source: CBRE

THE FUTURE OF OFFICES

In 2020, we dedicated time and resources in studying the phenomenon of remote working and the potential impact of its adoption on corporates' office space requirements. The conclusion that we have reached is that the office will remain a fundamental business productivity tool, but that in the medium to long term the polarization between high quality buildings situated in qualified neighbourhoods and lower quality buildings situated in undifferentiated neighbourhoods will increase.

Manfredi Catella
Founder and CEO, COIMA RES

Considering the significant changes caused by the COVID-19 pandemic, in the second half of 2020 the COIMA platform carried out a detailed study on remote working and the possible impact on office space requirements. This study was published at the end of October 2020 and is available on the website www.coima.com, with a brief summary here.

The publication of the study was followed by a structured survey carried out with a group of medium to large sized corporates with the aim of collecting feedback on how those corporates were interpreting and planning the role of offices with a post COVID-19 perspective. The survey involved 38 domestic and international corporate entities that are operational in Italy. This included both tenants and non-tenants of COIMA. This activity collected feedback on the perception of the office as an organisational and productivity tool and about the potential role that the offices will have following the COVID-19 pandemic. The results of the survey are also available on the website www.coima.com.

Remote working adoption

Data from Eurostat shows that the current penetration of remote work in Italy is at 5%, against a European average of 17% and compared to levels above 40% in some countries in Northern Europe.

Data from the Osservatorio Smart Working of the Politecnico di Milano (School of Management), based on a sample of 776 enterprises and 365 public administration entities, shows how larger corporations are more advanced than small and medium enterprises in the adoption of smart working and suggest a higher adoption of agile modes of working compared to the Eurostat data. In fact, according to the Osservatorio Smart Working of the Politecnico di Milano (School of Management), c. 65% of large corporations have already embraced smart working in 2019 followed by small & medium enterprises at 30%, and the public administration at 23%.

It is possible to believe that remote working will become an increasingly structural component of the organisation of businesses in Italy, albeit with different degrees depending on the sectors and the size of the companies themselves.

Impact of remote working adoption on office space requirements

Given the complexity and uniqueness of each single organisation and the several variables driving office space decisions, it is challenging to estimate the exact impact of remote working on office space requirements by businesses. Nevertheless, COIMA has developed a model to estimate the space requirements for a hypothetical company which currently does not adopt remote working as well as one that starts to adopt remote working.

Three main scenarios have been created:

SCENARIO **1**	SCENARIO **2**	SCENARIO **3**
Low adoption of remote working	*Medium adoption of remote working*	*High adoption of remote working*
Assuming 30% of the workforce works remotely up to 1 days a week would imply c. 94% of employees being in the office on average.	Assuming 60% of the workforce works remotely up to 2 days a week would imply c. 76% of employees being in the office on average.	Assuming 90% of the workforce works remotely up to 3 days a week would imply c. 46% of employees being in the office on average.

In order to assess the impact on desk requirements for a company starting to adopt remote working, COIMA has carried out a simulation which assumes that desks are shared amongst employees (if desks were not shared, the adoption of remote working would not lead to a reduction in terms of number of desks), that the distribution of employees in the office is uniform during the week and that employees that adopt remote working have a 25% probability of finding a desks when showing up in the office "out of schedule" (i.e. there is an extra buffer in terms of number of desks compared to the average number of employees in the office on any given day).

The result of the simulation shows that:

SCENARIO **1**	SCENARIO **2**	SCENARIO **3**
Low adoption of remote working	*Medium adoption of remote working*	*High adoption of remote working*
Potential 5% reduction in desks vs no remote working.	Potential 18% reduction in desks vs no remote working.	Potential 41% reduction in desks vs no remote working.

Having estimated the number of desks required for each of the three scenarios, the impact on office space requirements would then depend mainly on any potential changes in the breakdown of office space allocated to desks vs office space allocated to other functions such as meeting rooms or amenities (which are defined as "common areas").

An analysis performed by COIMA's architecture and interior design unit, COIMA Image, shows that over the last decade, corporates have allocated progressively more space to common areas and less space to desks in their space planning, possibly also in conjunction with an increased adoption of remote working.

Corporate offices developed in the 2012-2017 period had on average c. 40% of the space dedicated to common areas, whilst corporate offices developed in the 2018-2020 period had on average c. 50% of the space dedicated to common areas. This is in line with the fact that offices may become less of a space for individual work and more of a setting for social networking and collaboration.

Based on the analysis of space planning precedents, it is assumed that on average, corporates currently have a 60-40% split between space allocated to desks and space allocated to common areas.

Then, to estimate the potential reduction in office surface, three different scenarios are developed:

SCENARIO **A**	SCENARIO **B**	SCENARIO **C**
Unchanged breakdown of space between desks and common areas	*Marginal increase in space allocated to common areas (from 40% to 50%)*	*Material increase in space allocated to common areas (from 40% to 60%)*
The reduction in number of desks directly translates into an equivalent reduction in space requirements	The reduction in number of desks is partially compensated by the increase in space allocated to common areas	The reduction in number of desks is greatly compensated by the increase in space allocated to common areas

Scenario A is considered as having a lower probability compared to Scenario B and Scenario C as it is likely that more office space will be allocated to common areas going forward in order to foster collaboration and teamwork when employees are in the office (in line with COIMA Image's recent projects).

Therefore, a hypothetical company which currently does not adopt remote working could reduce its office space requirements by c. 5-10% through a low to medium adoption of remote working or by c. 10-30% through a high adoption of remote working (in line with Scenario B and C as represented below).

Milan, Microsoft, façade

SCENARIOS OVERVIEW: SPACE REQUIREMENTS		No remote Working	1 Low adoption of remote working	2 Medium adoption of remote working	3 High adoption of remote working
	Employees				
	% of employees adopting remote working	zero	30%	60%	90%
	Days of remote working per week	zero	1	2	3
	Avg. % of employees in the office	100%	94%	76%	46%
	Desks requirement				
	Probability of finding a desk "out of schedule"	n.a.	25%	25%	25%
	No. of desks needed *(vs no remote working)*	n.a.	-5%	-18%	-41%
	Ratio desks / employees	100%	96%	82%	60%
LOW PROBABILITY	*Scenario A: space requirement*				
	Space dedicated to desks vs common areas	60-40%	60-40%	60-40%	60-40%
	Space needed vs no remote working	n.a.	-5%	-18%	-41%
MEDIUM PROBABILITY	*Scenario B: space requirement*				
	Space dedicated to desks vs common areas	60-40%	60-40%	55-45%	50-50%
	Space needed vs no remote working	n.a.	-5%	-11%	-29%
HIGH PROBABILITY	*Scenario C: space requirement*				
	Space dedicated to desks vs common areas	60-40%	60-40%	50-50%	40-60%
	Space needed vs no remote working	n.a.	-5%	-2%	-11%

Neighbourhoods' attractiveness

In order to assess how office tenant demand will develop going forward, COIMA has crafted a framework to classify the neighbourhoods of a city from the point of view of their attractiveness for a corporate and its office-based employees. The framework goes beyond the typical "centre / semi centre / periphery" paradigm and looks at specific features that characterise different neighbourhoods.

The framework is based on a scoring system which looks at five main areas:

ACCESSIBILITY THROUGH THE PUBLIC TRANSPORTATION NETWORK

Assessment of the ease of access of a neighbourhood through the public transport network. The methodology used for the assessment is based on the Public Transport Accessibility Level (PTAL) framework, a technique originally created in London during the 1990's and subsequently adopted by Transport for London (the government body responsible for the transport system in Greater London)

AVAILABILITY OF SERVICES

Assessment of the offering available in a neighbourhood in terms of services (with a specific focus on food and beverage options)

AVAILABILITY OF WELLNESS OPTIONS

Assessment of the offering available in a neighbourhood in terms of wellness options (with a specific focus on gyms and swimming pools)

PROXIMITY OF PUBLIC PARKS

Assessment of the proximity of a neighbourhood to public parks and public spaces

DIVERSIFICATION OF END USES

Assessment of the degree of diversification of end uses of a neighbourhood in terms of the co-existence of space dedicated to office, residential, retail, education, tourism, culture and other uses (in particular, a higher score is attached to areas that show a higher degree of diversification of end uses, which tend to be more pleasant from the point of view of office occupiers and more resilient across cycles)

The scores achieved in the five different areas are then weighted (with half of the weight being put on the accessibility criteria) and a final score is attached to each single neighbourhood.

The neighbourhoods that have a higher-than-average final score are classified as "qualified neighbourhoods" and the rest are classified as "undifferentiated neighbourhoods".

When applying the framework to both Milan and Rome, the scores associated with the first four areas (accessibility, services, wellness, parks) have been elaborated for COIMA by MIC – Mobility In Chain, a transport-planning firm based in Milan, Moscow and New York. The fifth area (diversification in end uses) has been assessed by COIMA independently.

In addition, it needs to be noted that the analysis is not static, as it can be performed to neighbourhoods taking into account their current state or imagining their future development in terms of both infrastructure and services.

CRITERIA	WEIGHT	QUALIFIED NEIGHBOURHOODS	UNDIFFERENTIATED NEIGHBOURHOODS
ACCESSIBILITY THROUGH PUBLIC TRANSPORT	50%	HIGH / MEDIUM	MEDIUM / LOW
AVAILABILITY OF SERVICES	25%	HIGH / MEDIUM	MEDIUM / LOW
AVAILABILITY OF WELLNESS OPTIONS	5%	HIGH / MEDIUM	MEDIUM / LOW
PROXIMITY TO PUBLIC PARKS	10%	HIGH / MEDIUM	MEDIUM / LOW
DIVERSIFICATION IN END USES	10%	HIGH / MEDIUM	MEDIUM / LOW
TOTAL SCORE	**100%**	**HIGH / MEDIUM**	**MEDIUM / LOW**

Source: COIMA elaboration

Applying the COIMA framework to the city of Milan, the neighbourhoods of the Historical Centre / CBD, Porta Nuova, CityLife, the Scalo Porta Romana, Bicocca as well as the Centre and the Semi-centre emerge as matching the criteria of qualified neighbourhoods with a total score in the range of 2.4-4.4. On the other hand, undifferentiated neighbourhoods in Milan are represented by the likes of Sesto San Giovanni, San Donato Milanese, Milanofiori, and more in general the Periphery and the Hinterland of the city with a total score in the range of 0.6-1.9.

As anticipated before, the scoring system is dynamic by nature, given that urban areas evolve over time. For example, neighbourhoods such as Scalo Porta Romana and Sesto San Giovanni are likely to experience an upgrade in the next 5-7 years as they will be subject to large scale development projects which will increase their accessibility, the availability of public parks as well as the degree of diversification for end uses.

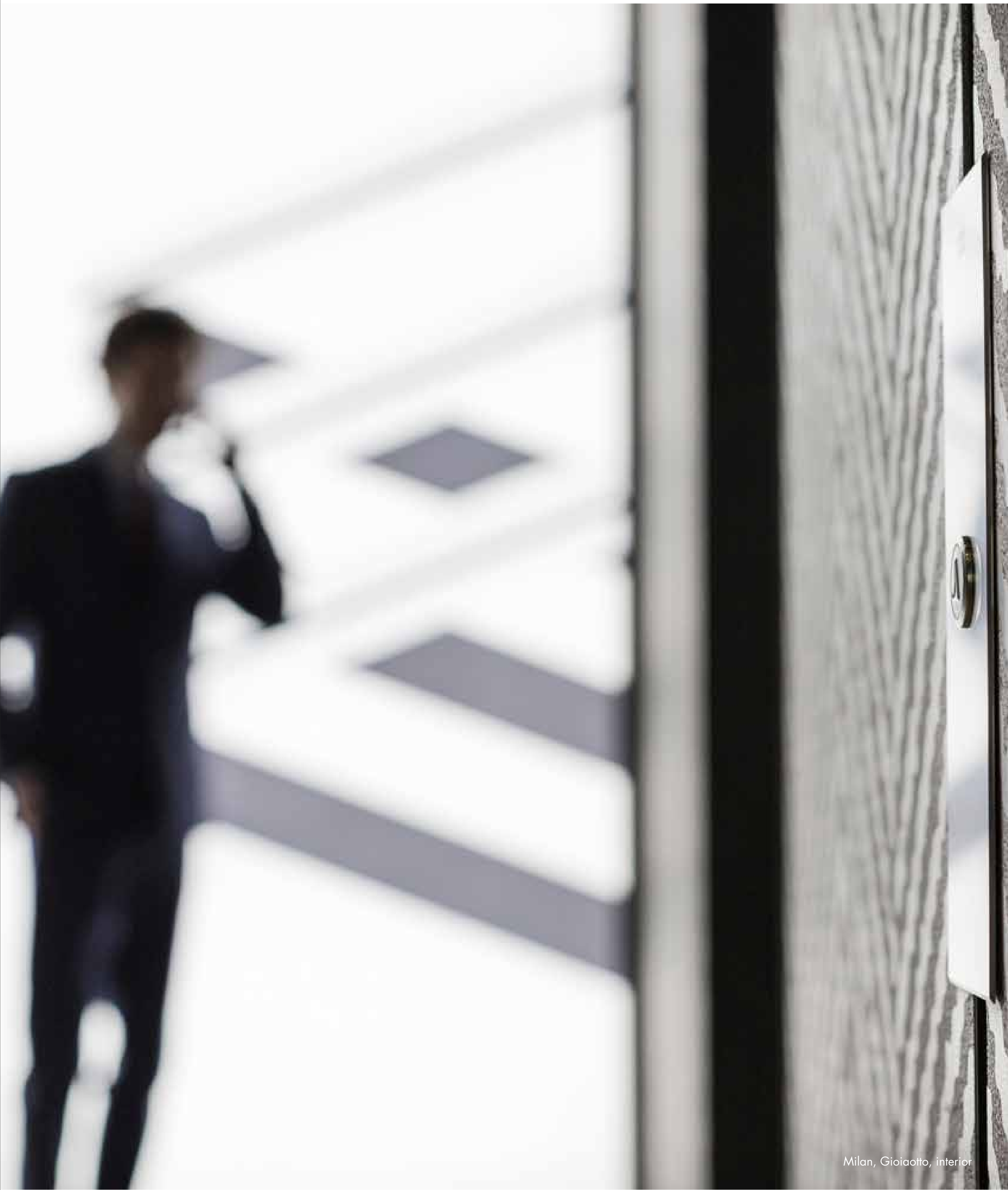
As demonstrated by the figures in the table below, qualified neighbourhoods in Milan (as defined applying the COIMA framework described earlier) have attracted 35% more up take in the last 5 years compared to undifferentiated neighbourhoods, and have also experienced a higher rental growth in recent years (+22% for qualified neighbourhoods vs +8% for undifferentiated neighbourhoods). The overall level of difference in vacancy is also remarkable, with qualified district displaying an average vacancy of 6% vs the 15% displayed by undifferentiated neighbourhoods. Lastly, the dynamic, in terms of net absorption of qualified neighbourhoods, has been positive over the last 5 years whilst net absorption in undifferentiated neighbourhoods has been negative during the same measured time.

MILAN		QUALIFIED NEIGHBOURHOODS	UNDIFFERENTIATED NEIGHBOURHOODS	MILAN OFFICE MARKET
Office stock (Jun-20)	'000 sqm	6,476	6,004	12,480
Office stock as % of total (Jun-20)	% of tot	52%	48%	100%
Vacancy (Jun-20)	%	6%	15%	10%
Avg. annual take up last 5 years	000 sqm	223	165	387
Total take up last 5 years	% of tot	57%	43%	100%
Avg. annual take up as % of stock	%	3.4%	2.7%	3.1%
Avg. annual net absorption last 5 years	'000 sqm	157	(43)	114
Avg. prime rent growth (2017-2020)	%	+22%	+8%	+9%
Under construction pipeline (Jun-20)	'000 sqm	307	241	547
% of pipeline already pre-let	%	45%	75%	58%

Source: COIMA elaboration on CBRE data

An increase in the adoption of remote working will most likely have the effect of reducing the total amount of office space required by corporates in Milan, particularly in a "constant employment / zero economic growth" scenario.

Having said that, based on the tenant demand trends witnessed over the last five years which are likely to be accelerated by the increased adoption of remote working, COIMA believes that a polarisation scenario (or even an acceleration in the polarisation) can be expected going forward for the Milan office market. Companies are likely to continue to prioritise "quality over quantity" in their real estate decisions and will generally scale down their office footprint, possibly choosing to relocate their offices to qualified neighbourhoods.



Milan, Gioiaotto, interior

02

Management

SENIOR MANAGEMENT

Manfredi Catella

Graduated in Economics and Business from the Università Cattolica del Sacro Cuore, with a Masters in Regional Planning and Real Estate from the Politecnico di Torino, Manfredi Catella is currently the Founder and CEO of COIMA RES, the majority shareholder and CEO of COIMA SGR and Chairman of COIMA S.r.l., a real estate company founded in 1974, controlled by the Catella family. He was responsible for the Hines activities in Italy and gained experience at JP Morgan in Milan, Caisse Centrale des Banques Populaires in Paris, Heitman in Chicago and HSBC in Paris. Chairman of the Riccardo Catella Foundation, member of the Advisory Board of the Bocconi University and Assolombarda, Manfredi Catella is a financial analyst and member of the Association of Journalists, as well as the author of numerous articles and documents on real estate and land redevelopment.

Gabriele Bonfiglioli

Graduated in Business Administration from the University of Rome, he studied real estate finance at the University of Amsterdam, UVA. Gabriele Bonfiglioli is currently Key Manager of COIMA RES, responsible for the investment management activities, and Managing Director of COIMA SGR in charge of the Investment Management division. He previously worked in the SGR of Beni Stabili where he collaborated on the launch of the first Italian contribution and collection mixed fund for international investors. Until 2014, he was a member of the Hines Group global Investment and Performance committee.

Fulvio Di Gilio

Graduated in Economics from the University of Naples "Federico II", Fulvio Di Gilio is the CFO of COIMA RES. He performed a similar role at Hines Italia SGR (which later became COIMA SGR) for five years, gaining considerable experience in the real estate sector. He began his career at PriceWaterhouseCoopers (PwC), going on to become Senior Manager at the GFSI Group of Deloitte & Touche. During his career, he has carried out consulting activities in due diligence, extraordinary transactions such as mergers, acquisitions, securitisations and IPO processes, as well as special projects for the financial statements of listed companies looking to transition international accounting principles. He currently chairs the Intermediaries and Supervised Companies Committee of Assoimmobiliare.

Matteo Ravà

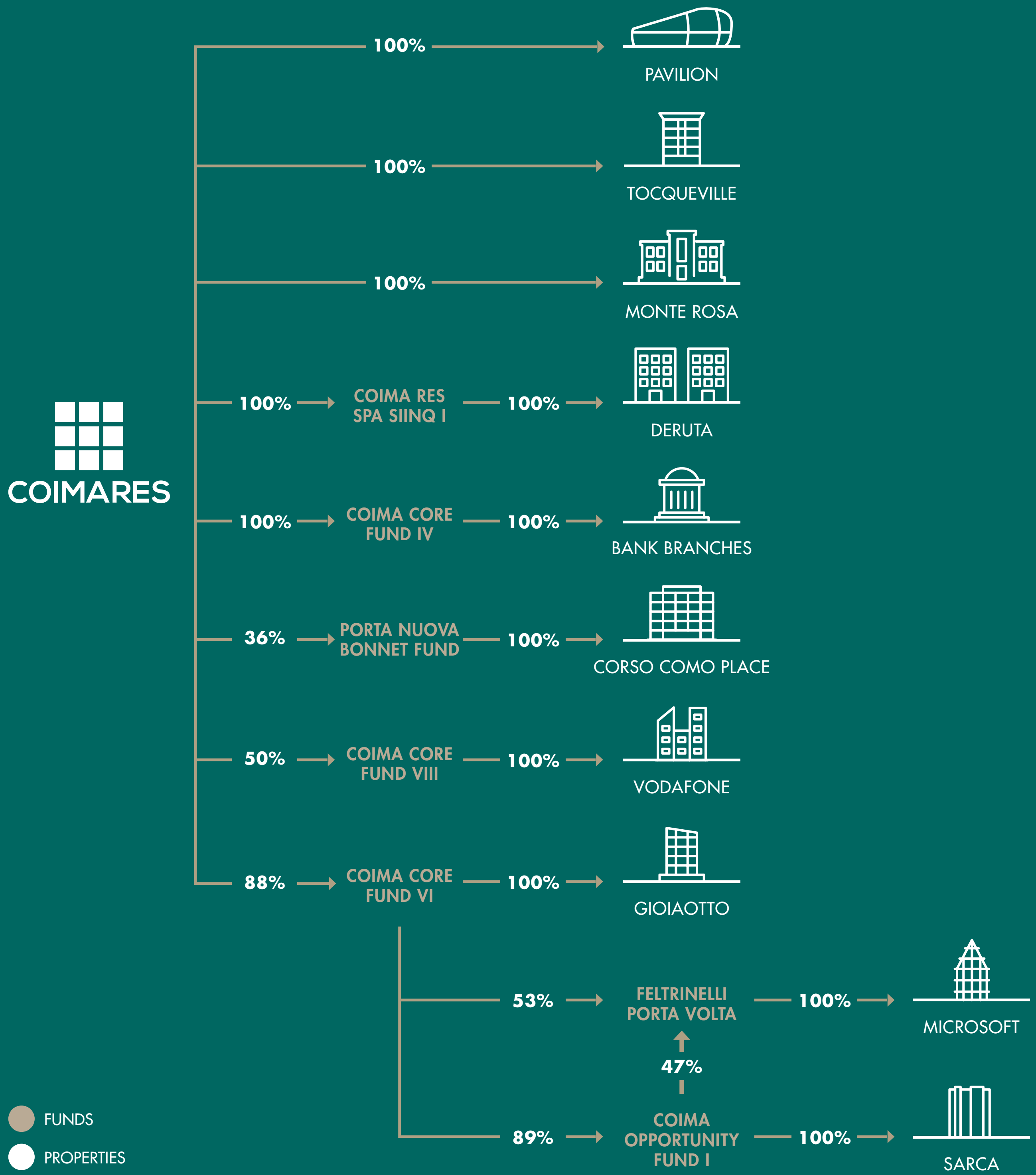
Graduated in Economics and Social Sciences from the Bocconi University, Matteo Ravà achieved a Master in Corporate Finance from the Bocconi University School of Management. Matteo Ravà is Key Manager of COIMA RES, responsible for the asset management activities, and Managing Director of COIMA SGR in charge of the Asset Management division. Ravà has gained over five years of experience in corporate finance at leading consultancy firms, including Ernst & Young and Deloitte & Touche, carrying out valuation and advisory activities in extraordinary merger and acquisition transactions and IPOs.

CORPORATE STRUCTURE

COIMA RES is a Real Estate Investment Trust. COIMA RES was founded in 2015 by Manfredi Catella, jointly with COIMA S.r.l. and COIMA SGR S.p.A. ("**COIMA SGR**"), and was subsequently listed on the Mercato Telematico Azionario organized and managed by Borsa Italiana in 2016.

COIMA RES currently owns a quality real estate portfolio mainly concentrated on the office segment in Milan.


Milan, COIMA Headquarters, Board of Directors


COIMARES
100%
PAVILION
100%
TOCQUEVILLE
100%
MONTE ROSA
100%
COIMA RES SPA SIINQ I
100%
DERUTA
100%
COIMA CORE FUND IV
100%
BANK BRANCHES
36%
PORTA NUOVA BONNET FUND
100%
CORSO COMO PLACE
50%
COIMA CORE FUND VIII
100%
VODAFONE
88%
COIMA CORE FUND VI
100%
GIOIAOTTO
53%
FELTRINELLI PORTA VOLTA
100%
MICROSOFT
47%
89%
COIMA OPPORTUNITY FUND I
100%
SARCA
FUNDS
PROPERTIES

MANAGEMENT OF ACTIVITIES

COIMA RES is led by Manfredi Catella, as Founder and CEO, and is managed by a team of six professionals employed by the Company, amongst which are: Fulvio Di Gilio (Chief Financial Officer), Yuri D'Agostino (Investment Director), Alberto Goretti (Investor Relations Director), Emiliano Mancuso (Planning & Control Senior Manager) and Carlotta Ciuffardi (Finance & Control Manager).

COIMA RES' Board of Directors is comprised of 9 members (7 of which are independent and 1 non-executive). The Board is responsible for the ordinary and extraordinary management of COIMA RES.

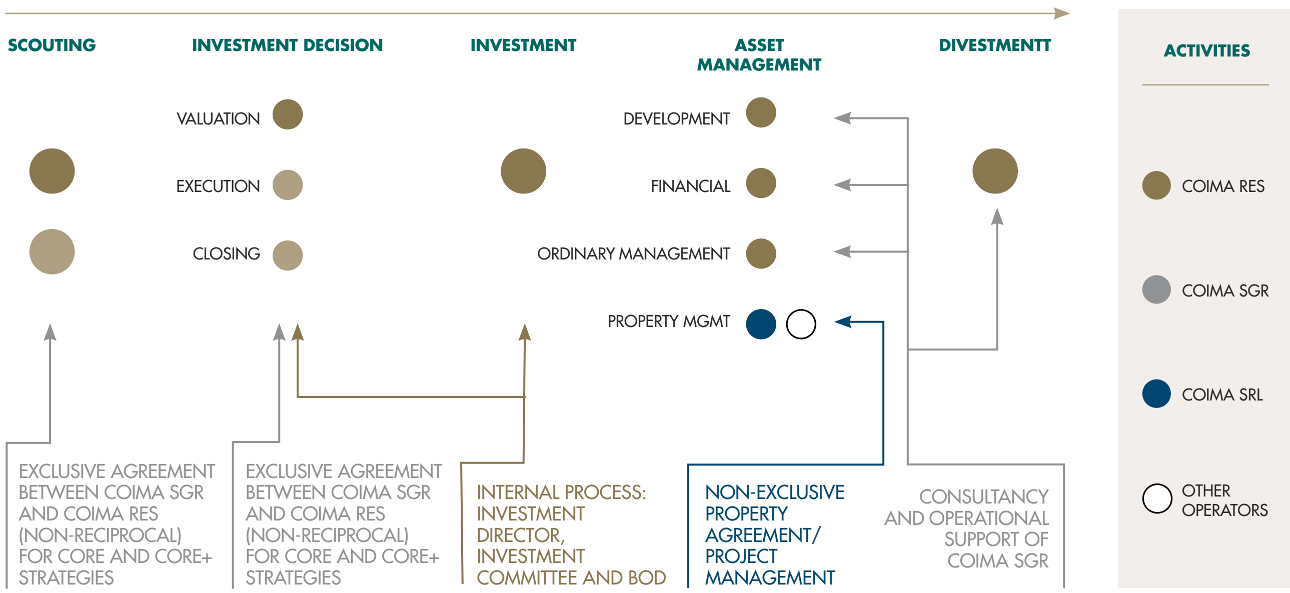
COIMA RES avails itself of the support of COIMA SGR for investment and asset management activities, under the responsibility of key managers Gabriele Bonfiglioli (Head of Investments) and Matteo Ravà (Head of Asset Management), and COIMA S.r.l. for property, facility and development management activities.

COIMA SGR and COIMA S.r.l. are managed by the Catella family.

COIMA SGR was created in 2007 as Hines Italia SGR and renamed COIMA SGR in 2015. At the same time as the change of control that saw the Catella family buying out the Hines group, is today one of the main independent companies in the management of real estate assets in Italy.

COIMA S.r.l., active in the real estate market since 1974, carries out property, facility and development management activities, mainly on projects promoted by COIMA SGR, but also for third party clients.

Real estate investment operational phases




Milan, COIMA Headquarters, interiors


Milan, Gioiaotto, façade

COIMA SGR remuneration

On March 19th, 2020, the Board of Directors approved the extension of the duration of the asset management relationship in place between the Company and COIMA SGR, by a way of entering into a new asset management agreement (“**Contract**”) containing few modifications with respect to the current agreement in place between COIMA SGR and the Company, amongst which are an improvement of the economic conditions in favour of the Company.

The transaction was borne out of a proposal formulated by COIMA SGR, in its role of founding shareholder of COIMA RES, with the objective of contributing to the improvement of COIMA RES’ profitability.

The contract entered by the Company with COIMA SGR in 2016 in relation to the IPO of the Company, was effective since May 13th, 2016, the date in which COIMA RES’ shares started trading on the stock exchange, up to May 13th, 2021 (“**First Period**”), and would have automatically been renewed at the end of the First Period, save for cancellation exercisable by both parties with at least a 12-month notice. With the Contract approved on March 19th, 2020, the First Period was extended, with the effective date of January 1st, 2020, for five years and therefore, until January 1st, 2025.

In consideration of the size of COIMA RES and with the objective of increasing the Company’s profitability, the asset management fee has been reduced by 30 bps from 1.10% of NAV to 0.80% of NAV (i.e. a 27% reduction).

In relation to the transaction, COIMA RES has followed the procedure for transactions with related parties of major relevance. The transaction was approved by the Board of Directors upon favourable and binding opinion by the Related Party Committee of the Company.

For more information, please refer to the ‘Related Parties’ section and to the explanatory notes.

MANAGEMENT FEE		PERFORMANCE FEE
NAV	FEE	
(EURO BILLION)	(BASIS POINTS)	
NAV < 1	80	
1 < NAV < 1.5	60	
NAV > 1.5	50	

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

1 Manfredi Catella is confirmed as the 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 Total Return Outperformance in the case of a Total Return in excess of 8% and 20% of the Total Return Outperformance in the event of a Total 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.

COIMA S.r.l. remuneration

ANNUAL CONSIDERATION FOR PROPERTY & FACILITY MANAGEMENT SERVICES	CONSIDERATION FOR PROPERTY DEVELOPMENT & PROJECT MANAGEMENT SERVICES
1 leased properties: 1.0-1.5% of the annual rental of the properties,	**4.5%** OF THE TOTAL COST OF THE REDEVELOPMENT/ DEVELOPMENT PROJECT FOR THE PROPERTY.
2 properties or areas not leased: €2.25 for each m^2 managed, €0.50 for each m^2 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.	

INVESTOR RELATIONS

During 2020 we maintained a constant level of engagement with the financial community, although the interactions with analysts and investors were mostly carried out in a virtual format. We continued to focus on the quality of the financial information and on transparency, further increasing the positioning of COIMA RES in the Webranking research conducted by Comprend and Lundquist which evaluates the transparency of corporate communication of listed companies.

Alberto Goretti
Director, Investor Relations
Member of the COIMA Sustainable Innovation Committee
Member of the EPRA Investor Relations Committee

Market context

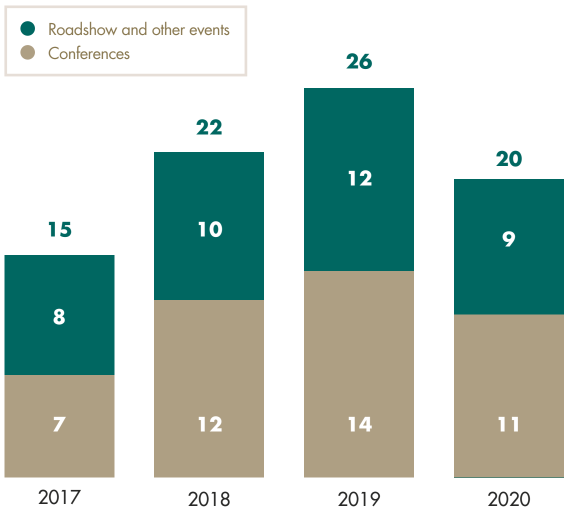
The year 2020 was characterised by the spread of the COVID-19 pandemic, by the lock-down measures introduced by various governments on several occasions, and by the economic recession that involved most of the world's economies. This context generated a high-level of volatility on the financial markets, particularly during the month of March, which was then overcome thanks to the strong support to the economy and to the markets given by governments and central banks through fiscal and monetary stimuli. In particular, the restrictions on personal mobility linked to the lock-down periods had a strong impact on the perception and performance of the real estate sector, but in particular the retail and hotel sectors.

The office sector in which COIMA RES operates, has been the subject of an active debate at a time when offices have become deserted and most employees have continued to work remotely (often from their homes) without an apparent impact on productivity.

It is still early to draw definitive conclusions on such a broad and complex topic, but COIMA has produced various analyses on this topic, developing scenarios for the office product in a constructive, objective, balanced and quantitative way, while remaining close to its own tenants and trying to anticipate their needs.

Overview of the Investor Relations activity

In 2020, the investor relations activity took place mainly remotely. Both brokers and investors have quickly adapted to the circumstances, transforming conferences and roadshows into virtual formats and, despite these new ways of engaging, the dialogue with investors has remained very strong, both domestically and internationally. The extraordinary circumstances that affected 2020 led to a marginal decrease in investor relations activity in terms of the number of events in which the Company participated compared to 2019, despite this the number of events in which COIMA RES participated in 2020 overall remains in line with that of the Company's activity over the previous three years.



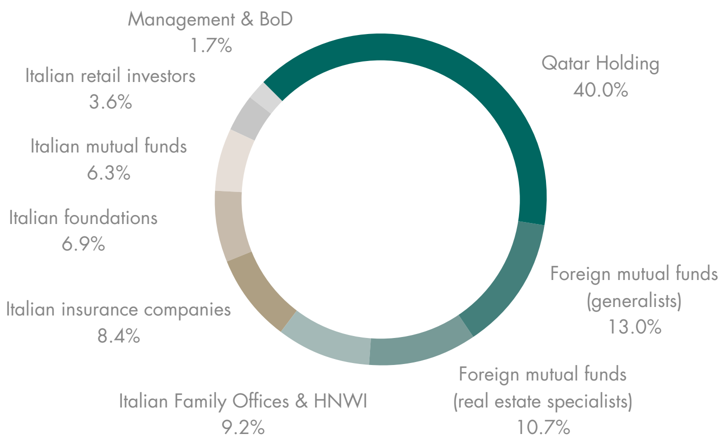
Roadshow and conferences in 2020

Q1 2020	Q2 2020	Q3 2020	Q4 2020
ZURICH Lond Cap Small & Mid Cap Forum	**GLOBAL** (virtual) Kempen Conference	**LUGANO** (virtual) Equita SIM Roadshow	**ROME** (virtual) COIMA Forum
GENEVA Lond Cap Small & Mid Cap Forum	**MILAN** (virtual) Kepler Italian Conference	**AMSTERDAM** (virtual) Kempen Roadshow	**ASIA** (virtual) EPRA roadshow
PARIS (virtual) Mediobanca roadshow (debt investors)	**BENELUX** (virtual) Banca IMI Roadshow	**MILAN** (virtual) Virgilio IR Small & Mid Cap Conference	**GLOBAL** (virtual) Kempen Roadshow
LONDON (virtual) Virgilio IR Small & Mid Cap Conference	**MILAN** (virtual) Mediobanca CEO Conference	**MILAN** (virtual) Borsa Italiana Infrastructure Day	**MILAN** (virtual) Equita SIM Group call
	MILAN (virtual) Borsa Italiana Sustainability Day	**GLOBAL** (virtual) EPRA Conference	**MILAN** (virtual) Virgilio IR Small & Mid Cap conference
		PARIS (virtual) ALLinvest REIT conference	

Coverage by financial analysts

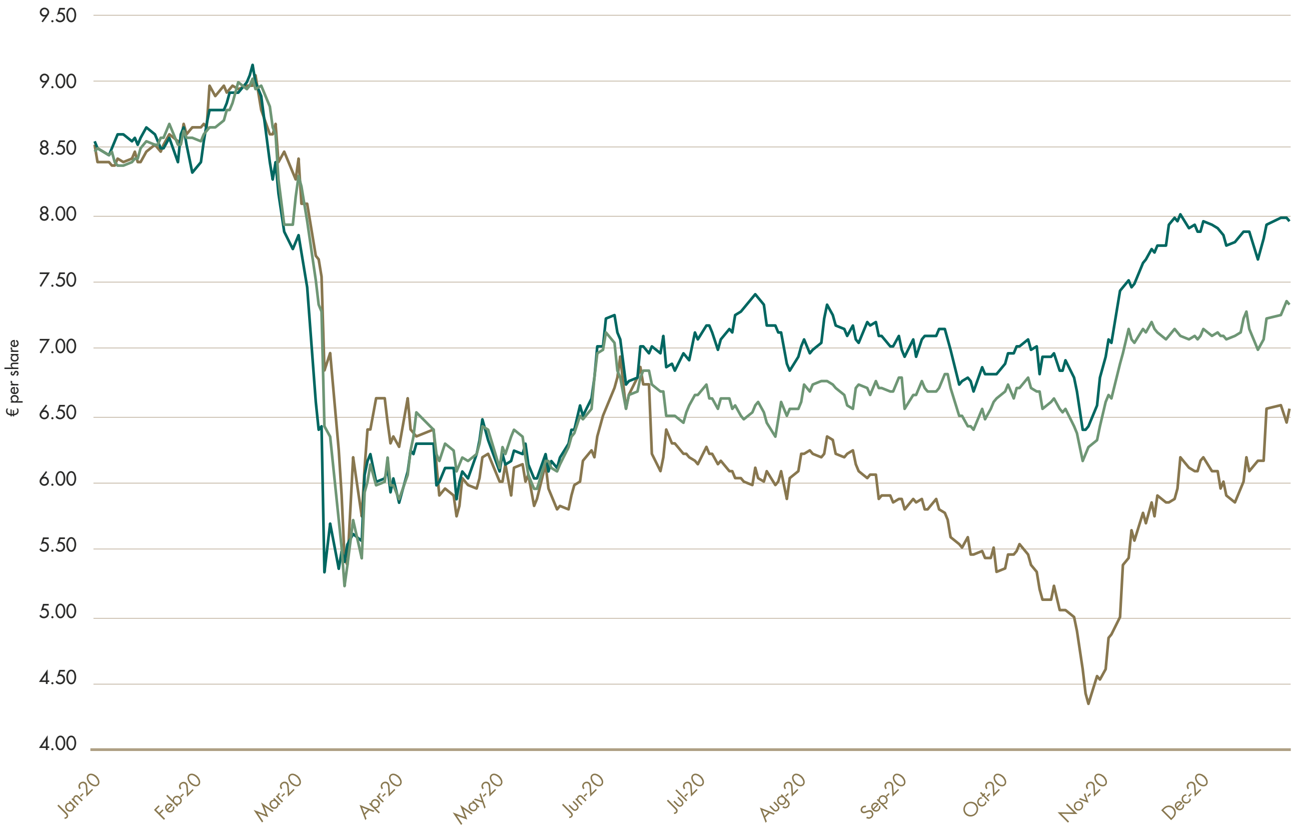
BROKER	RECOMMENDATION (as of December 31st, 2020)	PRICE TARGET (as of December 31st, 2020)
Banca IMI	Buy	Euro 9.50
Citi	Sell	Euro 4.20
Equita SIM	Buy	Euro 7.80
Kempen	Buy	Euro 8.80
Mediobanca	Buy	Euro 9.00
AVERAGE		**Euro 7.86**

Estimate of COIMA RES' shareholder base



Source: COIMA RES elaboration based on November 2020 interim dividend payment data

COIMA RES' share price in 2020 vs main reference indices



PERFORMANCE IN 2020

COIMA RES	-22.1%
FTSE MIB (Index)	-5.4%
EPRA Developed Europe (Index)	-12.9%

- COIMA RES
- FTSE MIB (Index)
- EPRA Developed Europe (Index)

Source: Bloomberg

03

Governance


COIMARES
Real Estate SIIQ


Passerella Gioia

INTRODUCTION BY THE CHAIRMAN

As Chairman, I am responsible for ensuring that the Board of Directors operates in the best way possible and always in favour of all shareholders of COIMA RES.

This year, the outbreak of the COVID-19 pandemic required the Company to adapt promptly in order to manage all operational activities, mainly in a remote fashion. The Company has adapted promptly by activating all of the necessary protocols and safeguard procedures in order to ensure continuity in all operational activities, preserving the health of all people working for COIMA RES.

The Company is always seeking constant input of its processes in order to continuously adapt them to international best practices and to the recommendations of the Corporate Governance Committee. We will also promptly adapt to the new requirements set out in the new Corporate Governance code, which will come into force as of this year.

On June 11th, 2020, the Shareholders' Meeting appointed the new Board of Directors, confirming the approach already adopted by the Company over the last few years, i.e. nine members of which seven independent and one non-executive with adequate and diversified skills, also by increasing the level of competence in the area of sustainability. The non-executive members of the Board of Directors are now perfectly balanced in terms of gender diversity. As known, the Board of Directors will remain in office for one year, giving the shareholders the opportunity to constantly express their appreciation on the work of the Directors.

The activities of the Board of Directors are assisted by the relentless work of the committees aimed at monitoring risks, the reliability of the internal control system and the correct management of all transactions potentially in conflict of interest or concluded with related parties.

Essential to the proper functioning of the Board of Directors are also the Internal Audit and Compliance and Risk Management functions as well as the Supervisory Body. Risks are managed in a structured way, both thanks to the committees, but also thanks to the corporate culture which is focsed on the monitoring and daily management of investments and assets in order to generate adequate returns for our investors that are sustainable in the long term.

The principles that guide the Company's governance are: independence, entrepreneurship, integrity, excellence and sustainability. For us, it is of paramount importance to operate with a suitable Corporate Governance to provide external evidence of transparency in order to consolidate the trust of our present and future shareholders.

All internal processes are staffed with care, diligence and continuously monitored in order to manage COIMA RES' activities in an appropriate and transparent manner, especially towards the rest of the COIMA platform.

COIMA RES is, since 2016, a member of EPRA, the European Public Real Estate Association, an association created to promote, develop and represent the European real estate sector and establish best practices of the sector regarding reporting and financial reporting. We are pleased that EPRA has awarded COIMA RES, for the fourth consecutive time, with two "Gold Award" both the 2019 Financial Statements and the Sustainability Report 2019. We continue working to guarantee this level of transparency to our shareholders by promptly adapting to the new EPRA recommendations in terms of disclosure.

Caio Massimo Capuano
Chairman
of the Board of Directors,
COIMA RES

MEMBERS OF THE BOARD OF DIRECTORS

Caio Massimo Capuano

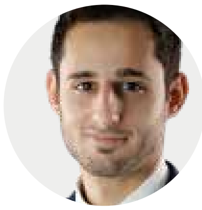
September 9th, 1954

Degree in electrical engineering at the La Sapienza University of Rome. He started his career at Xerox followed by IBM.
1986-1997: Senior Partner of McKinsey & Company in the Banking and Financial Institutions, ICT sectors.
1998-2010: Chief Executive Officer and Director of the Italian Stock Exchange. Since October 2007, Deputy CEO of the London Stock Exchange Group. When at Borsa Italiana he has held numerous positions (Cassa di Compensazione e Garanzia, Monte Titoli, MTS) and has been a member of various committees of national interest set up by the relevant departments. He has promoted two versions of the Corporate Governance Code for the corporate governance of listed companies and has worked in various international bodies including President of the World Federation of Exchanges and President of the Federation of European Stock Exchanges (FESE).
2011-2013: CEO of Centrobanca, Corporate & Investment Bank of the UBI Group.
2013-2020: Chairman of IW Bank.
2020-2021: Chairman of Pramerica SGR.

Manfredi Catella

August 18th, 1968

Degree in Economics and Commerce at the Università Cattolica del Sacro Cuore. Master in regional planning and real estate at the Politecnico di Torino. Founding member and CEO of COIMA RES, majority shareholder and CEO of COIMA SGR and President of COIMA S.r.l., real estate company founded in 1974, controlled by the Catella family.
He was Country Head and head of Italian assets for the Hines Group and worked at JP Morgan in Milan, Caisse Centrale des Banques Populaires in Paris, France, Heitman in Chicago, USA and HSBC in Paris.
President of the Riccardo Catella Foundation, member of the Advisory Board of the Bocconi University and Assolombarda. Catella is a financial analyst and member of the Journalists' Association and is a member of the Journalists' Register. He is the author of numerous articles and insights on the real estate sector and on the redevelopment of the territory.



Feras Abdulaziz Al-Naama

August 6th, 1991

Degree in Economics B.S. at the University of Oregon (Eugene - USA). He attended postgraduate courses at HEC Paris in Qatar and Carnegie Mellon University in Qatar.
From January 2014 to September 2016, he worked at Qatar Holding LLC as an analyst (corporate analyst) and a member of the capital markets team.
Since September 2016 he has worked for Qatar Investment Authority as a member of the capital markets team, focusing on equity, equity derivatives, real estate financing, FX, Fixed Income, Commodities and interest rate transactions.

Luciano Gabriel

August 15th, 1953

He is currently Chairman of the Board of Directors of PSP Swiss Property AG, a commercial real estate company operating in Switzerland and listed on the Zurich Stock Exchange (SIX Swiss Exchange), with assets under management of over CHF 7 billion. He held the position of Chief Executive Officer of PSP Swiss Property from 2007 to March 2017, and as Chief Financial Officer of PSP Swiss Property from 2002 to 2007. From 1998 to 2002 he was Head of the Corporate Finance and Treasury Department of Zurich Financial Services. From 1984 to 1998 he held various positions in the areas of corporate finance, risk management, international banking services to companies and commercial development at the Union Bank of Switzerland. He was President of EPRA (European Public Real Estate Association), the European association of major listed companies operating in the real estate sector for the period 2016-2017.

Olivier Elamine

October 9th, 1972

Founder and CEO of alstria office REIT AG, a real estate company operating in Germany, focused on the office sector and listed on the Frankfurt Stock Exchange, with assets under management of over Euro 4 billion.
In the past, Olivier Elamine was one of the founders of NATIXIS Capital Partners, director of the Investment Banking team at CDC IXIS (focusing mainly on the real estate sector), and a consultant at Ernst & Young (focusing on the real estate segment)

Alessandra Stabilini

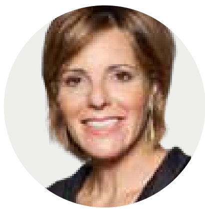
November 5th, 1970

Degree in Law at the University of Milan. Master of Laws (LL.M) at the Law School of the University of Chicago, Chicago (USA). Ph.D. in Business Law at Bocconi University. Enrolled in the Register of Lawyers of Milan since 2001. Researcher of commercial law at the Faculty of Law of the University of Milan since 2004, with confirmation ofin the role in 2007. From 2011 to 2017, Adjunct Professor and holder of the course of International Corporate Governance (up to the 2015-2016 academic year), then the Corporate Interest course, Corporate Social Responsibility, and Financial Reporting (from the 2016/2017 academic year). Equity partner of Nctm Studio Legale Associato since 2015 (from 2011 to 2015 Of Counsel, former Collaborator). Areas of activity: company law, with particular reference to listed companies, financial market law, banking governance and regulation and banking crises. Vice-President of NED Community. She holds positions as independent director and statutory auditor in various companies, listed and unlisted. She holds and has held positions in crisis procedures of financial intermediaries for the appointment of the Bank of Italy.

Ariela Caglio

January 20th, 1973

Ariela Caglio graduated with honours in Business Administration from the Bocconi University, where she obtained a PhD in Business Administration and Management in 2001. She is Associate Professor of Management Accounting and Performance Measurement and Director of the Bocconi ESSEC Double Degree at the Bocconi University, as well as Senior Professor and Liaison Officer of the SDA Bocconi School of Management.
She gained over fifteen years' experience in areas such as business planning and budgeting, cost accounting, measurement and performance management and integrated reporting. She has also been a visiting professor at prestigious international institutions, such as the London School of Economics and Political Science (LSE) and the University of Manchester.
Ariela Caglio has published her contributions in important national and international magazines. She is a member of several Editorial Board and of the Standing Scientific Committee of the European Accounting Association (EAA) as well as Deputy Chair of the European Accounting Association (EAA) 2018 Congress. She participated in the Ready4-Board Women project and sits on the Board of Esprinet S.p.A. as an Independent Director.



Antonella Centra

September 20th, 1969

Graduated in law, summa cum laude, at the Sapienza University of Rome, Antonella Centra attended her master's degree in EU law at the College of Europe of Bruges. She always collaborated, both as general counsel (or deputy general counsel as far as regards Wind) who as a member of the board of administration, with important national companies e international, such as Gucci and Bottega Veneta – Kering Group, Wind Telecomunicazioni and Coca-Cola. In by virtue of her specific skills, since 2015, in addition to the role of general counsel and manager of compliance of the Gucci Group Group, she has been invested with the responsibility of EVP Sustainability Director and Head of Institutional Affairs. In these roles, helped define the sustainability strategy at 10 years of the Kering Group to make it in the various Gucci Business Units for sustainability was a pillar of Gucci's corporate culture. Antonella Centra, therefore, has a solid experience in in relation to any management issue social responsibility issues business and sustainability, combined with a thorough knowledge and familiarity in relation to any profile of relations and institutional affairs. Antonella Centra, in addition to her roles within the Kering Group, is now invested with official roles in main institutional bodies and associations.

Paola Bruno

February 23rd, 1967

Degree cum laude in Political Science and International Economics at Sapienza University of Rome and Master in Real Estate and Finance at SDA Bocconi School of Management in Milan.
Executive with over 25 years of experience in London and Milan: investment banker, top manager in the banking sector, CFO, Managing Partner in a private equity fund, founder and CEO of the consulting firm Augmented Finance Ltd, non-executive director and commission chair / member of listed companies (FTSE Italia and AIM UK).

GOVERNANCE

Control and Risk Committee

This committee assists and supports the Board of Directors by ensuring adequate preliminary activities in evaluations and decisions relating to the Company's Internal Control and Risk Management System and those relating to the approval of periodic financial reports. It carries out all the tasks assigned by the Corporate Governance Code. It also acts as a committee for related parties in relation to transactions with related parties of greater importance and expresses a binding opinion towards the Board of Directors.

Remuneration Committee

It makes proposals on the remuneration of directors and senior management and any stock option plans and share allocation plans for executive directors and senior management. The Board of Directors has the final decision on the remuneration plan. It also assists the Board of Directors in preparing the succession policy for the CEO.

Investment Committee

It has a support function for investment and disinvestment decisions by the Board of Directors. All transactions must be submitted to the Investment Committee. Both employees of the Company and third parties belonging to COIMA SGR can participate in the meetings to discuss specific issues, and all participants must be in possession of high specialization in financial and real estate matters. The final decision in terms of investments and disposals is the responsibility of the Board of Directors.

MEMBERS AND ATTENDANCE		BOARD OF DIRECTORS	INVESTMENTS COMMITTEE	REMUNERATION COMMITTEE	CONTROL AND RISK COMMITTEE
Massimo Capuano	*Chairman* NON-EXECUTIVE	11/11	-	5/5	-
Feras Abdulaziz Al Naama	*Vice Chairman* NON-EXECUTIVE, INDEPENDENT CODE SELF-DISCIPLINE TUF	11/11	24/31	-	-
Manfredi Catella	*Chief Executive Officer* EXECUTIVE	11/11	31/31	-	-
Agostino Ardissone[1]	*Director* NON-EXECUTIVE, INDEPENDENT CODE SELF-DISCIPLINE TUF	0/1	-	-	0/1
Olivier Elamine	*Director* NON-EXECUTIVE, INDEPENDENT CODE SELF-DISCIPLINE TUF	11/11	-	5/5	-
Luciano Gabriel	*Director* NON-EXECUTIVE, INDEPENDENT CODE SELF-DISCIPLINE TUF	11/11	30/31	-	8/8
Alessandra Stabilini	*Director* NON-EXECUTIVE, INDEPENDENT CODE SELF-DISCIPLINE TUF	11/11	-	5/5	8/8
Ariela Caglio	*Director* NON-EXECUTIVE, INDEPENDENT CODE SELF-DISCIPLINE TUF	11/11	-	-	-
Paola Bruno[2]	*Director* NON-EXECUTIVE, INDEPENDENT CODE SELF-DISCIPLINE TUF	5/6	-	-	4/4

1 In charge until March 8th, 2020 *2 In charge from June 11th, 2020*

BOARD OF STATUTORY AUDITORS (IN OFFICE TILL 31/12/2020)

ROLE MEMBERS	COMPONENTI
Chairman	Massimo Laconca
Standing Auditor	Milena Livio
Standing Auditor	Marco Lori
Alternate Auditor	Emilio Aguzzi De Villeneuve
Alternate Auditor	Maria Stella Brena
Alternate Auditor	Maria Catalano

INDEPENDENT AUDITORS
(in office till 31/12/2024)

EY

The Board of Directors activity focuses on the business and its strategy, giving the required attention to all corporate governance matters.

2020	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
STRATEGY AND EXECUTION												
Business plan/budget			✓									
Investment/divestment		✓	✓		✓	✓	✓					✓
Letting transaction												
Financing					✓		✓					
Market analysis		✓			✓		✓					
RISKS												
Analysis of internal control system and risk management		✓					✓					
Risk monitoring					✓				✓		✓	
GOVERNANCE												
Analysis of periodic reporting		✓			✓		✓				✓	
Committees reporting		✓	✓				✓				✓	✓
Others		✓	✓		✓	✓				✓	✓	✓
EVALUATION												
Board of Directors evaluation						✓						
Conflict of interest/related parties			✓		✓	✓						✓

1. Milan, Corso Como Place, construction site
2. Milan, Porta Nuova

INVESTMENT COMMITTEE REPORT

The Investment Committee consists of three Directors: two of whom are independent, the head of the Asset Management function, the head of the Investment Management function and a Real Estate expert, external to the Company. In addition, the risk manager supports the Investment Committee with technical support functions. The members of the Investment Committee are: Manfredi Catella, Feras Abdulaziz Al-Naama, Luciano Gabriel, Michel Vauclair, Gabriele Bonfiglioli and Matteo Ravà.

The Company deemed it appropriate and necessary to appoint Gabriele Bonfiglioli and Matteo Ravà to the Investment Committee, who were partially seconded to the Company under the asset management agreement with COIMA SGR. Their roles are coordinators of the market, investment management and the asset management areas respectively, and to maintain in the Investment Committee the collaboration of Michel Vauclair, a former independent director of the Company and member of the Investment Committee.

The Investment Committee is a consultative body with the function of supporting investment and divestment decisions by the Company's Board of Directors, which has the ultimate decision-making power.

The Investment Committee carries out planning and execution of real estate management and investment decisions by defining the proposals relating to the following matters as a result of an analysis process. In particular:

examines any investment or disinvestment that the Company intends to execute

examines opportunities in the pipeline and approves spending budgets for the due diligence phase

monitor the progress of the analyses undertaken on the opportunities under consideration (pipeline) and assess whether to proceed with the submission of non-binding offers

assesses in advance, by subsequent resolution of the Board of Directors, the following transactions:

- *new financing agreements or amendments to existing financing agreements*
- *derivatives to hedge the interest rate risk on loans or assets and other liabilities held by the Company*

assesses lease contracts covering areas of more than 4,000 square metres of commercial areas or more than 25% of the NRA (net rentable area) of a single building

In the event of a positive outcome, the investment or divestment proposal, supported by the technical and financial documentation collected and/or prepared during the preliminary phase, is submitted to the Board of Directors for evaluation and resolution. In the event of a favourable resolution by the Board of Directors, the transaction is carried out.

In addition, the Investment Committee examines the risk reports prepared by the Risk Manager, reporting the identified criticalities to the Board of Directors and, if necessary, formulating proposals regarding investment and risk management policies.

The meetings of the Investment Committee are also attended by the Chief Financial Officer and the Investor Relations Director. It is also possible to have employees of the Company and third parties belonging to COIMA SGR, all of whom are highly specialised in financial and real estate matters attend meetings on specific issues.

During 2020, a year characterised by the outbreak of the COVID-19 pandemic, the Investment Committee played a very active and intense role not only in terms of examining investment and divestment proposals, but also in terms of balancing the quality of the portfolio and contextual risk reduction and the management and monitoring of rent collection in consideration of the various restrictive measures issued by the government in the last nine months to deal with the epidemiological emergency. With regards to investment opportunities, it should be noted that various investment and co-investment opportunities for a total value of approximately Euro 1.0 billion were evaluated and analysed. During the year 2020, the Investment Committee issued its positive opinion to the Board of Directors regarding the acquisition of a stake of between 10% and 25% of the property located in Milan, via Melchiorre Gioia 22, as already outlined in other parts of this document.

Manfredi Catella
Chairman
of the Investment Committee,
COIMA RES

Milan, COIMA Headquarters, interiors

REMUNERATION COMMITTEE REPORT

The Remuneration Committee is composed of: the Chairman of the Company, Massimo Capuano, Olivier Elamine and myself as Chairwoman.

The main activities of the Committee concern:

The formulation of proposals to the Board of Directors regarding the definition of the policy for the remuneration of directors and managers with strategic responsibilities of the Company.

The periodic assessment of the adequacy, overall consistency, and concrete application of the policy for the remuneration of directors and executives with strategic responsibilities, making use in this regard of the information provided by the Chief Executive Officer.

The submission of proposals or the expression of opinions to the Board of Directors on the remuneration of executive directors and other directors holding particular positions, as well as on the setting of performance objectives related to the variable component of such remuneration; the monitoring of the application of the decisions adopted by the Board, verifying, in particular, the actual achievement of the performance objectives.

The Committee reports to the Company's Shareholders on its conduct when exercising its functions.

During 2020, the Committee focused its activities on updating the remuneration policy, always taking into account the alignment of management's interests with those of shareholders. In addition, the Committee assessed the performance and achievement of the objectives of the Chief Financial Officer. Finally, the Committee analysed the impacts of the application of the new Corporate Governance code on its activities.

Alessandra Stabilini
Chairwoman
of the Remuneration Committee,
COIMA RES

REMUNERATION POLICY

The Remuneration Policy aims to establish guidelines for the determination of the remuneration of the members of the Board of Directors of the Company and Executives with strategic responsibilities (the "**Recipients**").

The remuneration of the Recipients, in general and except as indicated below, is divided between a fixed and a variable component, suitably balanced in relation to the Company's strategic objectives and risk management policy, also taking into account the business sector in which it operates, and the features of the business model adopted.

The policy adopted has the primary purpose of ensuring that the Company has a compensation system that is adequate and consistent with the Company's expected performance in the medium to long term. In particular, the Company's Remuneration Policy is aimed at attracting, retaining, and motivating personnel, and is consistent with the objectives outlined in the corporate strategy through:

- *A correct balance between variable and fixed component*
- *An adequate link between remuneration and individual performance*
- *A performance evaluation system consistent with the defined risk profile*

To this end, the Policy:

- *Is aimed at increasing transparency in terms of remuneration and the responsibility of the Recipients in the management of the Company*
- *Has the purpose of encouraging the Recipients to achieve the Company's objectives without encouraging the undertaking of inadequate risks*
- *Provides that the remuneration attributed to the Recipients is proportionate to the role covered, the delegated responsibilities and the skills and abilities demonstrated*
- *Guarantees the alignment of the interests of the Recipients with those of the Company, with the primary objective of creating value for the Company's shareholders in the medium-long term*
- *Is aimed at attracting, motivating and retaining people with the professional qualities required in order to successfully manage the Company*

Provides that for directors who have been granted management powers or who perform, even if only de facto functions relating to the management of the Company, as well as for managers with strategic responsibilities, a significant part of their remuneration is linked to their performance

Defines a system of economic and non-economic criteria on which to base the achievement of the objectives to which the attribution of part of the remuneration is linked

Establishes that the remuneration of non-executive directors shall be commensurate with the commitment required of each, also in consideration of their possible participation in one or more committees

The Company reserves the right to evaluate the adoption of further forms of medium-long term incentives which, together with those already adopted, could ensure the convergence of interests between all the Recipients and the Company's performance in the medium-long term.

Compensation for the year 2020

(EURO)	ROLE	FIXED COMPENSATION	COMPENSATION RELATED TO COMMITTEES	VARIABLE COMPENSATION	NON MONETARY BENEFITS	OTHER EMOLUMENTS	TOTAL COMPENSATION	FAIR VALUE OF EQUITY COMPENSATION	TERMINATION INDEMNITY
MEMBERS OF THE BOARD OF DIRECTORS									
Massimo Capuano	Chairman	140,000					**140,000**		
Feras Abdulaziz Al Naama	Vice-Chairman	30,000	10,000				**40,000**		
Manfredi Catella[1]	Chief Exe-cutive Offi-cer	18,182	1,818				**20,000**	**583,942**	
Olivier Elamine[1]	Director	7,500	2,500				**10,000**		
Luciano Gabriel[1]	Director	22,500	7,500				**30,000**		
Alessandra Stabilini	Director	31,171	10,390				**41,562**		
Agostino Ardissone[2]	Director	7,500	2,500				**10,000**		
Ariela Caglio	Director	30,000					**30,000**		
Antonella Centra	Director	30,000					**30,000**		
Paola Bruno[3]	Director	16,538	5,513				**22,051**		
BOARD OF STATUTORY AUDITORS									
Massimo Laconca	Chairman	46,800					**46,800**		
Milena Livio	Auditor	31,200					**31,200**		
Marco Lori	Auditor	31,200				9,360	**40,560**		
EXECUTIVES									
N. 1 executive		153,630		69,000	8,493		**231,129**		
OTHER COMPENSATION									
Matteo Ravà[1]	Key Managers	40,000					**40,000**	**146,029**	
Gabriele Bonfiglioli[1]	Key Managers	40,000					**40,000**	**146,029**	

1 Certain Board Members have renounced to their remuneration in order for the Company to donate such amounts to charities involved in the emergency caused by the COVID-19 pandemic.

2 In charge up to March 8th, 2020

3 In charge from June 11th, 2020

CONTROL & RISK AND RELATED PARTIES COMMITTEE REPORT

As Chairwoman, I believe that the Control and Risks Committee has carried out its duties in terms of evaluation of the adequacy of the control systems and in terms of management of risks in their evolution and implementation. The Board of Directors has identified in the Control and Risks Committee, made up of non-executive and independent directors, the competent committee pursuant to the Related Party Procedure and has attributed to the Control and Risks Committee the role and responsibilities that, pursuant to the Related Parties Policy, belong to the committees constituted, in whole or in majority, by independent directors.

The Control and Risks Committee is composed of three non-executive and independent directors, namely the undersigned as Chairwoman, Luciano Gabriel and Paola Bruno.

The role envisaged by version of the Corporate Governance code applicable at the date of this report, for the committee it is sensitive and provides in particular for:

*Assistance and support to the Board of Directors, ensuring the latter an adequate preliminary activity in evaluations and decisions relating to the Company's Internal Control and Risk Management System (hereinafter "**SCIGR**"), and in those relating to the approval of periodic financial reports*

Expresses its opinion to the Board of Directors with regard to:

- *Define the guidelines of the SCIGRso that the main risks relating to the Company and its subsidiaries are correctly identified as well as adequately measured, managed and monitored, and to determine the degree of compatibility of these risks with the management of the company consistent with the strategic objectives identified*
- *The assessment, at least annually, of the adequacy of the SCIGR with respect to the characteristics of the company and the risk profile assumed, as well as its effectiveness*
- *Upon approval, at least annually, of the work plan prepared by the Head of the Internal Audit Function, after consulting the Board of Statutory Auditors and the Director in charge of the Internal Control and Risk Management System*
- *The description, within the Corporate Governance Report, of the main characteristics of the SCIGR and the methods of coordination between the subjects involved, expressing its assessment on the adequacy of the same*
- *After consulting the Board of Statutory Auditors, the results presented by the statutory auditor in any letter of suggestions and in the additional report that emerged during the statutory audit*

Expresses its opinion to the Board of Directors on:

- *The appointment and removal of the Head of the Internal Audit Function*
- *That the latter is equipped with adequate resources to carry out their responsibilities*
- *The remuneration of the Head of the Internal Audit Function is defined consistently with company policies*

The Control and Risks Committee in assisting the Board of Directors:

- *Evaluates, together with the manager in charge of preparing the corporate accounting documents and after consulting the statutory auditor and the Board of Statutory Auditors, the correct use of the accounting principles and, in the case of groups, their homogeneity for the purposes of preparing the consolidated financial statements*
- *Expresses opinions on specific aspects relating to the identification of the main business risks*
- *Examines the periodic reports concerning the assessment of the internal control and risk management system and those of particular importance prepared by the Internal Audit function*
- *Monitors the autonomy, adequacy, effectiveness and efficiency of the Internal Audit function*
- *May ask the Internal Audit function to carry out checks on specific operational areas, giving simultaneous communication to the Chairman of the Board of Statutory Auditors*
- *Reports to the Board, at least every six months, in conjunction with the approval of the annual and half-yearly financial report on the activity carried out, as well as on the adequacy of the internal control and risk management system*
- *Supports with adequate preliminary activities, the assessments and decisions of the Board of Directors relating to the management of risks deriving from prejudicial facts for which the Board of Directors have become aware*

Furthermore, upon requested by the Board of Directors, it expresses a prior opinion on the transactions between the Company and related parties, as defined by International Accounting Standards (IAS) no. 24.

During 2020, the Committee has:

- *Evaluated transactions and contracts with related parties*
- *Evaluated the periodic review of the contractual conditions with COIMA S.r.l. and expressed its favourable opinion pursuant to the Related Party Procedure*
- *Periodically examined the risk monitoring report*
- *Periodically evaluated the adequacy of the internal control and risk management system*
- *Evaluated the periodic financial reports and the separate and consolidated financial statements*
- *Evaluated the evolution of the organizational structure*
- *Examined the replacement of the Risk Management function carried out in outsourcing by an external consultancy company*
- *Periodically evaluated the activities carried out by the control functions*
- *Carried out an assesment of the activiites of the Supervisory Body*
- *Examined the updating of the Company's procedures manual*
- *Evaluated, together with the manager responsible for preparing the corporate accounting documents and after consulting the statutory auditor and the board of statutory auditors, the correct use of the accounting principles and, in the case of groups, their homogeneity for the purposes of preparing the consolidated financial statements*

The activities carried out by the Committee to express an opinion on the new asset management contract with COIMA SGR were of particular importance. Following the positive and length work carried out, the Company has also published an information document since the transaction in question can be configured as a greater relevance.

As Chairwoman of the Control and Risks Committee, I provided information on the work of the Control and Risks Committee at the first meeting of the Board of Directors.

The Control and Risks Committee, in its capacity as Related Parties Committee, examined the transactions with related parties carried out by the Company, noting the Company's interest in carrying out the transaction, as well as the convenience and substantial correctness of the conditions of the transaction, including the help of opinions from external consultants. The Committee, which met eight times during 2020, always set itself with the aim of favouring a broad and in-depth investigation in favour of the Board of Directors in the interest of the Company and its shareholders.

During the course of 2020, the Committee has deployed Euro 6 thousands in its role as Related Party Committee whilst it has not used its budged as attributed by the Board of Directors.

Alessandra Stabilini
Chairwoman
of the Control and Risk Committee,
COIMA RES

HOW WE MANAGE RISKS

PHASES OF THE RISK MANAGEMENT PROCESS	IDENTIFICATION	EVALUATION AND QUANTIFICATION
	Risk Management Function Internal Audit Function Director in charge of the internal control and risk management system Managers responsible for operational functions	Risk function Management Managers responsible for operational functions Control and Risks Committee

Arranged bodies

CONTROL AND RISKS COMMITTEE

The Control and Risks Committee is a body with advisory and propositional functions towards the Board of Directors on issues relating to the assessment, orientation and adjustment of the internal control and risk management system. In this context, the Committee:

- *Supports the Board of Directors in defining guidelines for the internal control and risk management system*
- *Expresses opinions on specific aspects related to the identification of the main business risks*
- *Examines the work plans of the Control Functions as well as the related periodic reports, formulating any observations and proposals to the Board of Directors on the same and expresses its opinion on the adequacy of the Company*
- *Carries out coordination and liaison activities between the various control functions*
- *Examines the periodic reporting of the control functions that are of particular importance in terms of the risks of the Company's typical business and its normal operations*
- *It may require the Heads of the Control Functions to carry out checks and analyses on specific areas and/or themes*

MONITORING

Risk Management function

Director in charge of the internal control system and risk management

Control and Risks Committee

MITIGATION ACTIONS

Managers responsible for operational functions

REPORTING

Control and Risks Committee

Director in charge of the internal control and risk management system

Board of Directors

RISK MANAGEMENT FUNCTION

The Risk Management Function exercises its activities to:

- *Supports the Board of Directors in preparing and updating the risk management policy and identifying risk limits*
- *Develops and proposes to the Board of Directors the methodologies for measuring the risks to which the Company is exposed*
- *Monitors the implementation of the measures taken to remedy the deficiencies found in the risk management system*
- *Verifies compliance with the risk management policy and compliance with the limits defined by the Board of Directors*
- *Periodically monitors the Company's business and operational risks*
- *Examines investment/disinvestment transactions.*

The Risk Management Function prepares a map of the risks to which the Company is or could be exposed to and continuously assesses the possible emergence of new risks considering all relevant elements of the reference context and the business, such as:

- *The lines of development and corporate objectives, the market context, possible changes in the Company's business and/or new opportunities*
- *Expected evolution of the balance sheet and income statement aggregates*
- *Information on the development of investments and other "company specific" information (e.g. organisational structure, internal regulations, etc.)*

The Company's risk map is periodically updated and submitted for approval by the Control and Risks Committee and, subsequently, by the Board of Directors.

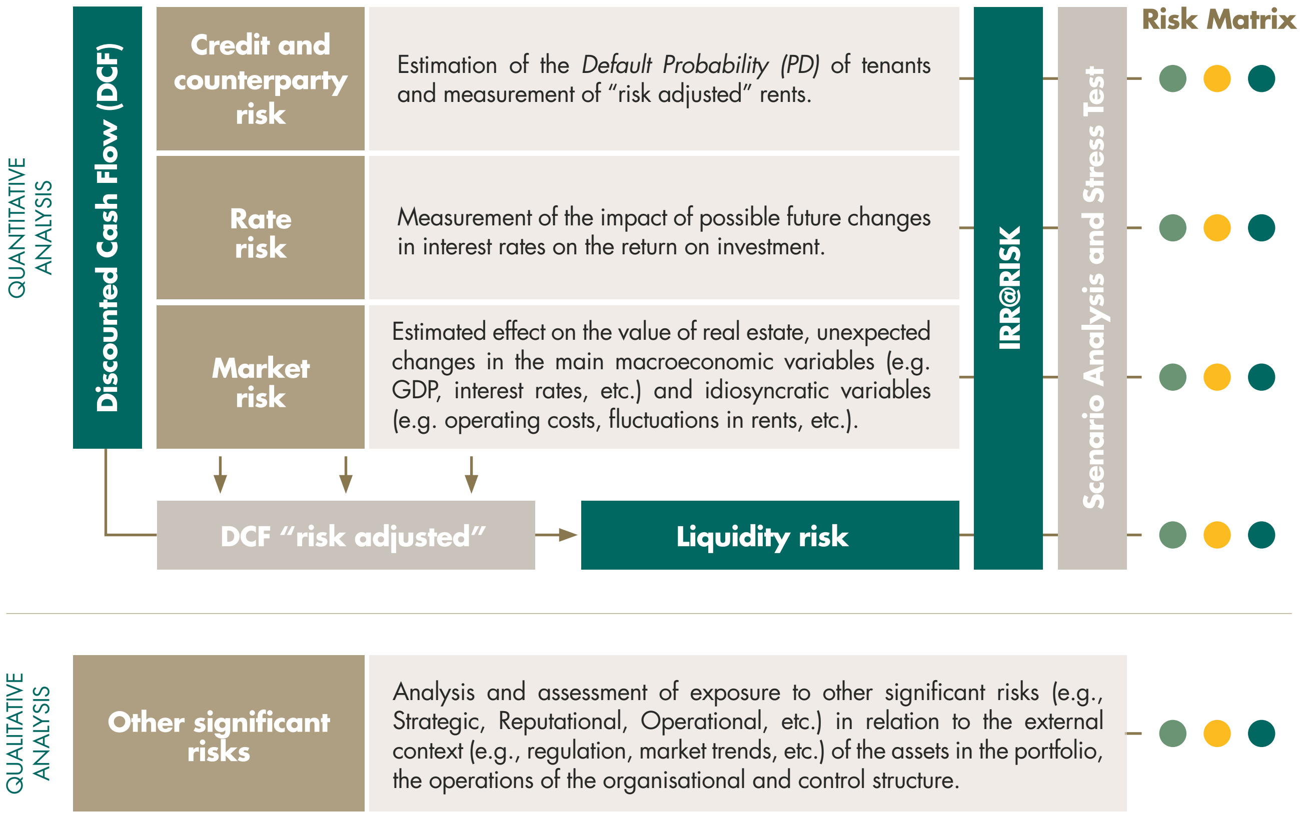
The structure of the Company's risk map is inspired by the best practices within the financial sector, although not directly applicable to COIMA RES. The risks exposed in the map also take into account the investment strategy adopted by the Company and its REIT status, from which constraints on the nature of revenues and assets arise.

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

RISKS	COIMA RES MITIGATION
Risk of losses The risk of losses is related to the fluctuation in the prices of properties in the portfolio or in rental values resulting from adverse changes of macroeconomic variables, the local and international political context, the property market, and/or the specific characteristics of the properties owned by the Company and/or structural changes in tenant habits. This risk also includes the effects resulting from properties in the portfolio that are vacant (vacancy risk) and potential losses associated with investment in "value-add" projects, in particular relating to restructuring or refurbishment works of certain real estate assets.	The Company's investment strategy is focused on quality assets (real estate or fund units) in large urban areas, specifically in Milan, which have demonstrated high income features and good resilience during negative market cycles, partly due to a less volatile level of demand compared with smaller assets located in secondary cities. Regarding vacancy risk, the Company deals with long-term rental agreements with adequate protection clauses. Tenant-specific asset management initiatives are designed in order to understand the situation and needs of each tenant, and to identify and address potential problems proactively. In consideration of the health emergency resulting from the spread of the Covid-19 virus, the Company carefully assesses and monitors the impacts on property values by conducting targeted stress tests, with particular reference to the most exposed hotel and retail assets, which however constitute a very limited portion of the Company's portfolio. Based on the results of the analyses, also taking into account assessments of the possible evolutions of the use of spaces as a result of the use of the so-called "Smart-working", the Company adapts, where appropriate, the management and enhancement strategies of the properties to contain the impacts and mitigate the risk.
Credit and counterparty risk The risk of losses deriving from the default of counterparties due to the deterioration of their creditworthiness up to the extreme case of default, with reference to: - tenants; - counterparties in real estate development operations (builder, manager); - 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. Taking into account the aforementioned high profile of tenants and the limited volume of rents from tourist-accommodation and retail assets most exposed to the impacts of the Covid-19 emergency (6% of the total), the credit risk is contained and, in any case subject to careful analysis and monitoring. This is in order to prepare, where necessary, timely actions to protect and mitigate the risk of default, taking into account the existing contractual safeguards.
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.
Interest rate risk The risk related to adverse changes in the rate curve that change the current value of assets, liabilities and their net value (ALM), and cash flows (assets and liabilities) based on changes in interest expense (assets and liabilities).	The Company purchases hedging instruments or otherwise contractually fixes an adequate amount of its floating rate exposure in order to reduce the impact of adverse changes in interest rates.
Liquidity risk The risk of not being able to meet one's payment obligations due to: - the inability to obtain funds in the market and generate adequate operating cash flows (funding liquidity risk); - the inability to monetise one's assets (market liquidity risk).	The Company continuously monitors the level of its liquidity based on detailed cash-flow analyses and projections as well as through cash flow and ALM risk management activities, utilizing among other tools scenario analyses and stress tests. From the perspective of optimising the financial and capital structure, the Company's objective is to maintain a stabilised leverage of less than 40% (LTV) in the medium term. As part of the impact analysis of the Covid-19 emergency, the Company conducts stress tests to assess full compliance with financial covenants, and the ability to meet current financial commitments and those deriving from the planned capex plans. On the basis of the results of the sensitivity analysis, the Company prepares, where appropriate, optimization and strengthening interventions of the financial structure.

RISKS	COIMA RES MITIGATION
Other financial risks Other financial risks not associated with real estate assets such as, for example, counterparty risks and/or other market risks on any financial instruments in the portfolio.	The strategy currently adopted by the Company involves a limited investment in assets other than real estate assets except for treasury bills and instruments needed to hedge interest rate risk; this also takes into account statutory restrictions related to the REIT 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, and internal systems or external events. This risk includes the risk of outsourcing, i.e. the operating losses arising from the performance of the outsourced activities.	Operating risks are addressed by adopting adequate internal procedures and the structuring of the internal control system on three levels: - Level One: Scheduled checks carried out by the business units and staff functions; - Level Two: Checks carried out by the Legal, Compliance and Risk Management functions; - Level Three: Checks carried out by the internal audit function based on the Audit Plan. In order to contain the operational impacts of the Covid-19 emergency, the Company has prepared timely interventions to ensure the safety of personnel and workplaces, prepare the carrying out of activities in smart-working mode and raise awareness among staff on the adoption of safety measures and social distancing even outside the workplace. These interventions are aimed at limiting the risk of contagion without compromising the efficiency and effectiveness of the activities since the entry into force of the first restrictive containment measures (March 2020). Accurate protocols to prevent the risk of contagion were introduced in the buildings managed by the Company and in the work sites, in full compliance and in compliance with current legislation, and interventions to implement the requests of the tenants and adapt, where appropriate and permitted, the policies property insurance.
Legal and compliance risk The risk of changes in performance due to changes in the legislative framework or violations of the regulations to which the Company is subject.	The Company continuously monitors the risk of non-compliance with current legislation and compliance requirements. Our compliance checks include asset and profit tests to ensure that legal requirements, necessary to maintain the REIT 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, internal resources or the Regulatory Authorities. These risks also refer to potential value losses for shareholders deriving from inadequate management and control of environmental, social and governance standards (so-called "ESG factors") connected to the activities carried out by the Company.	Reputational risk, like operating risk, is mitigated by adopting an adequate organizational and control structure, consistent with international best-practices. We also mitigate reputational risk by putting in place stringent and specific procedures such as supervising external communication, overseeing interaction with stakeholders (e.g. governmental authorities) and monitoring contact with investors (e.g. complaint management). The Company pays particular attention to full and continuous compliance with the ESG Standards and considers sustainability as an integral part of its business by aiming to create a quality real estate asset, with sustainable long-term growth, preferring properties with potential for appreciation in the time. In this context, during 2017, the Company contributed to the creation of a "Think Tank" in collaboration with 5 of the most important listed real estate companies operating in Europe, whose activities are concentrated on the discussion of issues related to sustainability and innovation. The environmental performance of the asset portfolio, and the social and governance performance of the Company are subject to stable monitoring and adequate disclosure to stakeholders.
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. To support the strategic planning process, the Company uses, among other things, market analysis to monitor the evolution of the demand for office space and identify the factors affecting its performance. This also in consideration of the effects of the use of smart-working as a consequence of the pandemic in progress.

The Risk Management Model




Rome, Deutsche Bank Portfolio, façade

The Company adopts an advanced risk management model that combines quantitative analysis for interest rate, credit, liquidity and market risks and other qualitative risks (operational, reputational, and strategic) and provides the use of scenario analysis and stress tests to assess the degree of exposure to the main risks under adverse conditions.

In terms of quantitative analysis, the model is based on examining the dynamics of the Internal Rate of Return (IRR) of the Company's investments, resulting from evolutionary scenarios of the components of the IRR itself. The methodology adopted is based on a comparison between the "basic" IRR, which is calculated on the basis of information derived from the Company's Business Plan and individual investments, and the IRR@Risk which is calculated on the basis of estimates of risk factors (e.g. probability of default of tenants, occupancy of properties, break option clauses, lease agreement reversion, asset and tenant concentration etc.) and the performance of a real estate market index. The latter is determined based on the evolution of macroeconomic variables (e.g. interest rates, unemployment, etc.), formulated by international bodies (e.g. IMF, etc.) and appropriately selected, using a multivariate linear regression model.

The distributions of the possible evolution of the risk factors / variables considered are summarised in as many IRR distributions, from which an IRR is estimated for each risk and an Overall IRR@Risk, at an individual investment and portfolio level. The difference between the "base" IRR and the IRR@Risk is a measure of the risk exposure of each investment and of the investment portfolio as a whole.

The activity of the Risk Manager, based on the method described above, is mainly directed at evaluating investment and divestment opportunities, and at monitoring portfolio risks and the risk of the Company's business, reporting the results of the analyses conducted to the Board of Directors.

The year 2020 was characterised by the outbreak of the COVID-19 pandemic, which was reflected due to the restrictive measures implemented by the government in a reduction in the occupancy of buildings and in a substantial closure of many activities included in the real estate asset classes (e.g. retail, hotel). These dynamics forced tenants, in particular those most affected by the restrictive measures, to request concessions from the landlords. The COIMA RES portfolio was particularly resilient to these dynamics due to its prevailing composition for office use and therefore with limited exposure to the sectors most affected by the pandemic, and to the primary tenant standing. The risk level of the portfolio has, however, undergone a slight increase as an impact resulting from the current market situation.

04

Sustainability


UniCredit

MARKET CONTEXT

The real estate sector plays a key role in the economy, in the society and in the environment, as highlighted in a recent study published by EPRA[1] (European Public Real Estate Association) and INREV (European Association for Investors in Non-listed Real Estate Vehicles).

A performing and functional real estate infrastructure provides fundamental support for achieving the full potential of an economy and its citizens. This aspect is even more relevant in a context characterised by marked demographic and behavioral changes, which make end users' requirements of real estate products increasingly dynamic and demanding.

Aligning real estate supply with end-user demand is also the main prerequisite for achieving resilient and sustainable investment performance by institutional investors who typically allocate part of their portfolios to the real estate asset class itself.

Finally, the notion that the real estate sector is responsible for a large proportion of natural resource and energy consumption globally is now broadly consolidated, contributing directly and indirectly to a substantial proportion of CO_2 emissions into the atmosphere (in particular, it is estimated that buildings and the construction sector are responsible for about 38% of the Global carbon emissions[2]).

The real estate sector and the entire supply chain for which the sector is part of (from the construction materials sector up to the involvement of tenants who occupy the buildings), plays a central role in the debate on climate change and are important channels for the development of specific actions to counteract the increase in global warming.

The integration of the ESG aspects (Environmental, Social and Governance) into the operations of a company have become significant and defining issues in the market today. Since the publication of the 17 Sustainable Development Goals (SDGs) and the commitments made by governments and businesses at the last Conference of the Parties on Climate Change (COP25), held in Madrid in December 2019, the year 2020 has seen a decisive acceleration of regulatory and financial action at the European level to further guide the path of decarbonisation of the economic and social systems.

In January 2020, the Green Deal was approved, a plan for sustainable investments aimed at directing European economic and social development by 2050, reducing net CO_2 emissions to zero, in line with the commitments made towards the Sustainable Development Goals of the United Nations 2030 Agenda. The measures launched by the European Commission aim to mobilise public and private investments for approximately Euro

1 Real Estate in Real Economy 2020 report. EPRA & INREV

2 2020 Global Status Report for Buildings and Construction, UN Environment programme

1,000 billion and will affect different industries and services, from energy to the construction sector.

During June 2020, the Regulation no 2020/852 of the European Parliament and the European Council was approved, which for the first time contained the definition and criteria for the classification of sustainable investments. Among the economic activities regulated according to the objectives of limiting CO_2 emissions, the entire real estate value chain has been included: construction of new buildings, renovation of existing buildings, timely measures for renovation, purchase and ownership of real estate, among which activities today contribute to approximately one-third of greenhouse gas emissions of which the European Union are attributable.

The EU taxonomy in support of sustainable finance will become fully operational by 2022 and will have a significant impact on the investment community, and consequently on the companies which are part of the investors' portfolios. The result for the real estate sector will be the acceleration of a virtuous circle where the increase in the supply of buildings that meet high performance standards will encounter the investment demand from increasingly sophisticated operators in assessing risk and return profiles according to sustainability criteria.

Finance and environmental sustainability: the objectives of the EU

Climate change mitigation: reducing or avoiding greenhouse gas emissions or improving their absorption

Adapting to climate change: reducing or preventing the negative effects of the current or future climate or the risk of adverse effects

Sustainable development and protection of water and marine resources

Transition towards a circular economy, focused on the re-use and recycling of resources

Pollution prevention and reduction

Protection and restoration of biodiversity and ecosystems

Source: European Parliament and European Council Regulation 2020/852

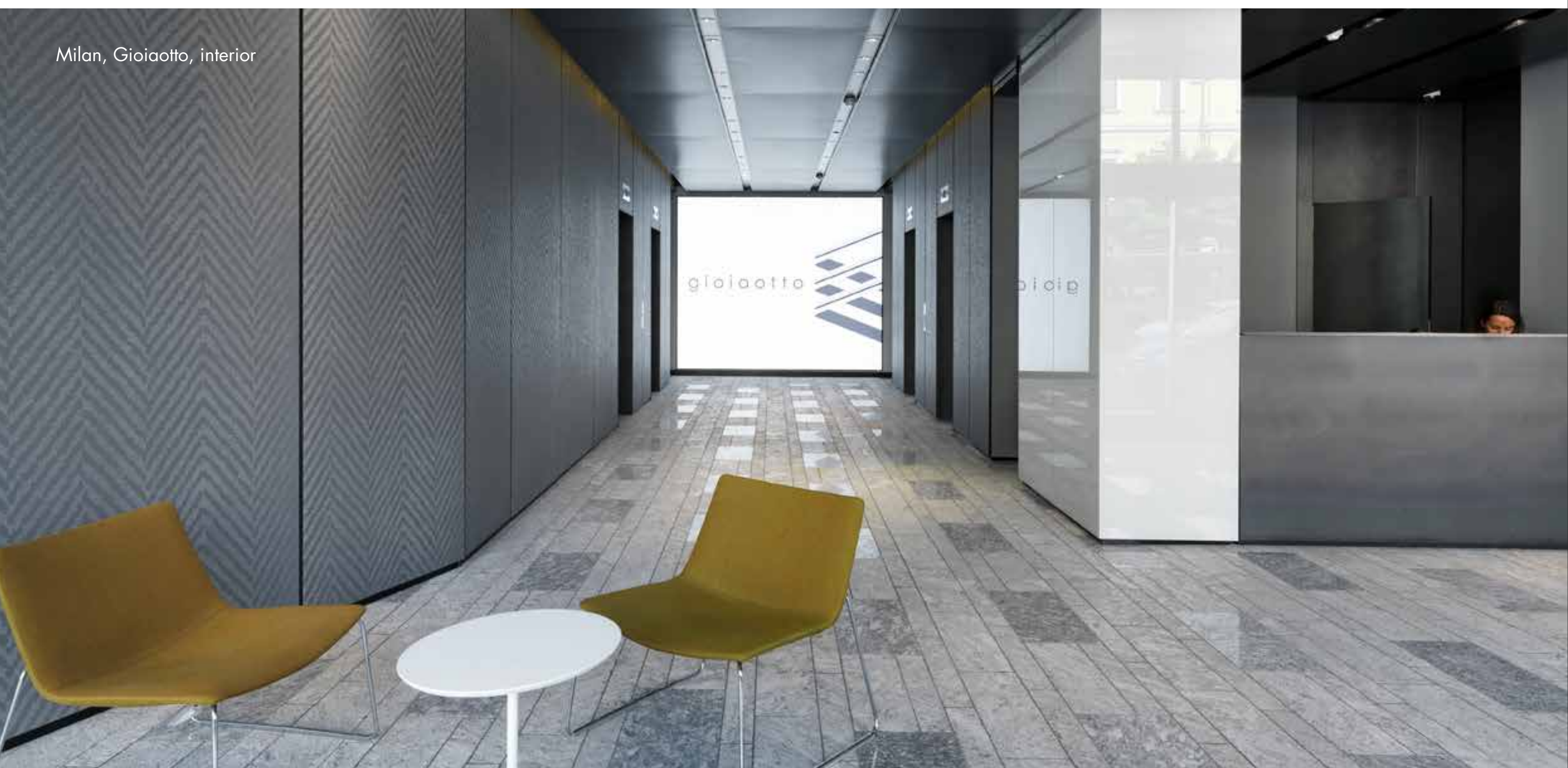
E-MARKET SDIR CERTIFIED

STAKEHOLDER AND MATERIALITY

The COIMA RES business model has been established since the Company's inception to proactively respond to the main market dynamics, integrating the most relevant environmental, social and governance (ESG) aspects.

In 2020, the reference scenario, as well as the acceleration of actions in order to combat climate change, were strongly characterised by the phenomena relating to the COVID-19 pandemic. In economic and social life, several obvious discontinuities were generated, including the need for social distancing which accentuated trends that were already underway, and the establishment of remote working which was made possible thanks to the innovation of digital technologies; all aspects on which COIMA RES has dedicated reflections and insights, discussing and debating with its reference stakeholders.

For COIMA RES, relations with business stakeholders have always been functional to the strategic objective of maintaining a clear and anticipatory vision of the main risks and, at the same time, of the potential areas of opportunities through which the Company continues to create value with their activities in the medium to long term.



Milan, Gioiaotto, interior

COIMA RES stakeholders' map

STAKEHOLDER ENGAGEMENT AT THE COIMA REAL ESTATE FORUM

The evolution of post-COVID office spaces, the evolution of cities and proposals for the urban development of Italian territories were among the topics addressed in the 9th edition of the COIMA Real Estate Forum, a meeting organised by the COIMA platform every year to present and discuss the scenario of the Italian real estate market involving stakeholders and financial and institutional operators within the sector. The 2020 edition brought together (albeit virtually and remotely) more than 500 domestic and international investors from Europe, Asia, America, and the Middle East, as well as and public and private operators.

Decarbonisation and impacts of the pandemic in the updating of material issues

MATERIAL THEMES 2020	PERCEPTION OF THE THEME	COIMA'S RESPONSE
ENERGY EFFICIENCY AND DECARBONISATION	This is the issue that the institutions place at the heart of sustainable development policies, around which considerable financial resources are being mobilised, as well as the interest of investors most sensitive to a proper appreciation of climate risk.	COIMA RES has adopted an investment strategy which favours quality buildings that meet the highest environmental standards, or which have the potential for exploitation that can be achieved through redevelopment, with particular focus on energy reduction and consequent CO_2 emissions.
INNOVATION AND QUALITY	They represent the conditions underlying the ability to attract and maintain tenants with the aim of reducing the risk profile of COIMA RES and improving its profitability.	COIMA RES verifies on a periodic basis the satisfaction of its tenants and active participation programs at national and international comparison tables to anticipate future trends in the sector, trying to combine well-being and innovation.
HEALTH, SAFETY AND WELL-BEING OF PEOPLE	Themes that the pandemic has brought out as a fundamental condition to allow the full expression of all economic and social activities.	COIMA RES considers these aspects at all stages of its value chain, from design to property management. COIMA RES has provided support to its tenants to manage the various phases of the healthcare emergency, in order to guarantee safe access to buildings, with particular attention to the case in which buildings are leased to multiple tenants.
QUALITY OF URBAN LIFE	The way buildings are conceived and integrated with the urban fabric, resulting in new aggregation centers, has a direct impact on how the inhabitants live, work and benefit from the services offered by the city.	COIMA RES is careful to the evolution of the dynamics of the territory and works to promote and implement development projects characterised by an integrated vision, with objectives of the impact on the regeneration of the urban fabric.
TRANSPARENCY AND GOVERNANCE	The market and investors are asking transparency in corporate management and information reporting and increasing participation in decision-making processes.	COIMA RES applies best corporate governance practices and reports annually on its ESG performance, according to the generally accepted industry standards. Also in 2020, and for the fourth year in a row, COIMA RES received the EPRA Gold Award for its financial and sustainability reporting for the year 2019.

Milan, Pavilion, exterior

SUSTAINABILITY AND BUSINESS MODEL

The sustainability strategy and objectives are integral parts of the COIMA RES business model and represent an identity factor for the Company as well as for the entire COIMA platform.

COIMA RES recognises the importance of ethical and social responsibility in running the business, which takes the form of behaviours based on absolute compliance with all the legal provisions and the principles of honesty, impartiality, reliability, loyalty, fairness, transparency and good faith expressed in the Code of Ethics[1].

The responsible and sustainable management of the business aims to bring together value creation for shareholders by maintaining the relationship of trust with all stakeholders and preserving the reputation of the Company. These strategic objectives are also pursued thanks to a corporate governance system aligned with the requirements of Italian listed companies and with international best practices and a model of organisation, control and risk management appropriate to the profile of the Company's activities.

The implementation of the sustainability strategy is based on the guidelines set out in the Sustainability Policy and even more concretely, in an action plan that looks at specific objectives and is updated annually.

The coordination of the sustainability action of the COIMA platform is promoted, systemised, and monitored by the Sustainable Innovation Committee, a body that benefits from the multidisciplinary brought by the 7 members of which it is composed of from the different entities of the COIMA platform.

Ultimately, COIMA RES sustainability issues are the responsibility of the senior management and the Board of Directors of the Company. These issues are regularly discussed during the Company's annual strategy day, in conjunction with the approval of the business plan and with the approval of the Company's annual results. In addition, these issues are further discussed during ad hoc sessions, for example the session on the decarbonisation of the Company's portfolio, organized in December 2020.

1 HTTPS://WWW.COIMARES.COM/EN/GOVERNANCE/ETHICAL-CODE

2020-2023 sustainability objectives

During 2020, COIMA RES revised in detail its sustainability objectives with the aim of making them more detailed and concrete. The table below shows the objectives that COIMA RES intends to pursue in the period 2021-2023.

In relation to the 2020 objectives published in the Annual Report 2019, the activities promoted by the European Think Tank[2] on decarbonisation issues have been completed. The activities related to the discussion with the property's tenants in relation to ESG aspects have been postponed to 2021 due to the health emergency that occurred during the year.

ESG	SCOPE	GOAL	TIME HORIZON	COMMENT
E	**Portfolio decarbonisation**	Reduce portfolio emissions and consumption	**2021**	Analysis of the environmental performance of buildings, technical and economic evaluation of possible areas for improvement in relation to EU de-carbonisation objectives.
			2021-2022	Definition of the portfolio de-carbonisation plan.
			From 2022 onwards	Monitoring and reporting of the results obtained.
	Certification of buildings	Application of sustainability certifications in portfolio properties.	**Timing related to the process of renovating buildings**	Application of LEED and WELL sustainability certifications in buildings undergoing redevelopment or new construction.
S	**Stakeholder engagement**	Reduction of consumption and emissions	**2021-2022**	Meetings with the main tenants of the properties to analyze the ESG performance of the properties and to identify potential interventions for the reduction of environmental impacts.
G	**Transparency in governance**	Annual financial report, sustainability and Corporate Governance Report	**n.m.**	Maintain EPRA's Gold Award for Financial and Sustainability Report for the Year 2020.
			2023	Application of TCFD recommendations in the annual reporting.

2 Think Tank promoted by seven European REITs (Alstria, Castellum, Colonial, COIMA RES, Gecina, Great Portland Estate, NSI), for more information please refer to the Annual Report 2019

ENVIRONMENTAL PERFORMANCE

Environmental performance of buildings

COIMA RES' investment decisions prioritise properties that are able to immediately achieve high energy and environmental performance thanks to its design and implementation characteristics, or subsequently through targeted renovations, also proven by obtaining certifications based on internationally recognised standards, primarily the LEED certification.
Since the due diligence phase, the sustainability characteristics, including any opportunities for enhancement, are evaluated through the application of the "Sustainability Acquisition Checklist" and the COIMA Charter (an ESG evaluation system of investments which evaluates the possible areas of improvement by defining a numerical rating of the starting condition "as-is" and the objective scenario "target").

CERTIFIED PROPERTIES CURRENTLY IN THE PORTFOLIO

VODAFONE COMPLEX

Certification:
LEED Silver

GIOIAOTTO

Certification:
LEED Platinum

PAVILION

Certification:
LEED Gold

To date, about 66% of the property portfolio gross value consist of newly built or recently renovated buildings and certified according to the various levels provided for by the LEED protocol. This percentage includes the Corso Como Place project which, despite the complexity related to managing construction sites during the pandemic, was completed "on time" and "on budget" at the end of 2020. A further 24% of the portfolio value will be certified for redevelopment works to be carried out in the coming years.

The remaining 10% is made up of properties that do not have the characteristics to obtain this type of certification (bank branches).

MICROSOFT

Certification:
LEED Gold

SARCA

Certification:
LEED Platinum

CORSO COMO PLACE

Certification:
LEED Gold, WELL Gold, Cradle to Cradle, Nearly Zero Energy Building, WiredScore

GIOIA 22

COIMA RES decided in June 2020 to acquire a minority stake in the Gioia 22 building, a building located in the Porta Nuova area, which was subject over the last ten years to a deep process of transformation from an urban, functional and social point of view. The closing of the acquisition is scheduled for 2022. The building is characterised by several innovative and sustainability features which are unique in Italy: Gioia 22 is indeed the largest property in Italy to obtain the Nearly Zero Energy Building (NZEB) certification, thanks to the wide use of photovoltaic panels that will make it nearly self-sufficient for energy needs, as well as to qualify for LEED, WELL and Cradle to Cradle certifications for the selection of materials.

COIMA INTRODUCES THE WIREDSCORE CERTIFICATION IN ITALY

COIMA's Milan headquarters, Corso Como Place and Gioia 20, will be among the first buildings in Italy that will certify their digital connectivity according to the WiredScore protocol. The protocol on which this certification is based, already widespread in some of the world's major real estate markets, allows to classify and evaluate objectively the technological equipment of buildings, ensuring that the property is technologically advanced and ready to host the next generation of businesses. The evaluation takes place on the basis of four performance levels: Certificate, Silver, Gold, Platinum.

1. Milan, Porta Nuova
2. Milan, Corso Como Place, contruction site

Development of buildings

For the properties in the portfolio, COIMA RES operates through targeted refurbishment interventions that develop into the following themes:

	Decarbonisation of buildings	*Resilient and flexible spaces*	*Health and well-being in buildings*
GOALS	Reduction of energy requirements and CO_2 emissions from building operations Reduction of construction emissions Reduction of water consumption and waste generation Reduction of fossil fuels use Integration of renewable energy sources	Increase biodiversity, in redevelopment projects Creating flexible spaces to meet changing needs	Safe, healthy and functional environments Buildings that promote physical and cognitive health and well-being Climate change mitigation
ACTIONS	Development of a decarbonisation plan for the portfolio of properties Phase out of boilers installations in favors of heat pump systems. Evaluation and monitoring of a "Carbon LCA" under construction / redevelopment for all planned interventions Installation of systems to reduce consumptions, such as the use of non-potable water for non-essential uses, and use of materials based on circular economy principles Integration of renewable energy sources (photovoltaics and free-cooling) into planned redevelopment projects	Adoption of biophilic design principles in new projects (indoor / outdoor) Integrated design with physical risk mitigation and transition strategies	Careful use of buildings and attention to the needs of tenants LEED & WELL certifications in buildings

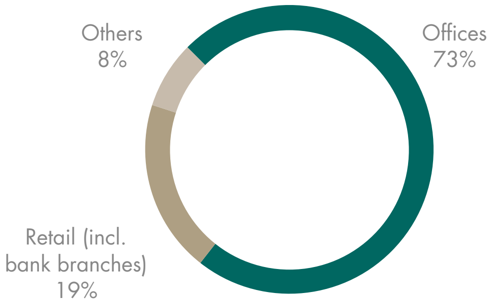
The achievement of high energy and environmental performance allows the combination of economic objectives through the reduction of energy costs and other operating costs, and to extend the average life of the plants, reducing their wear and tear over time.

During 2020, priority was given to building system commissioning and to raising the awareness of tenants on the operating parameters of the buildings in order to ensure the reduction of consumption according to the effective presence of people in the offices and the effective use of spaces.

Main environmental data

PORTFOLIO COMPOSITION

% of m²



PORTFOLIO ENERGY MIX

% on total CO_2 emissions

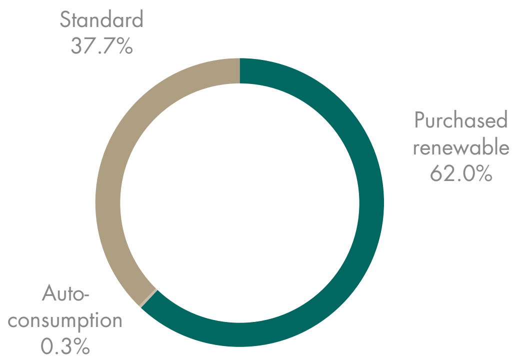
100%
PERCENTAGE OF DATA COVERAGE
(percentage of CO_2 emissions for Scope 1 and 2)

93%
PERCENTAGE OF DATA COVERAGE
(percentage of CO_2 emissions for Scope 3[1])

11%
PERCENTAGE OF DATA ESTIMATED
(percentage of total CO_2 emissions)

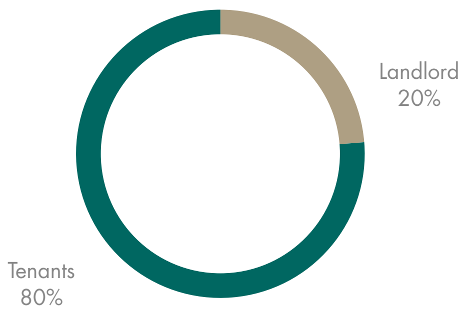
PRODUCTION/PURCHASE OF ELECTRICITY

% by total amount of energy



CARBON EMISSIONS BY COMPETENCES LANDLORD VS. TENANTS

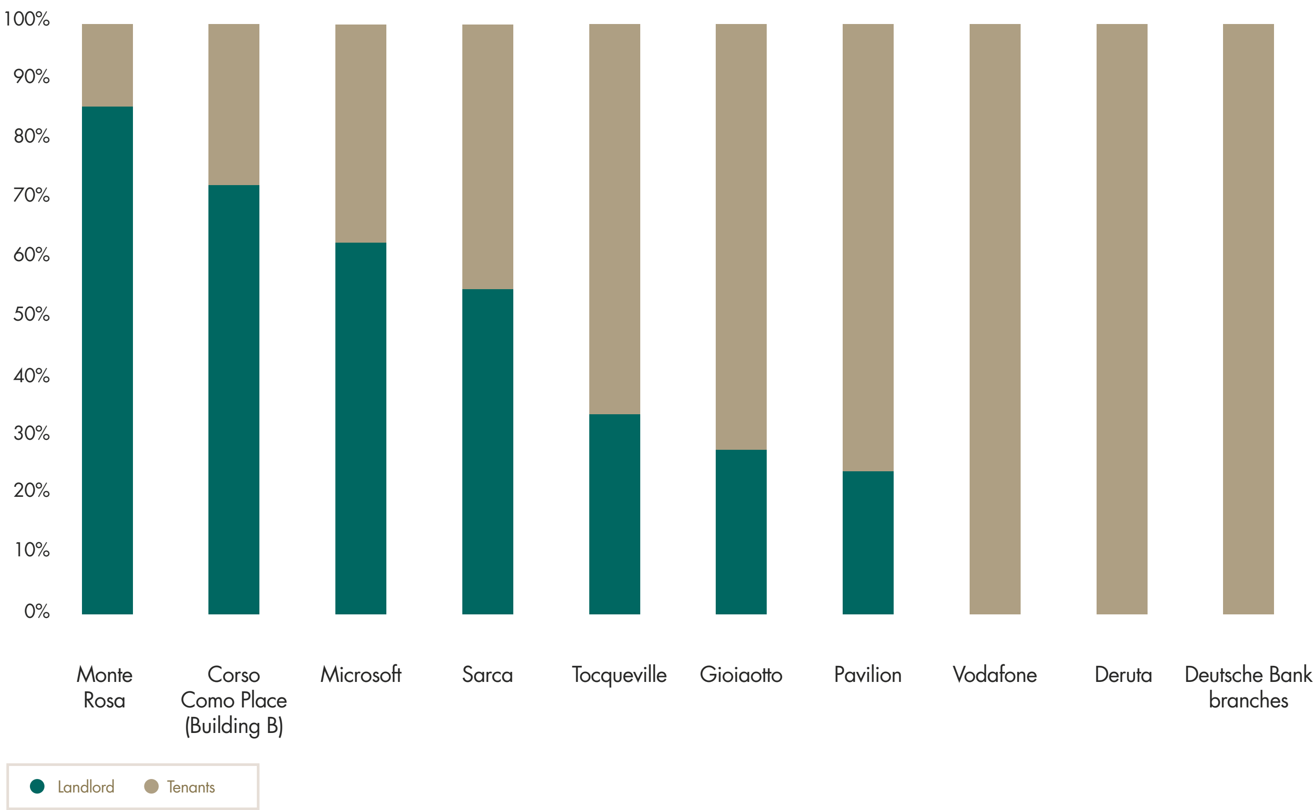
% of CO_2 emission



1 Developement phase carbon emissions are not included in Scope 3

PORTFOLIO CARBON EMISSIONS BY BUILDING[2]
LANDLORD VS. TENANTS

% of CO_2 emission



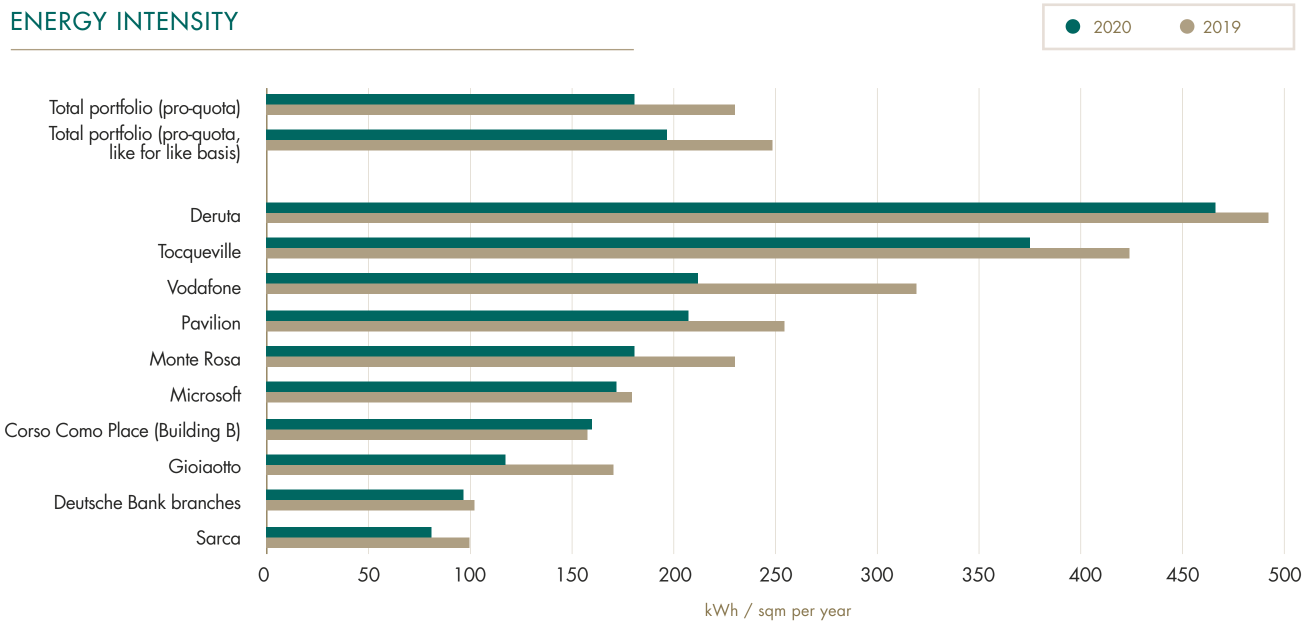
20% of the portfolio's carbon emissions are landlord-related (Scope 1 and 2), while the remaining 80% are under the control of the tenants (Scope 3), and on this portion COIMA RES has limited direct ability to intervene. The implementation of a plan to reduce consumption and therefore greenhouse gas emissions must include a strong involvement of the tenants, an aspect on which COIMA RES has already started to focus on.

In particular, the sharing of energy consumption data between tenants and COIMA RES is an essential first step to obtain an accurate overview of the energy consumption of the portfolio. COIMA RES has already achieved an excellent degree of collaboration with its tenants, represented by the limited portion of data estimation (equal to 11% data estimated by COIMA RES).

2 The calculation basis of the graphs relating to the individual properties adopts additional assumptions compared to those of the EPRA tables

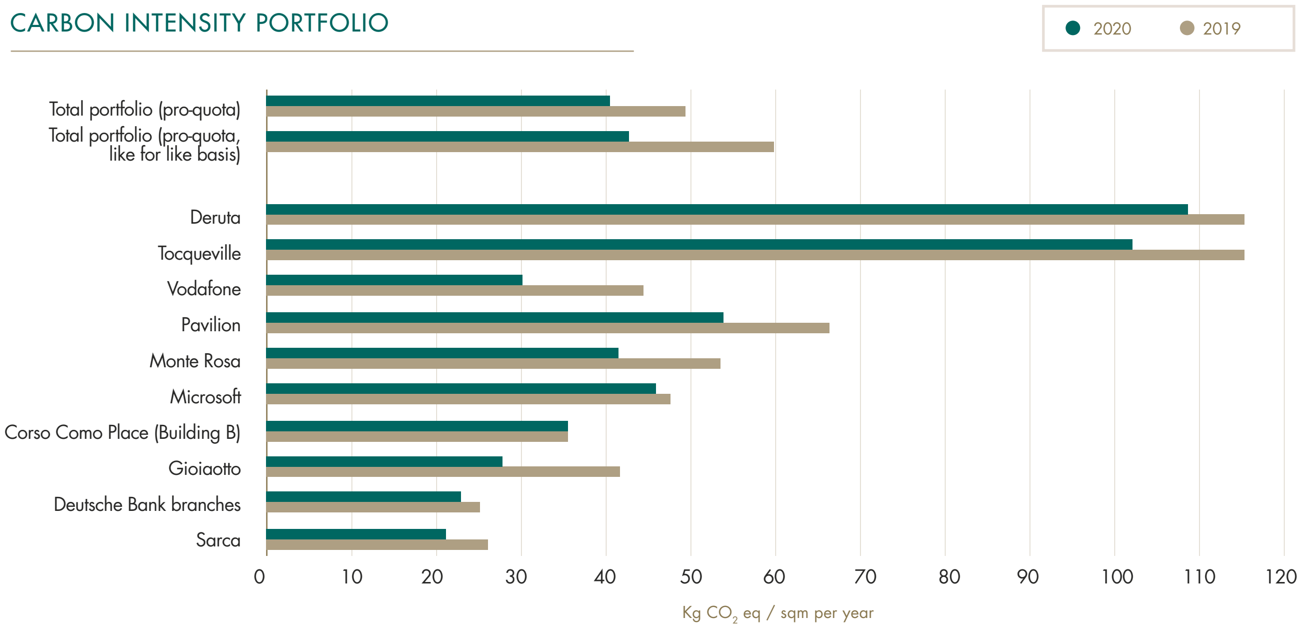
Overview of the energy intensity and greenhouse gas emissions intensity in the COIMA RES portfolio

ENERGY INTENSITY



Energy consumption decreased significantly compared to 2019 data, with a portfolio effect of 21% having a 19% effect on CO_2 emissions, almost exclusively due to reduced office presence between February and June 2020 when the COVID-19 healthcare emergency was more severe.
The return of staff to the offices, even partial, brought the plants back to operation during the summer months until the second period of healthcare emergency that began in November 2020.

CARBON INTENSITY PORTFOLIO



During 2020, detailed analyses were carried out on the particularly energy-intensive properties. During 2021, a portfolio decarbonisation plan will be conducted to evaluate the interventions to be carried out on buildings in the coming years.

CASE STUDY

GIOIA 22

In June 2020, COIMA RES concluded a binding agreement for the purchase of a 10 to 25% stake in the Gioia 22 building. The closing of the transaction is scheduled for 2022 and is subject to the occurrence of certain conditions precedent. The exact shareholding fee will be determined by COIMA RES, at its own discretion, within the range indicated above, near the closing.

Gioia 22 is a building of 35,800 square meters over 26 floors above ground that was built after the demolition of the former-INPS building built in 1961 and vacant since 2012, after a decontamination that saw the removal of over 200 tons of asbestos.

The building, designed by the architecture firm Pelli Clarke Pelli Architects, is the largest in Italy to obtain Nearly Zero Energy Building (NZEB) certification as well as qualify for LEED, WELL and Cradle to Cradle certifications.

The property is equipped with over 6,000 m^2 of photovoltaic panels integrated into the façade that, together with the use of groundwater, will allow a reduction in energy needs of 75% compared to traditional buildings[1].

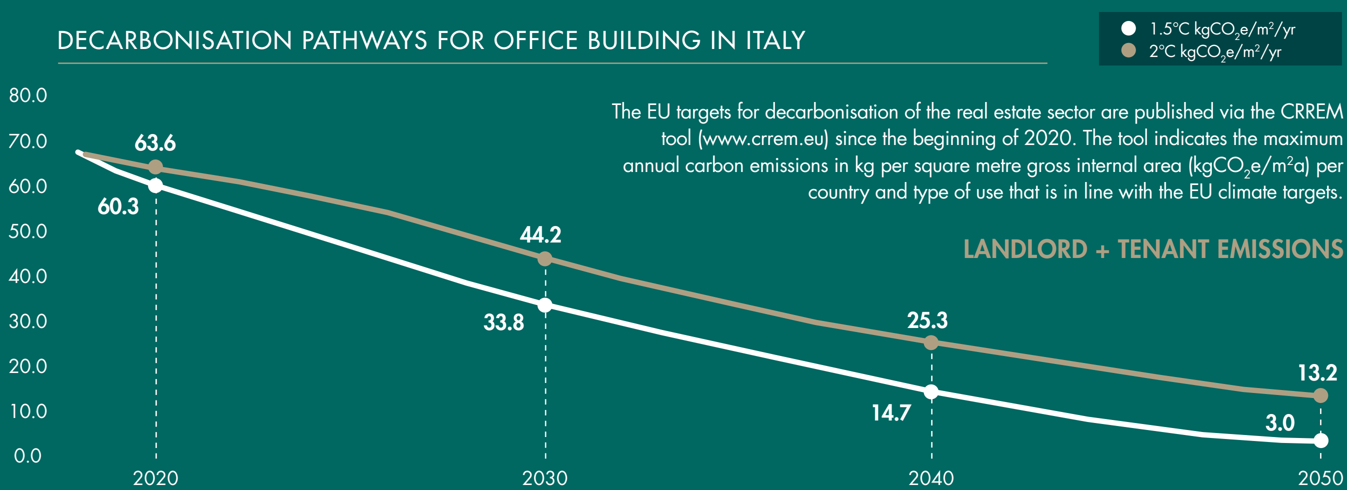
The energy produced by the photovoltaic system will be sufficient to meet the electric energy needs of 306 dwellings[2]. The property is part of the expansion to the northeast of the Porta Nuova district, an important urban regeneration project with over €1.5 billion investments managed by COIMA SGR at a distance of 10 minutes by foot from the high-speed railway stations of Milano Centrale and Milano Garibaldi.

Confirming the sustainability objectives of the project through dynamic simulation tools of the building's energy performance, it was possible to assess the positioning of this building in relation to the EU decarbonisation target.

COIMA started to track its annual emissions per meter square of surface with CRREM (Carbon Risk Real Estate Monitoring). This tool supports companies in comparing the environmental performance of buildings aligned with the Paris Agreements on decarbonisation and energy reduction of their portfolio.

This tool allows for the evaluation of specific types of building, which is particularly significant for COIMA RES' portfolio consisting almost exclusively of offices.

DECARBONISATION PATHWAYS FOR OFFICE BUILDING IN ITALY



1 Based on the building energy consumption of traditional building equal to 280 kWh/m^2/year
2 Based on an the average electric consumption of a dwellings equal to 2,450 kWh/year

Thanks to the technological solutions adopted, the total absence of fossil fuel use on site, the use of renewable energy for heating and cooling, and the energy production from the photovoltaic system, the resulting simulations show for Gioia 22 building emissions are approximately 50% lower than the current limit defined by European Union. Furthermore, by predicting the decarbonisation effect of the National electricity production, emissions for this building will further reduce over time.

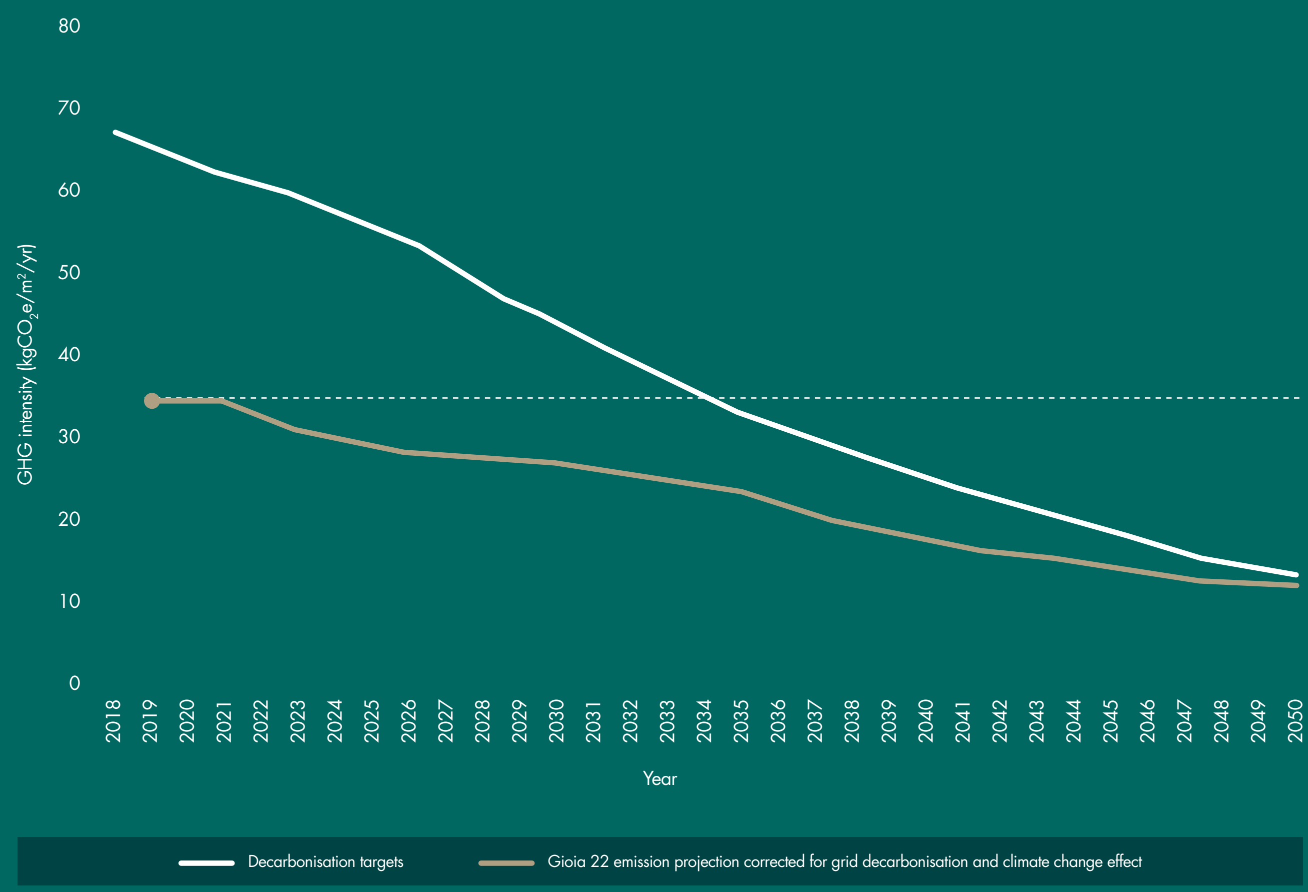
34.7 *$kgCO_2e$/sqm/year*

ESTIMATED CARBON INTENSITY OF THE BUILDING

63.6 *$kgCO_2e$/sqm/year*[3]

CARBON INTENSITY 2020 – REF. EU

CARBON INTENSITY OF THE GIOIA 22 BUILDING VS DECARBONISATION CURVE



3 *Curve reference "2°C pathway".*

Milan, Gioia 22, construction site

Milan, Gioia 22, construction site

Milan, Sarca, façade

CASE STUDY

SARCA

The building located in Viale Sarca 235 (in the context of the Bicocca business district), which today welcomes the Italian headquarters of Philips and other international companies, was purchased by the COIMA Opportunity Fund I and was subject during the period of 2016-2017 to a full redevelopment characterised by the attention to environmental performance that result in an extremely low energy intensity (99 KWh/m² per year[1], compared to an average of COIMA RES of 279 kWh/m² per year[2]). COIMA RES became majority unitholder of the COIMA Opportunity Fund I fund in 2019.

The high quality and flexibility of its systems optimise consumption according to the space occupancy, making the building one of the best performers among COIMA's assets. For example, the lighting system, developed with the technical cooperation of a tenant (Signify) uses very high-performance LED lighting fixtures. The building is also controlled through a DALI system that includes presence sensors to measure the contribution of natural lighting. A photovoltaic system, rainwater collection and storage system for rinsing toilets were also installed on the building's roof.

The building does not use fossil fuels; instead, the heat pump air conditioning system is powered by the national electricity grid, which guarantees that the property can benefit directly from the expected decarbonisation process of the national electricity grid from the main energy providers.

The 2019 consumption analysis of the building shows that current emissions are about 50% less than the current limit defined by the European Union, and[3] considering the decarbonisation of the national electricity grid, the building will remain within the limits defined by the European Union until 2043.

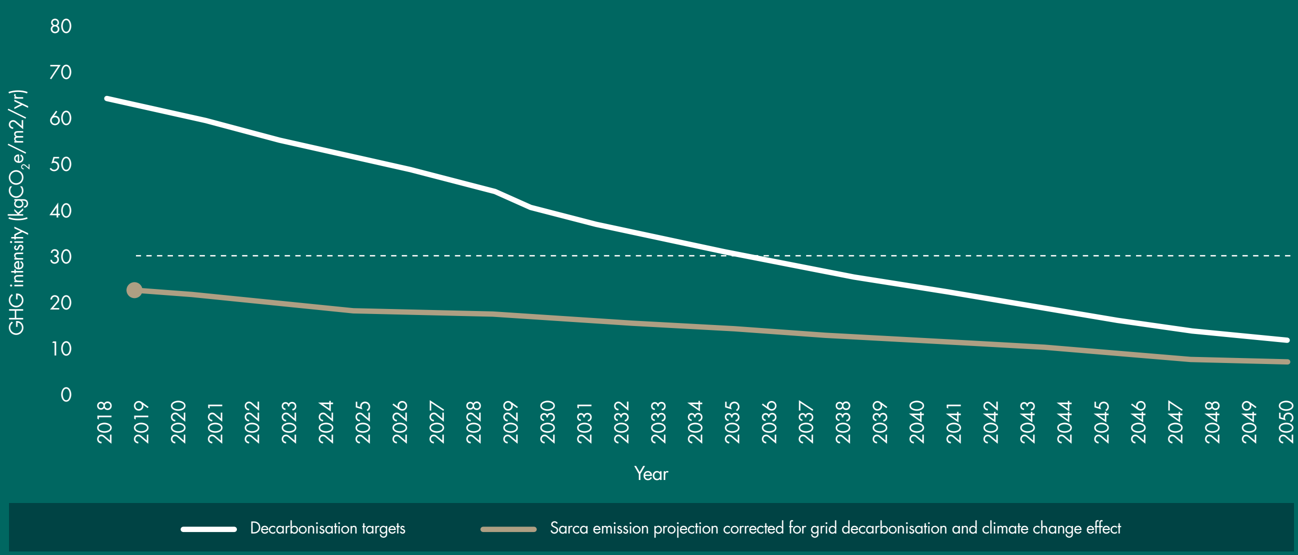
26 *$kgCO_2e/sqm/year$*

CURRENT CARBON INTENSITY OF THE BUILDING (2019)

63.6 *$kgCO_2e/sqm/year$*

CARBON INTENSITY 2020 - REF EU

CARBON INTENSITY OF THE SARCA BUILDING VS DECARBONISATION CURVE



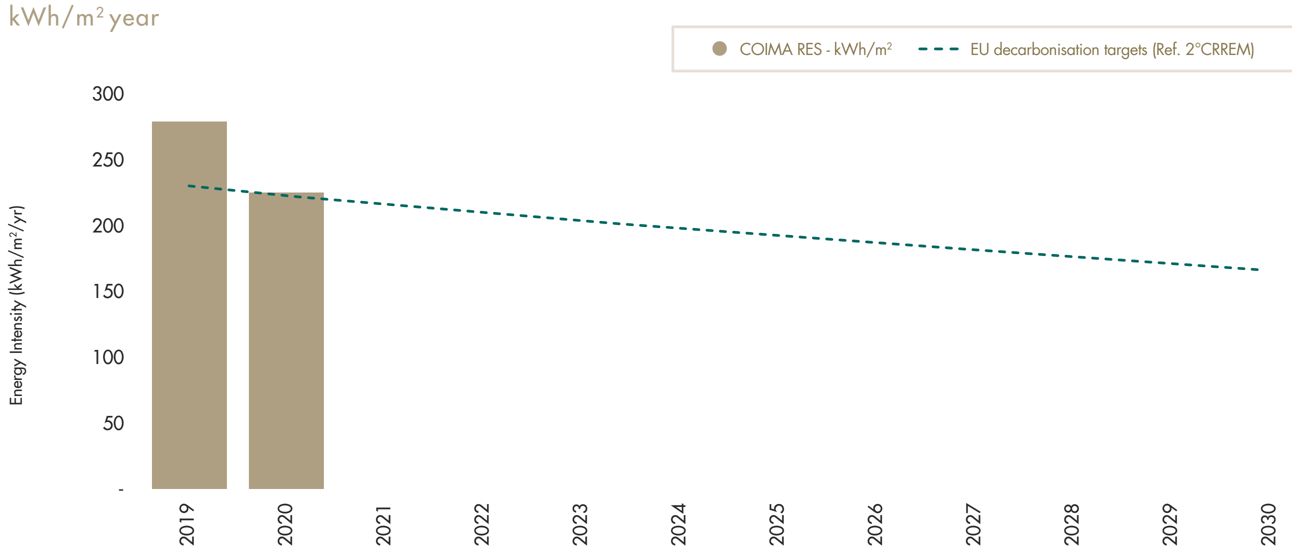
1 Data referred to 2019, latest representative performance data before COVID
2 Data referred to 2019, latest representative performance data before COVID
3 Reference CRREM v 1.4, curve "2°C pathway".

Environmental performance

OFFICES

ENERGY INTENSITY PORTFOLIO VS. EU DECARBONISATION TARGETS

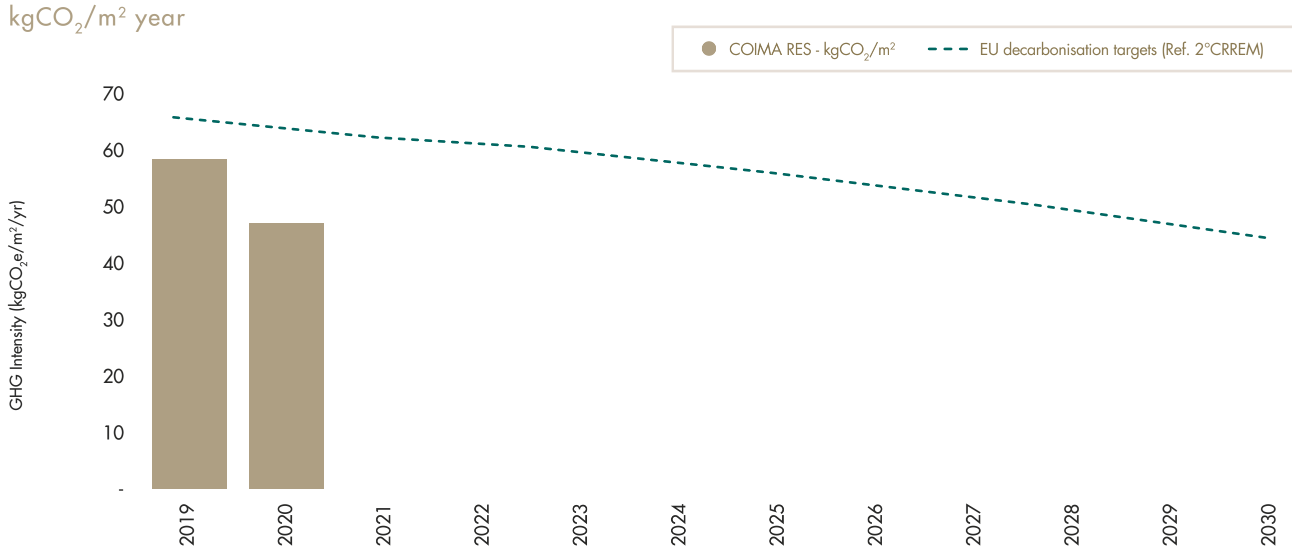
kWh/m² year



In assessing the average energy intensity of the office portfolio, the significant reference value remains for the year 2019 (fully operational), compared to values of the year of 2020 that, for the aforementioned causes, sees the value drop and almost equal the reference threshold aligned with the Paris Agreements.

CARBON INTENSITY PORTFOLIO VS. EU DECARBONISATION TARGETS

$kgCO_2/m^2$ year



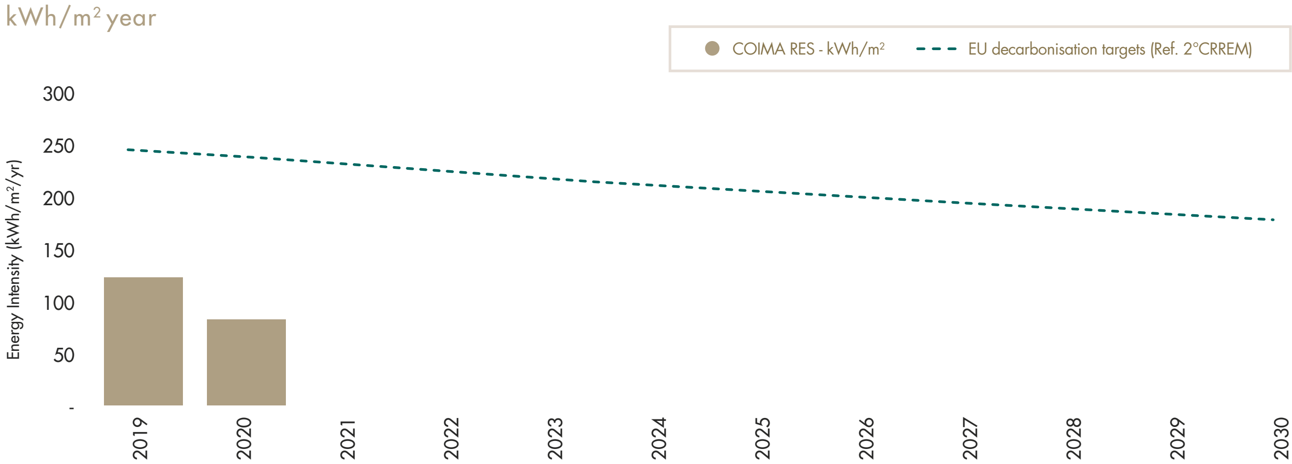
The portfolio's CO_2 emissions analysis reveal emissions that comply with the EU reference limits, including the year 2019, which, as mentioned before, is the most significant reference year.

It is important to highlight that the best performing buildings have the advantage of excluding the use of fossil fuels in favor of solutions which use heat pumps systems.

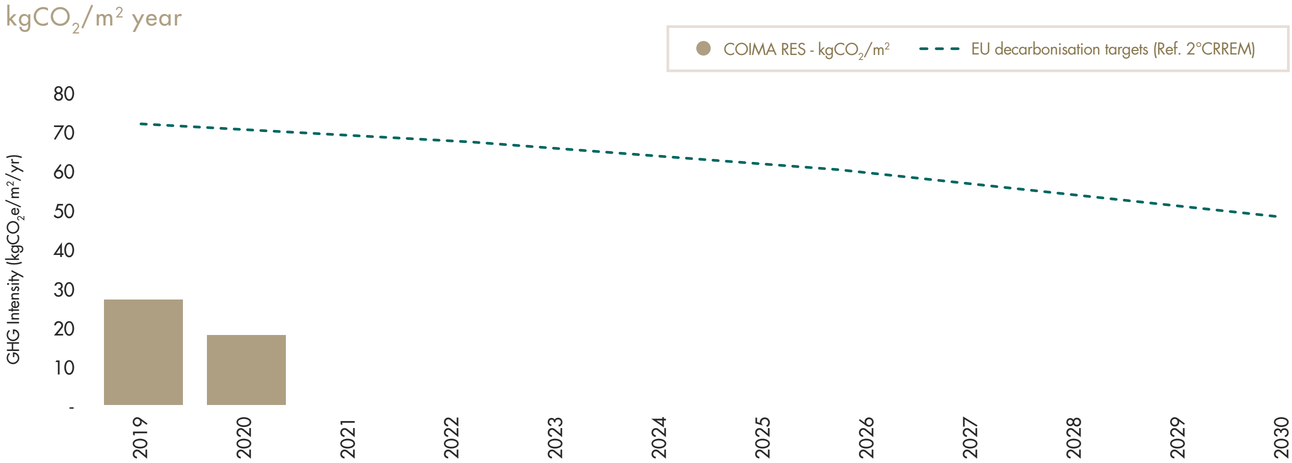
Looking ahead, the planned decommissioning of boiler plantrooms will lead to further optimisation of consumption and therefore emissions; also taking into account the decarbonisation plans of the national electricity network.

RETAIL (INCL. DEUTSCHE BANK BRANCHES)

PORTFOLIO ENERGY INTENSITY VS. EU DECARBONISATION TARGETS



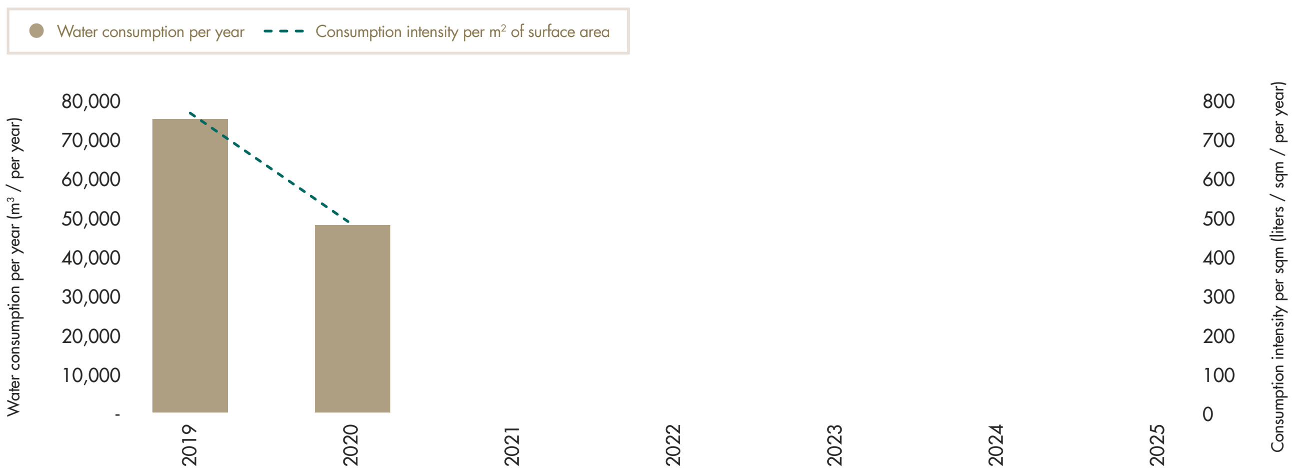
PORTFOLIO CARBON INTENSITY VS. EU DECARBONISATION TARGETS



The aggregate value of energy consumption in the retail areas of the COIMA RES portfolio relates to the bank branches portfolio, which are generally open to the public with fairly narrow operating hours, of approximately 7 hours.

OFFICES

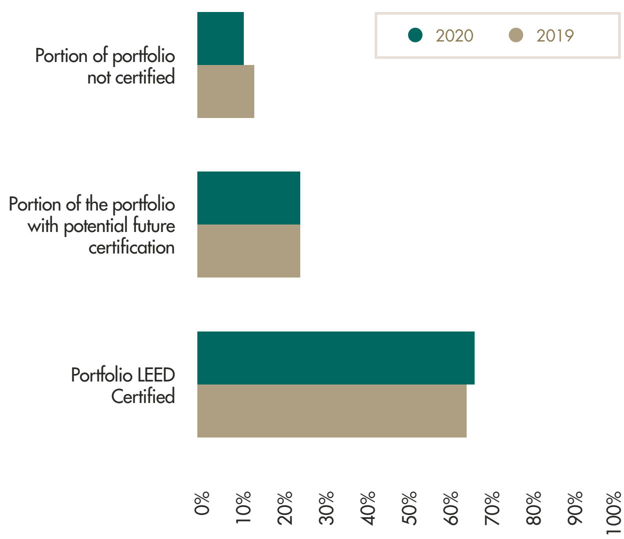
TOTAL DRINKING WATER CONSUMPTION (m^3/year) VS. WATER CONSUMPTION INTENSITY (lt/m^2 year)



The effect of reduced building occupancy in 2020 is particularly evident from the results that have emerged in the water consumption of potable water, which sees a 36% reduction compared to 2019.

PORTFOLIO LEED CERTIFICATION

% of portfolio value



BRING THE WORLD'S FIRST NEIGHBORHOOD TO ASPIRE TO **LEED AND WELL FOR COMMUNITY** CERTIFICATIONS

COIMA RES and COIMA SGR have jointly started the process to obtain the "LEED for Communities" and "WELL Community" certifications for the Porta Nuova district in Milan, making it the first district redevelopment project in the world that aims to obtain this double certification. The goal is to obtain certifications in 2021. Please note that more than half of COIMA RES's portfolio is located in the Porta Nuova district.

These two complementary certifications will analyse the social, environmental and economic aspects of the Porta Nuova development by documenting the commitment to the community in the creation of a district through the activation of public spaces, the creation of an innovative and replicable urban economic model, and the development of tools to communicate with the community.

INNOVATION AND QUALITY

Dialogue with tenants

COIMA RES periodically checks the quality of the service provided through the Kingsley IndexSM Survey; a consolidated methodology for measuring and evaluating tenant's satisfaction that is led by questionnaires that are customised according to the spaces' location. The results obtained in each survey are compared with those of previous years, along with national, European and global market results to identify potential areas for improvement and specific interventions plan.

Given the strong discontinuity brought by the COVID-19 pandemic in the way offices have been used, during the fourth quarter of 2020, COIMA carried out a structured survey on a group of medium to large sized corporates aimed at gathering feedback on how these corporates were interpreting and planning the role of offices in a post-COVID-19 perspective.

The survey involved 38 companies operating in Italy (both Italian and foreign) belonging to both the COIMA portfolio and the real estate owned by other landlords. This survey strengthened COIMA's relationship with these companies and gave the opportunity to collect several ideas regarding the perception of the potential role that offices will have following the COVID-19 pandemic. In relation to this issue, the results of the survey show how, in the future, aspects concerning the quality and flexibility of the use of real estate are likely to be sought and encouraged by tenants. On one hand, it will be possible to reduce the space allocated to offices as a result of the structural consolidation of remote working practices, and on the other hand, increasingly attractive and sustainable spaces will be required that can guarantee the well-being and health of employees.


Milan, COIMA Headquarters, interior

DEVELOPMENT OF HUMAN RESOURCES

COIMA RES directly oversees with its organisation the areas of the business model in which value creation is hinged: financial management, investment, investor relationships, planning and management control. During 2020, the team employed by the Company remained substantially unchanged and was able to count on six professionals, all directly employed by the Company and possess the adequate skills and professionalism to fulfill this objective.

The fundamental competences in the Asset & Investment Management and Property & Development Management fields are instead outsourced, but always within the COIMA platform, through long-term contracts with COIMA SGR and COIMA S.r.l., which are aimed at ensuring attractive economic conditions to COIMA RES, as well as a shared approach to sustainability and high standards in terms of innovation and quality of service.

COIMA RES manages relationships with people to avoid any kind of discrimination and to protect privacy, health and safety. During the pandemic, people continued to operate remotely, but always trying to preserve the cohesion of the team and the quality of internal collaboration.

In 2020, the training and informative sector activities contained in the Knowledge Sharing Program initiative continued, albeit with less intensity, due to the COVID-19 pandemic.

Knowledge Sharing Program 2020

Theme	Speaker	Date
Workshop Update on Trends in Architecture	Arch. Nicola Leonardi	October 2020
Workshop Update on Trends in Architecture	Arch. Nicola Leonardi	December 2020

GENDER EQUALITY ACHIEVED ON THE BOARD OF DIRECTORS OF COIMA RES

With the annual renewal on June 11th, 2020, concluding a virtuous path started few years back, gender equality was achieved between the eight non-executive directors: four women and four men, totaling nine members who compose the Company's Board of Directors.

SOCIAL COMMITMENT

The contribution of the Riccardo Catella Foundation

The COIMA platform supports the communities in which it operates through the Riccardo Catella Foundation, established in 2005 and chaired by Manfredi Catella, that support the sustainable development of the area through cultural programs for the enhancement of public spaces and green areas in urban centers.
COIMA, supporting the Riccardo Catella Foundation, integrates values such as inclusion and diversity, with the mission of strengthening relations with the local stakeholders and the community, with the aim of actively supporting the economic and social development, the use of culture, and actively contributing towards the improvement and quality of urban life.

At the head of the Riccardo Catella Foundation is a Board of Directors that is assisted by a Scientific Committee with specialised skills.

The projects carried out can be viewed on the Foundation's website: http://www.fondazionericcardocatella.org


Milan, Riccardo Catella Foundation

CLOSE TO THE CITY OF MILAN DURING THE COVID EMERGENCY

With a donation of €210,000 to the Mutual Aid Fund created by the Municipality of Milan, COIMA RES wanted to make a direct contribution to help those who, more than others, face the difficulties arising from the COVID-19 pandemic.

This donation is in addition to the €30,000 contribution made jointly by COIMA RES, COIMA SGR and COIMA S.r.l. in favor of the M&M - Minima Moralia association, to support the Luigi Sacco hospital in Milan with the purchase of an ambulance for the biosecurity transport of highly contagious patients.

EPRA TABLE

ENVIRONMENTAL PERFORMANCE OF COIMA RES' PORTFOLIO

INDICATORS	EPRA	UNITS OF MEASUREMENT	OFFICES				
			2019	COVER	2020	COVER	CHANGE
Total electricity consumption	Elec-Abs	Annual MWh - tenant	12,613	100%	10,120	100%	-20%
		Annual MWh - landlord	3,999	100%	3,629	100%	-9%
		Annual MWh - totals	16,612	100%	13,749	100%	-17%
		% from renewable sources	67%	100%	72%	71%	n.a.
Total electability consumption: Like-for-like	Elec-LFL	Annual MWh - tenant	8,484	82%	6,834	59%	n.a.
		Annual MWh - landlord	2,339	100%	2033	100%	-13%
		Annual MWh	10,823	85%	8,867	61%	n.a.
Energy consumption from district heating and cooling	DH&C-Abs	Annual MWh	5,409	100%	3,692	100%	n.a.
		% from renewable sources	n.a.		0		n.a.
Energy consumption from district heating and cooling: Like for like	DH&C-LFL	MWh	5,409	100%	3,692	100%	n.a.
Total fuel energy consumption	Fuels-Abs	Annual MWh	5,360	57%	5,046	100%	n.a.
		% from renewable sources	0%	100%	0%	100%	0%
Total fuel energy consumption: Like-for-like	Fuels-LFL	Annual MWh	4,371	51%	1,974	26%	n.a.
Energy intensity of buildings [1]	Energy-Int	KWh/m^2	279	98%	225	98%	-19%
Direct greenhouse gas emissions (total) Scope 1 [2]	GHG-Dir-Abs	tCO_2e	193	100%	195	100%	1%
Indirect greenhouse gas emissions (total) Scope 2 [2]	GHG-Indir-Ab	tCO_2e (location based)	1,110	100%	913	100%	-18%
Other indirect greenhouse gas emissions - Scope 3	GHG-Indir-Abs	tCO_2e	4,442	100%	3,744	100%	-16%
Intensity of greenhouse gas emissions from buildings[1]	GHG-Int	tCO_2e/m^2	0.059	98%	0.049	98%	-18%
Total water consumption	Water-Abs	m^3	74,545	100%	47,962	100%	-36%
Idric consumption: Like-for-like	Water-LFL	m^3	38,456	55%	31,605	42%	n.a.
Intensity of water consumption in buildings [1]	Water-Int	m^3/m^2	0.76	100%	0.48	100%	-37%
Total waste produced [3]	Waste-Abs	ton	1,325	100%	1,349	100%	2%
		% recycled	62%		61%		-1%
Total product waste: Like-for-Like	Waste-LFL	ton	881	100%	1,022	100%	16%
		% recycled	60%		60%		0%
Type and number of properties certified	Cert-Tot	% of sqm of portfolio	61%	100%	59%	100%	-3%

Notes: The reporting perimeter as of December 31st, 2020 and Like-for-Like 2019-2020 is specified in the methodological note. In both cases, the reference perimeter of each property and its data were reweighted according to the relative percentages of ownership. It should also be noted that the Like-for-Like perimeter does not consider the occupancy rate of buildings, while taking into account any changes in the percentage of property ownership.
Consumption data (except waste) have been provided by the respective Property Managers and include data for which they directly purchase electricity and natural gas or water management. In addition, the consumption of electricity for which the tenants are directly responsible is also accountable. The reference area of consumption is considered gross, i.e. including common spaces and parking lots, as COIMA RES is responsible for consumption in these areas.
The 2019 data has been integrated with respect to the Annual Report 2019 with the additional information made available after publication. Compared to previous reports, greenhouse gas emissions have also been reclassified for Scope 1, 2 and 3 as detailed below.
Emissions related to Scope 1 are direct emissions generated by fossil fuel related to Landlord area; emissions related to Scope 2 are the indirect emissions generated by electricity consumption of the Landlord; emissions related to Scope 3 are the emissions generated by tenant consumption and related to every kind of energy source.
Coverage: the level of coverage (expressed as a percentage) is given by the ratio of square meters covered by the indicator to the total square meters owned by the portfolio. In particular, with regard to the coverage represented compared to Offices, Retail and Other, this is calculated with respect to the corresponding square meters of the different type of asset considered. The information related to the certification of the properties has been calculated compared to the total square meters of the properties in the portfolio as of December 31st, 2020.
Estimates made: Estimates had to be made for information on the waste produced. In addition, the electricity consumption related to some tenants for Gioiaotto, Corso Como Place, Sarca, a few months of Vodafone complex and Tocqueville has been estimated as well. The photovoltaic production of Gioiaotto and Pavilion has been estimated. The month of

	RETAIL					OTHER					PORTFOLIO					ESTIMATE
	2019	COVER	2020	COVER	CHANGE	2019	COVER	2020	COVER	CHANGE	2019	COVER	2020	COVER	CHANGE	
	2,715	96%	1,737	59%	n.a.	1,911	94%	1,423	87%	n.a.	17,239	98%	13,281	88%	n.a.	13%
	99	100%	85	100%	-14%	214	100%	0	100%	-100%	4,312	100%	3,714	100%	-14%	
	2,814	96%	1,823	59%	n.a.	2,124	95%	1,423	88%	n.a.	21,550	99%	16,995	89%	n.a.	
	12%	100%	16%	4%	n.a.	23%	100%	27%	88%	n.a.	55%	100%	62%	56%	n.a.	
	2,382	96%	1,524	63%	n.a.	117	92%	1,423	93%	n.a.	10,983	88%	9,781	64%	n.a.	4%
	42	100%	80	100%	90%	210	100%	-	-	-100%	2,591	100%	2,113	100%	-18%	
	2,424	97%	1,604	63%	n.a.	327	100%	1,423	93%	n.a.	13,574	90%	11,894	65%	n.a.	
	730	100%	305	100%	-140%	0	100%	0	100%	n.a.	6,138	100%	3,997	100%	-35%	7%
	0		0		0%	0		0		n.a.	0		0%		0%	
	730	100%	305	100%	66%	0	100%	n.a.	100%	n.a.	6,138	100%	3,997	100%	-35%	7%
	883	74%	795	100%	n.a.	395	100%	240	100%	-39%	6,568	61%	6,081	89%	n.a.	3%
	0%	100%	0%	100%	0%	0%	100%	0%	100%	0%	0%	100%	0%	100%	0%	
	737	77%	770	63%	n.a.	0	100%	473	100%	n.a.	5,109	56%	3,216	51%	n.a.	7%
	121	90%	83	69%	n.a.	169	78%	123	88%	n.a.	230	96%	182	85%	n.a.	11%
	18	100%	18	100%	-2%	0	100%	0	100%	n.a.	211	100%	213	100%	1%	11%
	28	100%	17	100%	-40%	59	100%	49	100%	-17%	1,197	100%	978	100%	-18%	
	937	98%	614	79%	n.a.	608	91%	417	97%	n.a.	5,987	99%	4,775	93%	n.a.	
	0.027	90%	0.018	69%	n.a.	0.046	78%	0.034	88%	n.a.	0.05	96%	0.040	85%	n.a.	
	38,969	72%	35,590	73%	n.a.	11,614	100%	13,213	100%	14%	125,128	96%	96,765	96%	-23%	27%
	2,699	18%	32,990	64%	n.a.	3,594	100%	8,732	46%	n.a.	44,748	84%	73,327	52%	n.a.	12%
	2.05	72%	1.98	73%	n.a.	0.91	100%	1.11	100%	23%	0.96	96%	0.75	96%	-23%	27%
	79	17%	77	18%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,405	71%	1,425	71%	1%	100%
	60%		59%		n.a.	n.a.		n.a.		n.a.	62%		61%		-1%	
	78	18%	70	18%	-11%	n.a.	n.a.	n.a.	n.a.	n.a.	959	52%	1,091	52%	14%	100%
	58%		59%		2%	n.a.		n.a.		n.a.	59%		60%		0%	
	9%	100%	6%	100%	-27%	88%	100%	88%	100%	-1%	51%	100%	49%	100%	-3%	0%

December 2020 for Monte Rosa has been estimated for gas. Drinking water has been estimated for the Vodafone complex, Gioiaotto and the month of December 2020 for Sarca and Deruta. Electrical consumption due to groundwater pumping serving Pavilion is considered as Landlord consumption.
The percentage of renewable energy consists of the share of electricity coming from supply contracts with guarantee of origin (GO certifications) divided by the total consumption of electricity; in case of GO certificates, electricity is considered 100% renewable, otherwise 0%.
Estimation criteria: As far as data estimation is concerned, the calculation was based on a series of assumptions. If data for 1-2 months (Nov-Dec 2020) are missing, they are estimated to be the same as the last available month; if there are 3 months or more left, the average monthly consumption extends to the missing months; if the entire year of the tenant is missing, but you have the historical data, the data of the known year (previous year) is taken, and if possible it is disproportionate according to the multi-year trend of consumption of known tenants. Finally, in the case of multitenant buildings, in case the tenant data is completely unknown, the weighted average of kWh/sqm of the known tenant data (tenant consumption sum/tenant sqm sum) is calculated: this coefficient is then multiplied by the square meters of the tenant being estimated.
n.a. = not applicable
1. Energy intensity, carbon intensity and water intensity were calculated using impact data (energy consumption, total emissions and water consumption) as a numerator and the area of the relative property square meters as the denominator. The efficiency indicators were separately calculated by type of building (offices, retail and more) and also for the entire portfolio.
2. CO_2 conversion factors shall be taken respectively from the "Ministerial Table of National Standard Parameters for the Monitoring and Reporting of Greenhouse Gases" (Update 2019) with regard to Scope I emissions, and from the table "Production emission factors and consumption elettricità_2020" published by ISPRA with regard to Scope II emissions.
3. COIMA RES does not monitor the delivery of waste, the disposal of which is managed directly by the reference municipalities. The average coefficients (kc and kd) made available by the Municipalities of Rome and Milan and the respective average percentages of separate collection obtained from the ISPRA waste land registry were used for the calculation.

E-MARKET SDIR CERTIFIED

EPRA TABLE

COIMA RES' SOCIAL AND GOVERNANCE PERFORMANCE

INDICATORS	EPRA CODE	PERIMETER	UNITS OF MEASUREMENT	2019	2020	COVER	NOTES
Gender diversity	Diversity-Emp	COIMA RES	% of employees	Men - 70%	Men - 67%	100%	
				Women - 30%	Women - 33%		
			% of women in government bodies	33%	44%		
Wage differential [1]	Diversity-Pay	COIMA RES	%	n.a.	n.a.	100%	
Training and development	Emp-Training	COIMA RES	average hours	29	13	100%	indicate average hours per employee
Performance appraisals	Emp-Dev, Y.	COIMA RES	% of employees	100%	100%	100%	
New recruits	Emp-Turnover	COIMA RES	Number	1	1	100%	
			%	17%	17%		
Turnover			Number	1	0	100%	
			%	17%	0%		
Frequency rate of accidents	H&S-Emp	Corporate operations	No for hours worked	0	0	100%	
Average lost days		Corporate operations	No for hours worked	0	0		
Absenteeism		Corporate operations	gg per employee	5	6		
Fatalities		Corporate operations	Number	0	0		
H&S Impact Assessments [2]	H&S-Asset	Office portfolio	% of assets in portfolio	100%	100%	100%	
		Retail portfolio		n.a.	n.a.		
		Other portfolio		n.a.	n.a.		
Number of irregularities [3]	H&S-Comp	Office portfolio	total number	0	0	100%	
		Retail portfolio		n.a.	n.a.		
		Other portfolio		n.a.	n.a.		
Community involvement	Comty-Eng Municipality	Office portfolio	% of assets	0%	0%	100%	
		Retail portfolio		0%	0%		
		Other portfolio		0%	0%		
Composition of the Board	Gov-Board	Corporate operations	Number of executive members	1	1	100%	
			Number of independent members	7	7		
			Average term of office in years[4]	1	1		
			Independent / non-executive board members with environmental responsibilities	5	5		
Appointment and selection of the highest governing body	Gov-Select, Alabama	Corporate operations	See note	(5)	(5)	100%	
Conflict of interest	Gov-Col, Alabama	Corporate operations	See note	(6)	(6)	100%	

Notes: 1. COIMA RES now has six employees with different roles and tasks. The wage differential is therefore not significant. **2.** COIMA RES has a direct responsibility for health and safety for office buildings (Microsoft, Sarca, Gioiaotto, Monte Rosa, Tocqueville and Corso Como Place Building B). Compared to these, an H&S evaluation was carried out by the H&S referent of COIMA RES. With regard to the other buildings in the portfolio, these are not considered within this reporting metric as the responsibility for health and safety lies entirely with the conductor. **3.** Non-conformities found during the H&D evaluation of buildings were considered unregulated. **4.** In relation to the mandate, note that the Board of Directors was elected in June 2020. **5.** The prerequisites that guided COIMA RES in the definition and consolidation of governance were: integrity and independence, transparency, compliance with the rules, corporate sustainability and control structure. For COIMA RES, it is essential to work with adequate governance to convey to the outside world a message of maximum transparency useful to obtain the total confidence of present and future shareholders. The members of the Management Board were selected on the basis of the following criteria: - majority of independents (7 out of 9) and only 1 executive; completeness and complementarity of professional skills, at least 40% of the positions reserved for the least represented gender. In addition, the Company has determined that the maximum number of director or mayoral positions in other listed companies may not exceed the threshold of 6. Therefore, it is understood that, also due to the commitment required, regarding the position of CHIEF EXECUTIVE OFFICER, the same cannot be assumed by a person with the same position in another company listed on a regulated market. **6.** The Company has adopted a procedure (which is available to the public) to describe how to deal with any transactions with related parties. In particular, each Director communicates to the Company any role or interest he has in other activities. This information is public and reported in the corporate governance report, published annually on the COIMA RES website. As required by law, COIMA RES has established a Related Parties Committee (hereafter the "Committee") composed exclusively of independent directors. The Committee issues a binding opinion to the Board of Directors in the event of transactions with related parties of major relevance. The Committee assesses coima res' interest in completing the transaction, as well as the convenience and substantive correctness of the conditions applied.

EPRA TABLE

COIMA RES HEADQUARTER

INDICATORS	EPRA	UNITS OF MEASUREMENT	2019	COVER	2020	COVER	CHANGE
Totale energy consumption[1]	Elec-Abs	kWh	7,593	100%	5,675	100%	-25%
		% from renewable sources	100%		100%		0%
Consumption of energy from district hearting and cooling	DH&C-Abs	kWh	n.a.	100%	n.a.	100%	n.a.
		% from renewable sources	n.a.		n.a.		n.a.
Total fuel consumption	Fuels-Abs	kWh	0	100%	0	100%	0%
		% from renewable sources	0%		0%		0%
Energy intensity of buildings	Energy-Int	kWh/m^2	41	100%	31	100%	-25%
Direct greenhouse gas emissions (total) Scope 1	GHG-Dir-Abs	tCO_2e	0	100%	0	100%	n.a.
Indirect greenhouse gas emissions (total) Scope 2	GHG-Indir-Abs	tCO_2e (market based)	2.40	100%	1.49	100%	-38%
Intensity of greenhouse gas emissions of the buildings	GHG-Int	tCO_2e/m^2	0.01	100%	0.01	100%	-25%
Total water consumption[2]	Water-Abs	m^3	79	100%	24	100%	-70%
Building water consumption intensity	Water-Int	m^3/persons	13.2	100%	4.0	100%	-70%
Weight of waste by disposal route[3]	Waste-Abs	ton	2.47	100%	2.47	100%	0%
		% recycled	62.0%		61.3%		-1%
Type and number of certified properties	Cert-Tot	% of sqm of portfolio	100%	100%	100%	100%	0%

Notes: 1. The data refer to energy consumption do not inlcude consumption related to the common areas of the property
2. The water consumption has been estimated assuming an average consumption of 60 liters per day per person for 220 working days. The number of employees is equal to 6 in 2020 and it has been assumed an average physical occupancy of 30% of the offices considering the COVID-19 pandemic
3. COIMA RES does not monitor the contribution of waste, the disposal of which is directly managed by the City of Milan. For the calculations average coefficients (kc and kd) have been used, such coefficients have been provided by the City of Milan, and the average percentage of waste collection segregation

E-MARKET SDIR CERTIFIED

GRI INFORMATION

The contents in the Sustainability Section and also covered in other sections of the Financial Report refer to the following GRI Statements. Unless otherwise specified, the above-mentioned Disclosures have been used in their entirety.

DESCRIPTION	REFERENCE	NOTES
102-1 Name of the organization	Cover	
102-2 Main activities, brands, products and/or services	Company Profile - p. 8	
102-3 Location of head office	Third cover	
102-4 Countries of Operation	Company Profile - p. 8	
102-5 Ownership structure and legal form	Company Profile - p. 10 Investor relation - p. 62	
102-6 Markets Served	Real Estate Portfolio - p. 19-23	
102-7 Organisation size	Company - p. 6	
102-8 Number of employees by contract type, region and gender	By 12.31.2020 COIMA RES has 6 employees framed in the CCNL Commerce for employees of companies in the tertiary, distribution and services sectors. The gender breakdown among employees is 67% men and 33% women. 100% of the employees have a full time and permanent contract	
102-9 Description of the supply chain	Corporate structure - p.56	
102-10 Significant changes during the reporting period regarding group size, structure, ownership, or supplier chain	No significant chenges during 2020 compared to 2019	
102-13 Membership of trade associations	COIMA RES is a member of European Public Real Estate Association (EPRA)	
102-14 Company Summit statement on sustainability strategy	Letter from the CEO - p. 6	
102-15 Description of the main impacts, risks and opportunities	Stakeholder and Materiality - p. 92	
102-16 Values, principles, standards, codes of conduct and ethical codes	Sustainability and Business Model - p. 98	
102-17 Description of mechanisms for communicating unethical or non-legitimate behaviour	COIMA RES adopted a whistleblowing procedure in 2019, for more information please refer to the report on corporate governance	
102-18 Organization's governing structure, including the committees of the highest governing body. Presence of other committees responsible for choices on socio-environmental issues	Governance - p. 70,71 Sustainability and business model - p. 96	
102-40 List of stakeholders engaged by the organization	Stakeholder and Materiality - p. 92	
102-41 Collective bargaining agreements	By 12.31.2020 COIMA RES has 6 employees framed in the CCNL Commerce for employees of companies in the tertiary, distribution and services sectors	
102-43 Approach to stakeholder engagement	Stakeholder and Materiality - p. 92	
102-45 List of entities included in the consolidated financial statements and those not included in the sustainability report	Methodological Note - p. 124	
102-46 Content definition process	Methodological Note - p. 124	
102-47 Identified material aspects	Stakeholder and Materiality - p. 92	

DESCRIPTION	REFERENCE	NOTES
102-48 Changes in information provided in previous reports	Methodological Note - p. 124	
102-49 Significant changes in the list of material themes	Stakeholder and Materiality - p. 92	
102-50 Reporting period	Methodological Note - p. 126	
102-51 Publishing the latest report	Annual Report 2019	
102-52 Reporting frequency	Annual	
102-53 Contacts and addresses for budget information	Third cover	
102-54 Declaration of compliance with GRI Standards	Methodological Note - p. 126	
102-55 GRI content index	GRI Information p.122-123	
102-56 External report attestation	Page 127	
203-1 Investments in supported infrastructure and services	Social Commitment - p. 119	
205-3 Proven corruption cases and actions taken	During 2020 there were no established cases of corruption	
206-1 Established cases or pending actions for infringements of competition rules	During 2020, there were no established cases of infringement of competition rules and no action was taken on the	
302-1 Energy consumption within the organization	EPRA Table - p. 123	
302-2 Energy consumption outside of the organization	EPRA table - p.120-121	
302-3 Energy intensity	EPRA table - p.120-121; p. 123	
303-1 interactions with water as a shared resource	EPRA table - p.120-121	The indicator covers point "a". Water consumption in the EPRA table
303-3 Water withdrawals per source (2018)	EPRA table - p. 120-121	Consumption, expressed in cubic meter, addresses exclusively to third party (aqueduct). No water withdrawals have been done from area with water stress.
305-1 Direct greenhouse gas emissions (scope 1)	EPRA table - p.120-121; p.123	
305-2 Indirect greenhouse gas emissions (scope 2)	EPRA table - p.120-121; p.123	
305-3 Other indirect (Scope 3) GHG emissions	EPRA table - p.120-121	
306-2 Waste produced	EPRA table - p.120-121; p.123	In the reporting year no hazardous waste has been generated. Recycling is expressed in percentage
401-1 Total number and rate of recruitment and turnover of staff	During 2020, a female under 30 employee was hired. There was no exit.	
403-9 Accidents at work (2018)	EPRA table - p. 120	The indicator covers letter "a" (from point 1 to 4) and "e". Frequency rate of accidents
403-10 Occupational diseases	During 2020, no complaints were made about cases of occupational disease	Indicator covers letter "a"
404-1 Average hours of training per employee	EPRA table - p.120	Indicator reports total value
405-1 Composition of governing bodies and staff by category by gender, age, protected category membership and other diversity indicators	EPRA table - p.120	Indicator covers letter "a" point 1, expressed in absolute value
406-1 Incidents of discrimination occurring over the period	During 2020, no incidents related to discriminatory behaviour were reported	
418-1 Complaints about privacy breaches and data loss	During 2020, no complaints were filed for breach of privacy policy or related to loss of sensitive data	
419-1 Cases of non-compliance with socio-economic legislation	During 2020, no cases of non-compliance with socio-economic legislation were established	

METHODOLOGICAL NOTE

This Sustainability Section attached to the ANNUAL FINANCIAL REPORT of COIMA RES is written in line with the guidelines "European Public Real Estate Association's Sustainability Best Practice Reporting guidelines" (EPRA sBPR) – updated in September 2017. The content of the Section has also been inspired by the GRI (Global Reporting Initiative) Sustainability Reporting Standards, published by the Global Reporting Initiative in 2016 and updated in 2018, for each standard indicated in the GRI disclosure. The present Sustainability Report is drawn up according to the "GRI Referenced claim".

The contents of the Sustainability Report have been written following the reporting principles referred to in the applied Guidelines and using the so-called principle of materiality to identify the main topics to be included as they emerged as relevant to the organization.

Reporting process

The data and information contained in the Sustainability Section refer to the year ended December 31st, 2020.
The information was collected by the main Company functions and by the various Property Managers, and consolidated by COIMA S.r.l..
In comparing data and indicators, and in particular those of environmental performance, account must be taken for the reduced operation of the offices as a result of the wide use during the year of the remote working due to the limitation measures applied by the Italian government in the context of the fight against the Coronavirus pandemic.

Reporting perimeter

The scope of the sustainability performance in this Sustainability Section includes all properties in the COIMA RES Portfolio as of December 31st, 2020, and described in the following table:

Membership portfolio	Share held at 31.12.2020	Like-for-Like Quota 2019-2020
Deutsche Bank branches	100%	100%
Vodafone Complex	50%	50%
Gioiaotto	88.2%	88.2%
Corso Como Place - Building B	35.7%	35.7%
Deruta	100%	100%
Mount Rosa	100%	100%
Tocqueville	100%	100%
Pavilion	100%	100%
Sarca	78.3%	(*)
Microsoft	83.5%	(*)

(*) not within the perimeter

The total area included in the reporting perimeter at 31.12.2020 and in the perimeter "Like-for-Like" 2019-2002 are equal to 148,739 square meters and 118,682 square meters respectively.
The "Like-for-Like" perimeter includes the properties present in the reporting perimeter for the entire current and previous year. Based on this criteria, Sarca and Microsoft properties were excluded from the 2019-2020 analysis, as they were acquired during the second half of 2019.
In accordance with the EPRA sBPR guidelines, the environmental data of the Company's headquarters located in Milan in Piazza Gae Aulenti, 12, have also been reported.

Milan, Gioiaotto, interior

Milan, Corso Como Place, construction site

E-MARKET SDIR CERTIFIED

AUDIT FIRM REPORT

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

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

Building a better working world

Independent auditors' report on data and information included in the Annual Report 2020 and referenced in the paragraph "GRI Information"
(Translation from the original Italian text)

To the Board of Directors of
Coima Res S.p.A. SIIQ

We have been appointed to perform a limited assurance engagement on the data and information included in the "Annual Report 2020" of Coima Res S.p.A. SIIQ (hereinafter "the Company") referenced in the paragraph "GRI information" for the year ended on December 31, 2020 (hereinafter "Sustainability Section").

Responsibilities of the Directors for the Sustainability Section

The Directors of Coima Res S.p.A. SIIQ are responsible for the preparation of the Sustainability Section in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), as described in the paragraph "Methodological Note" of the Sustainability Section.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a Sustainability Section that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining Coima Res S.p.A. SIIQ's commitments regarding the sustainability performance as well as for the identification of the stakeholders and of the significant matters to report.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

EY Building a better working world

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability Section with the requirements of the GRI Standards. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of procedures in order to obtain a limited assurance that the Sustainability Section is free from material misstatements.

Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Section were based on our professional judgment and included inquiries, primarily with the Company's personnel responsible for the preparation of the information included in the Sustainability Section, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the process relating to the definition of material aspects included in the Sustainability Section, with reference to the criteria applied to identify priorities for the different stakeholders' categories and to the internal validation of the process outcomes;
2. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Section.

   In particular, we have conducted interviews and discussions with the management of Coima Res S.p.A. SIIQ and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the department responsible for the preparation of the Sustainability Section.

   Furthermore, for significant information, considering the Company's activities and characteristics:

   - at Company level
     a) with reference to the qualitative information included in the Sustainability Section, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
     b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
   - for the office in Milan, which we selected on the basis of its activities, its contribution to the performance indicators and its location, we have carried out meetings during which we have had discussions with management and have obtained evidences, on a sample basis, regarding the appropriate application of the procedures and calculation methods used to determine the indicators.

Building a better working world

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Section of Coima Res S.p.A. SIIQ for the year ended on December 31, 2020 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, as described in the paragraph "Methodological Note" of the Sustainability Section.

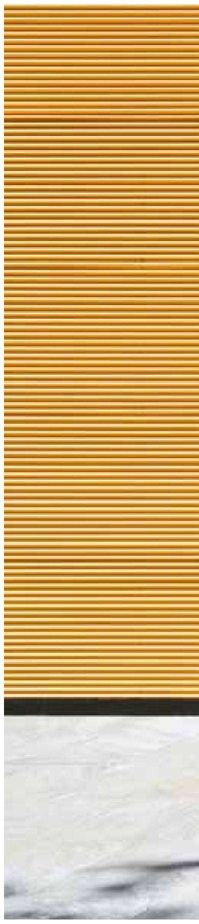
Milano, March 19, 2021

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

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

05

Financial Review



CFO REPORT

In 2020, COIMA RES has demonstrated its defensive characteristics both in terms of rent collection levels as well as in the resilience of its portfolio from a valuation point of view. Considering the solid performance of 2020, the Board of Directors has decided to propose to the shareholders a dividend in line with the level paid in the last two years.

Fulvio Di Gilio
Chief Financial Officer, COIMA RES

The Company has focused on investment activities aimed at improving portfolio quality, reducing risks and maintaning a profitability which is satisfactory to the shareholders. During 2020, COIMA RES committed to the purchase of a minority stake in a quality property in Porta Nuova (Gioia 22 real estate), the completion of the operation (subject to the occurrence of certain conditions) will take place in 2022, as soon as the property, which is currently currently under construction, will start to generate income. Asset management activities further contributed to improving the quality of the portfolio.

The activities briefly described have led to the following results:

(Million Euro)	2020	2019
Gross rents	44.4	37.3
Net real estate operating costs	(4.1)	(3.9)
NOI	40.3	33.4
Other revenues	(0.1)	0.0
G&A costs	(8.4)	(8.7)
Other costs	(0.0)	(0.2)
Non-recurring overheads	(0.3)	(1.1)
EBITDA	31.5	23.5
Net value adjustments	(1.8)	(0.3)
Fair value adjustment	(11.0)	10.5
EBIT	18.7	33.7
Financial income	1.2	0.3
Other income and expenses	8.3	10.4
Financial charges	(7.8)	(7.0)
Non-recurring financial charges	(0.5)	(2.7)
Result before taxes	19.9	34.7
Taxes	0.0	0.0
Result after taxes	19.9	34.7
Minority interests	(4.3)	(2.7)
Group result	15.6	32.0
EPRA adjustments[1]	1.9	(18.0)
EPRA Earnings	17.5	14.0
EPRA Earnings per share	0.49	0.39
FFO	24.5	14.1
FFO adjustments[2]	(0.3)	(4.3)
FFO recurring	24.2	17.6
FFO recurring per share	0.67	0.49

1 It mainly includes property revaluations and gains from the sale of properties.

2 It mainly includes sundry non-recurring costs.

Results achieved in the year ended December 31st, 2020

The year 2020 closed with a Group net profit of Euro 15.6 million.

Net Operating Income (hereinafter also referred to as "NOI") is equal to Euro 40.3 million, an increase of Euro 6.9 million compared to December 31st, 2019, and represents 90.8% of rents. This percentage is an increase of 120 bps compared to the figure as at December 31st, 2019.

NOI includes the rentals accrued on the Deutsche Bank portfolio, the rentals accrued on the Vodafone property complex, the rentals accrued on Gioiaotto, the rentals accrued on the property located in Milan, via Deruta 19, the rentals accrued on the property located in Milan, via Monte Rosa 93, the rents accrued on the property located in Milan, via de Tocqueville 13, the rents accrued on the Pavilion, the rents accrued on the property located in Viale Sarca and the rents accrued on the property located in Viale Pasubio.

Net real estate operating costs mainly relate to property ownership taxes, property management costs and operating and maintenance expenses attributable to COIMA RES.

G&A costs include management fees, expenses for employees, corporate governance and control functions as well as consultancy, audit, IT, marketing, communication and other costs.

G&A recurring costs are down approximately 3%, instead of the G&A non-recurring costs are down of 72.7% as a result of the generalised savings activities carried out by management and mainly for the renewal, under much more advantageous conditions, of the asset management contract with COIMA SGR which resulted in a downward revision of the fee of almost 30%.

The change in the fair value of the property portfolio (pro-quota), negate of about Euro 1.4 million, is decreasing of Euro 12.2 million compared to December 31st, 2019, mainly due to the current market situation linked to the health emergency from COVID-19 which has hit in particular some asset classes in the real estate sector. The composition of the Company portfolio, composed by 87% office properties, proved to be particularly resilient. The change in the value of the portfolio, based on the reports of the Independent Experts CBRE Valuation S.p.A., Praxi, Duff & Phelps and Axia.RE, is attributable for Euro 2.7 million to Deruta, for Euro 2.3 million to the Deutsche Bank branches, for Euro 2.0 million to the Vodafone complex, for Euro 1.7 million to Gioiaotto, for Euro 0.9 million to Sarca, for Euro 0.6 million to Monte Rosa, for Euro 0.5 million to the Pavilion, for Euro 0.2 million to the Microsoft and for Euro 0.1 million to Tocqueville.

In addition, it should be noted that the Corso Como Place project has obtained an overall revaluation of Euro 23.2 million, of which Euro 8.3 million pertains to the Company.

Portfolio value adjustments are mainly driven by the review of the inflation curve by Independent Experts and by market dynamics related to the emergency resulting from the spread of the COVID-19 pandemic.

Financial charges relate to loans outstanding at the date of these consolidated financial statements, remunerated at an all-in cost of approximately 2%, including hedging costs. Recurring financial charges increased by Euro 0.8 million due to an increase in average debt, also in consideration of the acquisitions made during the last part of 2019. Non-recurring financial expenses are decreasing of Euro 2.2 million and are referring to the partial early repayments of loans mainly due to the sale of several Deutsche Bank branches.

Earnings per share amounts to Euro 0.43 and is calculated based on IFRS accounting principles, taking into account the average number of shares outstanding during the year. EPRA Earnings, reduced by the effect of the items subject to estimate, amounts to Euro 17.5 million (Euro 0.49 per share), increasing from December 31st, 2019, as a result of the purchases made during the end of 2019 and as a result of the renegotiation of the asset management contract with COIMA SGR. The recurring FFO is Euro 24.2 million (Euro 0.67 per share), which increased compared to December 31st, 2019, in regard to the same dynamics described above.

Property investment, amounting to Euro 758.1 million as of December 31st, 2020, are decreasing of Euro 9.6 million due to net revaluations for Euro 11.0 million and capex for Euro 1.4 million.

Investments in associates have increased to Euro 13.4 million and mainly include the investment in the Porta Nuova Bonnet Fund amounting to Euro 45.7 million and the investment in Co-Investment 2SCS, 33% owned by MHREC Sarl, for Euro 1.4 million. The increase is mainly due to the recall of commitments and the result for the period of the Porta Nuova Bonnet Fund.

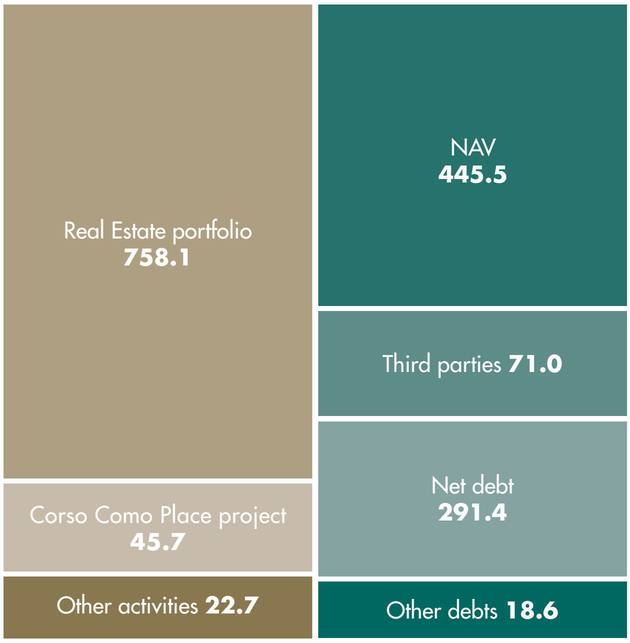
The value of the interest rate is decreasing compared to December 31st, 2019 due to the partial closure of a derivative following the repayment of the loan relating to the Deutsche Bank branches, net of fair value adjustments. The Company, in consideration of the positive outcome of the effectiveness tests, has accounted for these instruments in accordance with the hedge accounting principle.

Current financial receivables amount to Euro 1.6 million and relate to receivables relating to loans granted to the participated company MHREC Sarl to the affiliate Co-Investment 2SCS, formerly classified under non-current financial receivables.

Current trade receivables amount to Euro 13.7 million, and have increased by Euro 3.7 million compared to December 31st, 2019, mainly due to the effect of the early billing of some leases pertaining to 2021.

Cash and cash equivalents are increasing by Euro 6.0 million mainly due to the net realisation of the Deutsche Bank branches sale.

BALANCE SHEET AS AT DECEMBER 31ST, 2020 (€/MILLION)



The decrease in non-current assets held for sale, amounting to Euro 19.2 million, refers to the execution of sales of the Deutsche Bank branches for which preliminary sales agreements were signed during 2019. The sale of the last branch was completed during January 2021.

The Company's consolidated net financial indebtedness amounted to Euro 291.4 million at December 31st, 2020, decreasing of Euro 24 million due to the effect of repayments made during 2020 after the sale of the portfolio of the Deutsche Bank branches.

As of today, the net LTV is 38.3% and the Company's target is to have a structural level of leverage below 40%.

Payables to non-current lenders refer to the debt arising from the application of the new international standard IFRS 16 on leases. In particular, the amount due to the owners of properties leased by the Group for the number of years for which the property is expected to be used is recorded.

Derivative financial instruments are decreasing of Euro 0.2 million due to a partial closure of a derivative after the partial reimbursement of the related loan, net of their changes in fair value. The value as at December 31st, 2020, amounts to Euro 1.7 million and was recognised in accordance with hedge accounting principles.

Trade payables and other non-current payables are decreasing of Euro 0.1 million mainly due to the change in fair value of the financial instrument issued by the Company and acquired by management.

The provisions for risks and charges include the present value amounting to Euro 0.4 million and is of a long-term benefit provided to the Chief Executive Officer.

Short-term banks payables include the Microsoft real estate loan renegotiated on February 17th, 2021. The change amounting to Euro 6 million is referred to the reimbursement of the loan at December 31st, 2019, for an amount of Euro 16 million, net of the entry of the loan stated above, amounting to Euro 22 million.

Trade payables and other current payables increased by Euro 2.2 million due to higher deferred incomes amounting to Euro 4.7 million, referring to rents and charges invoiced in advance, higher payables to suppliers amounting to Euro 0.6 million, net of lower payables to promissory purchasers amounting to Euro 2.4 million (relating to almost total sale of the Deutsche Bank branches) and lower accruals at year-end for Euro 0.6 million.

The Group's shareholders' equity amounts to Euro 445.5 million, an increase of Euro 5.4 million compared to December 31st, 2019, due to profits accrued for Euro 15.6 million and distribution of dividends and interim dividends for a total of Euro 10.8 million and other changes for Euro 0.6 million. The NAV per share of Euro 12.34 shows an increase of 1.2% during 2020.

THE COMPANY HAS THE FOLLOWING LOANS IN PLACE:

(THOUSANDS OF EURO)	December 31st 2020	Maturity	Rate	% hedging
Deutsche Bank branches	30,540	July 16th, 2023	Eur 3M + 180 bps	100%
Monte Rosa, Tocqueville	40,657	July 16th, 2023	Eur 3M + 160 bps	100%
Pavilion	26,760	October 31st, 2023	Eur 6M + 150 bps	93%
Gioiaotto	47,831	March 31st, 2022	Eur 3M + 150 bps	80%
Deruta	19,927	January 16th, 2022	Eur 3M + 160 bps	80%
Vodafone	126,249	June 27th, 2024	Eur 3M + 180 bps	80%
Sarca	25,008	November 1st, 2022	Eur 3M + 175 bps	80%
Microsoft	21,992	December 21st, 2020	Eur 6M + 205 bps	0%

Dividend policy

COIMA RES intends to offer its shareholders a stable and sustainable dividend

During 2020, the Company distributed a dividend per share of Euro 20 cents per share, as the balance of the Euro 10 cents interim dividend distributed in November 2019, based on the result of 2019 and an interim dividend of Euro 10 cents per share of the net result for 2020.

The Company is applying a pay-out ratio in line with the minimum required by SIIQ regulations, maintaining the necessary resources to invest in an attractive market and to implement asset management activities aimed at improving the performance of the properties within its portfolio.

The Board of Directors of COIMA RES resolved to distribute to shareholders a dividend for 2020 amounting to Euro 0.30 per share (Euro 10,831,967.40), in line with the dividend for 2019. The proposed dividend (of which Euro 0.10 per share already paid as an interim dividend in November 2020) includes an amount equal to Euro 0.06 per share relating to the capital gain realised during the year 2019 on the Vodafone complex to complete the provisions of the regulations on the distribution of capital gains deriving from the sale of fixed assets.

EPRA - performance indicators

The table below summarises the EPRA indicators of COIMA RES at December 31st, 2020:

EPRA Metrics	Definitions	31/12/2020 (Euro thousands - %)	€ per share	31/12/2019 (Euro thousands - %)	€ per share
EPRA Earnings	Recurring profits from typical operating activities.	17,549	0.49	13,979	0.39
EPRA Cost Ratio (including vacancy investment costs)	Ratio of the Company's recurring operating costs to recurring fees (including vacancy investment costs).	30.5%		37.9%	
EPRA Cost Ratio (excluding va-cancy investment costs)	Ratio of the Company's recur-ring operating costs to recur-ring fees (excluding vacancy in-vestment costs).	28,2%		36,4%	
EPRA Net Reinstatement Value (NRV)	Calculated assuming that the Company never sells assets and aims to represent the value re-quired to rebuild the entity.	466,878	12.93	463,051	12.82
EPRA Net Tangible Assets (NTA)	Calculated assuming entities buy and sell assets, thus crystal-lizing certain levels of unavoid-able deferred taxes.	448,295	12.42	443,675	12.29
EPRA Net Disposal Value (NDV)	It represents the shareholder value in a disposal scenario, where deferred taxes, financial instruments and some other adjustments are calculated to the full extent of their liability, less any resulting taxes.	442,839	12.26	437,758	12.12
EPRA Net Initial Yield	Calculated as the ratio be-tween the initial net rent and the gross market value of the property.	5.1%		4.6%	
EPRA Topped-up Net Initial Yield	Calculated as the ratio of the stabilised net rent to the gross market value of the property.	5.3%		5.3%	
EPRA Vacancy Rate	Ratio of the market value of the vacant spaces to the overall market value of the portfolio.	2.5%		2.0%	

E-MARKET SDIR CERTIFIED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AS AT DECEMBER 31ST, 2020

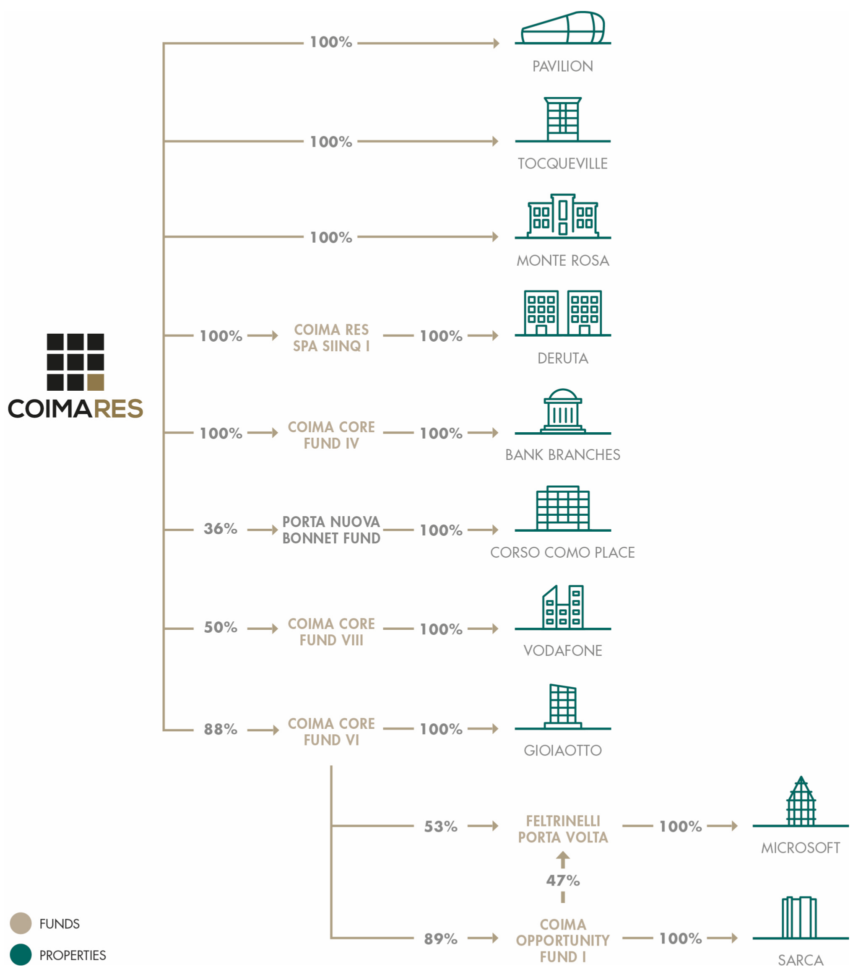
SUB-INDEX - Chapter 5 Financial review

OTHER COMPANY INFORMATION

COIMA RES S.p.A. SIIQ (following also the "**Company**" or "**COIMA RES**"), with legal incorporation in Milan, Piazza Gae Aulenti 12, with Tax Code, Register of Company and VAT No. 09126500967 is a real estate investment company listed on the Italian Stock Exchange.
COIMA RES manages real estate transactions, primarily focused on commercial properties, aimed at generating rental income from national and international tenants. 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- 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.

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, 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 [1]

Caio Massimo Capuano	Chairman, not executive Director
Feras Abdulaziz Al-Naama	Vice Chairman, Independent Director
Manfredi Catella	Chief Executive Officer
Luciano Gabriel	Independent Director
Olivier Elamine	Independent Director
Alessandra Stabilini	Independent Director
Ariela Caglio	Independent Director
Antonella Centra	Independent Director
Paola Bruno	Independent Director

Board of Statutory Auditors [2]

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

Remuneration Committee

Alessandra Stabilini	Chairwoman
Caio Massimo Capuano	Member
Olivier Elamine	Member

Investment Committee

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

Control and Risk Committee

Alessandra Stabilini	Chairwoman
Luciano Gabriel	Member
Paola Bruno	Member

Internal Audit and Compliance

Internal Audit is *outsourced* to a specialized company called Consilia Regulatory S.r.l., which has indicated Mr. Gianmarco Maffioli as responsible for Internal Audit function and Mr. Giacomo del Soldà as responsible for Compliance function.

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

Risk Manager

Risk management is outsourced to a specialized company named Macfin, which has indicated Mr. Emerico Amari di Sant'Adriano as responsible for this function until December 31st, 2020.

Starting from January 1st, 2021, the company in charge of the Risk Management function is Quantyx Advisors S.r.l. which has indicated Mr. Andrea Di Ciancia as responsible for this function.

Independent Auditors

The shareholders' meeting held on February 1st, 2016 appointed EY S.p.A. as auditors for the statutory audit of the separate and consolidated financial statements of the Company for the period 2016-2024 in accordance with articles 14 and 16 of Legislative Decree n. 39/2010 dated January 27th, 2010.

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

Fulvio Di Gilio	Chief Financial Officer

DIRECTORS' REPORT

OVERVIEW OF THE CONSOLIDATED FINANCIAL RESULTS

(in million Euro)	December 31st, 2020	per share	December 31st, 2019	per share	Δ	Δ%
Total property value	758.1		767.7		(9.6)	(1.3%)
EPRA Net Reinstatement Vale	446.9	12.93	463.1	12.82	3.8	0.8%
EPRA Net Tangible Assets	448.3	12.42	443.7	12.29	4.6	1.0%
EPRA Net Disposal Value	442.8	12.26	437.8	12.12	5.0	1.2%
NAV IAS/IFRS	445.5	12.34	440.1	12.19	5.4	1.2%
Debt position	339.0		356.4		(17.4)	(4.9%)
Cash position	48.7		42.7		6.0	14.0%
Net Loan to Value	38.3%		38.8%		(0.5) p.p.	n.m.
EPRA Net Initial Yield	5.1%		4.6%		0.5 p.p.	n.m.
EPRA "topped-up" NIY	5.3%		5.3%		0.0 p.p.	n.m.
EPRA vacancy rate	2.5%		2.0%		0.5 p.p.	n.m.

(in million Euro)	December 31st, 2020	per share	December 31st, 2019	per share	Δ	Δ%
Rents	44.4		37.3		7.1	19.0%
NOI	40.3		33.4		6.9	20.6%
EBITDA	31.5		23.5		8.0	34.4%
EBIT	18.7		33.7		(15.0)	(44.3%)
Recurring FFO	24.2	0.67	17.6	0.49	6.6	37.2%
Net profit	15.6	0.43	32.0	0.89	(16.4)	(51.2%)
EPRA Earnings	17.5	0.49	14.0	0.39	3.5	25.3%
EPRA cost ratio (including direct vacancy costs)	30.5%		37.9%		(7.4) p.p.	n.m.
EPRA cost ratio (excluding direct vacancy costs)	28.2%		36.4%		(8.2) p.p.	n.m.
Like for like rental growth [3]	1.8%		1.0%		0.8 p.p.	n.m.
WALT (years)	4.3		5.3		(1.0)	n.m.

The Net Asset Value IAS/IFRS as of December 31st, 2020 amounts to Euro 445.5 million, an increase of 1.2 % compared to the previous year.

The key factors affecting the NAV increase in 2020 are:

- the EPRA Earnings for the period of Euro 17.5 million;
- the negative *fair value* adjustment related to the real estate portfolio, net of minorities of Euro 1.4 million;
- the reduction due to dividend payment of Euro 10.8 million.

[3] The like for like rental growth is calculated on the basis of the rents recorded according to IFRS 16.

The Group's net profit as of December 31st, 2020 amounted to Euro 15.6 million, details of which are shown in the table below.

(in million Euro)	December 31st, 2020	December 31st, 2019
Rents	44.4	37.3
Net real estate operating expenses	(4.1)	(3.9)
NOI	**40.3**	**33.4**
Other revenues	(0.1)	0.0
G&A	(8.4)	(8.7)
Other expenses	(0.0)	(0.2)
Non-recurring general expenses	(0.3)	(1.1)
EBITDA	**31.5**	**23.5**
Net depreciations	(1.8)	(0.3)
Net movement in fair value	(11.0)	10.5
EBIT	**18.7**	**33.7**
Financial income	1.2	0.3
Other income and expenses	8.3	10.4
Financial expenses	(7.8)	(7.0)
Non-recurring financial expenses	(0.5)	(2.7)
Profit before taxation	**19.9**	**34.7**
Income tax	0.0	0.0
Profit	**19.9**	**34.7**
Minorities	(4.3)	(2.7)
Profit for the Group	**15.6**	**32.0**
EPRA adjustments[4]	1.9	(18.0)
EPRA Earnings	**17.5**	**14.0**
EPRA Earnings per share	0.49	0.39
FFO	**24.5**	**14.1**
FFO adjustments [5]	(0.3)	3.6
Recurring FFO	**24.2**	**17.6**
Recurring per share	0.67	0.49

The NOI margin includes rents generated by the real estate portfolio net of operating costs (such as property taxes, *property management* costs, utilities and maintenance costs).
As of December 31st, 2020, the NOI margin is 90.8% and the current net yield on the portfolio is 5.1%.

General and administration costs (G&A) include personnel costs, asset management costs, *governance* and control function costs as well as consultancy, audit, IT, marketing, communication and other operating costs.
The decrease of Euro 0.3 million compared to December 31st, 2019 is mainly attributable to a targeted savings activity undertaken by management during the 2020 financial year and to the renewal of the asset management agreement with COIMA SGR, which resulted in a decrease in the rate applied for the calculation of commissions near to 30%.

[4] It mainly includes changes in the *fair value* of properties.
[5] It mainly includes non-recurring costs.

The other expenses show a reduction compared to the previous year because they include the change in the *fair value* of the financial instrument, which has decreased by Euro 0.1 million.

Non-recurring general expenses consist mainly of donations made by the Company to deal with the COVID-19 health emergency (Euro 0.1 million), provisions for risks, commercial consultancy and intermediation (Euro 0.2 million).

Net depreciations, amounting to Euro 1.8 million, mainly relate to the depreciation of tangible and intangible fixed assets, the devaluation of trade receivables during the current year and the value adjustment of properties classified in inventories.

Net movement in *fair value* shows a negative amount of Euro 11 million and it refers to the assessments carried out by the Independent Experts as of December 31st, 2020.

Financial income, amounting to Euro 1.2 million, mainly relates to the dividends distributed by Italian Copper Fund, which was closed on December 17th, 2020.

Other income and expenses amount to Euro 8.3 million and refer to the result of the investment in Porta Nuova Bonnet, recorded according to the equity method, including the effects deriving from the *fair value* valuation of the property in the portfolio.

Financial expenses mainly refer to existing loan agreements. Non-recurring amounts include the economic effects related to the repayment of the loans and the partial closure of the derivative contracts linked to the sales of the Deutsche Bank branches.

The Group earnings per share amounted to Euro 0.43 and is calculated in compliance with the IAS/IFRS international accounting standards, taking into consideration the average number of shares outstanding during the period.

The following table summarises the Company's balance sheet including the reclassification of the investment in the Porta Nuova Bonnet fund based on proportional consolidation in order to obtain the total value of COIMA RES group real estate investments as of December 31st, 2020.

(in million Euro)	December 31st, 2020	December 31st, 2019	Δ	Δ%	December 31st, 2020 Look-Through adjusted
Investment properties	758.1	767.7	(9.6)	(1.3%)	833.3
Other assets	1.7	8.1	(6.4)	(79.4%)	1.7
Investments accounted for using the equity method	47.1	33.7	13.4	40.0%	1.5
Total LT assets	**806.9**	**809.5**	**(2.6)**	**(0.3%)**	**836.5**
Trade receivables	13.7	10.0	3.7	37.7%	14.2
Other assets	1.6	0.0	1.6	100.0%	1.6
Cash	48.7	42.7	6.0	14.0%	50.4
Total current assets	**64.0**	**52.7**	**11.3**	**21.5%**	**66.3**
Held for sale assets	4.3	23.5	(19.2)	(81.7%)	4.3
Total assets	**875.2**	**885.7**	**(10.5)**	**(1.2%)**	**907.0**
Debt	317.0	340.2	(23.2)	(6.8%)	346.1
Provisions	0.5	0.4	0.1	10.6%	0.5
Other liabilities	3.7	4.2	(0.5)	(11.8%)	3.7
Trade payables	15.6	13.4	2.2	16.6%	18.3
Current Financial Debt	22.0	16.1	5.9	36.4%	22.0
Total liabilities	**358.8**	**374.4**	**(15.6)**	**(4.2%)**	**390.6**
Minorities	71.0	71.2	(0.2)	(0.3%)	71.0
NAV	**445.5**	**440.1**	**5.3**	**1.2%**	**445.5**
NAV per share	12.34	12.19	0.15	1.2%	12.34
Net Loan to Value	*38.3%*	*38.8%*			*38.1%*

The column called "*look-through adjusted*" includes the investment in the Porta Nuova Bonnet Fund consolidated using the proportional method.

Investment properties, amounting to Euro 758.1 million, include Euro 211 million related to the Vodafone real estate complex, Euro 192.8 million related to Monte Rosa, Tocqueville and Pavilion properties, Euro 66.6 million related to the Deutsche Bank portfolio, Euro 44.4 million related to Deruta, Euro 82 million related to Gioiaotto, Euro 62.1 million related to Sarca and Euro 99.2 million related to Microsoft property.

The other assets mainly consist of derivatives, amounting to Euro 0.1 million, and fixed assets for Euro 1.6 million. According to IFRS 16, the Group has entered rights of use under tangible fixed assets amounting to Euro 1.1 million, which mainly represent the right of the Company, as lessee, to use of the spaces subject to existing lease agreements at the date of this report.

The item shows an overall decrease of Euro 6.4 million compared to 2019, attributable to the liquidation of the Italian Copper Fund in which the Company holds an indirect stake of 13% and for the reclassification of the Co-Investment 2 SCS financial receivables amounting to Euro 1.6 million from non-recurring to recurring assets.
Investments accounted for using the equity method increased by Euro 13.4 million compared to 2019, mainly due to the result for the period amounting to Euro 8.3 million and the recalls of the period made by the Porta Nuova Bonnet Fund amounting to Euro 5.2 million.

Trade receivables, amounting to Euro 13.7 million, relate to: i) the advance invoicing of rents related to 2021 for Euro 5.4 million; ii) the accounting effects of the normalization of the rents (recorded in accordance with IFRS 16), amounting to Euro 4.1 million; iii) invoices to be issued for Euro 1 million; iv) prepayments and accrued income for Euro 1.6 million, v) other receivables for Euro 1.6 million.
As for the anticipated invoicing, at the date of this report, Euro 3.8 million has already been collected.

The other assets refer to a financial credit for loans granted by the subsidiary MHREC Sarl to the associated company Co-Investment 2 SCS, amounting to Euro 1.6 million, reclassified under current financial receivables compared to the previous year.

Assets held for sale include the Deutsche Bank branch in Milan, sold on January 15th, 2021 for Euro 4.3 million and aligned with the value reported in the financial statements as of December 31st, 2020.

The Company's consolidated net financial debt at December 31st, 2020 amounted to Euro 291.4 million, a decrease of Euro 24 million compared to December 31st, 2019 mainly due to the effects of the partial reimbursements on the loans, made after the disposal of Deutsche Bank branches.

(Million of Euro)	**December 31st, 2020**	**December 31st, 2019**
(A) Cash	48.7	42.7
(B) Cash equivalent	-	-
(C) Trading securities	-	-
(D) Liquidity (A)+(B)+ (C)	**48.7**	**42.7**
(E) Current financial receivables	-	-
(F) Current bank debt	(22.0)	(16.1)
(G) Current portion of non-current debt	-	-
(H) Other current financial debt	-	(0.5)
(I) Current financial debt (F)+(G)+(H)	**(22.0)**	**(16.6)**
(J) Net current liquidity (I)+(E)+(D)	**26.7**	**26.1**
(K) Non-current bank loans	(317.0)	(340.2)
(L) Bonds issued	-	-
(M) Other non-current loans	(1.1)	(1.3)
(N) Non-current financial indebtedness (K)+(L)+(M)	**(318.1)**	**(341.5)**
(O) Net liquidity (J)+(N)	**(291.4)**	**(315.4)**

As of December 31st, 2020, the Group's Net Loan To Value (*net LTV*) was 38.3%.

The item *other liabilities* includes: (i) the financial instrument granted to key managers, amounting to approx. Euro 0.9 million, which shows a decrease compared to December 31st, 2019 mainly due to the change in market rates, (ii) the hedging derivatives (*Interest Rate Swap*) for Euro 1.7 million; (iii) the financial debt resulting from the application of the IFRS 16 for Euro 1.1 million.

Trade payables mainly include debts and invoices to be received from suppliers for a total of Euro 4.9 million (Euro 5.1 million as at December 31st, 2019), debts for promissory buyers of Euro 1.1 million (Euro 3.5 million as at December 31st, 2019), deferred income mainly linked to the advance invoicing of rents for Euro 6.3 million (Euro 1.6 million as at December 31st, 2019), payables for dividends to be paid in favor of third parties for Euro 1 million (Euro 1.4 million as at December 31st, 2019), security deposits for Euro 0.8 million (Euro 0.8 million as at December 31st, 2019) and payables to the tax authorities, social security institutions and others for Euro 1.5 million (Euro 1.0 million as at December 31st, 2019).

The item *current financial debts*, amounting to Euro 22 million, relates mainly to the loan in place on the Microsoft property with maturity date on December 21st, 2020 and renegotiated on February 17th, 2021.

As of December 31st, 2020, the average maturity of the loans is 2.4 years and the "all in" average cost of debt is about 1.98% (about 80% of the debt is hedged by derivative agreements).

The Group's shareholders' equity, amounting to Euro 445.5 million (Euro 12.34 million per share) increased by Euro 5.4 million compared to December 31st, 2019 mainly due to the profit for the period, amounting to Euro 15.6 million, net of dividends paid in 2020, amounting to Euro 10.8 million.

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES

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

REMUNERATION REPORT

Pursuant to Article 84-quarter, par.1, of the Issuers' Regulations, implementing Legislative Decree no, 58 of February 24th, 1998, the "Remuneration Report" is available on the COIMA RES S.p.A. SIIQ website (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 subsequently modified), as provided for by Legislative Decree no. 231/2001, and in June 11th, 2020 established the supervisory body and appointed as members Marco Lori, as Chairman, Michele Luigi Giordano and the lawyer 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 2020.

TREASURY SHARES AND SHARES OR UNITS OF PARENT COMPANIES

As of December 31st, 2020, 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 type of transactions between Group companies and related party transactions, reference should be made to Note 37 - Related party transactions.

SUBSEQUENT EVENTS

On January 15th, 2021, the sale of the bank branch located in Milan, Via De Martinitt was completed for an amount equal to Euro 4.3 million.

On February 17th, 2021, the extension and amendment of the Euro 22.0 million financing of the Microsoft headquarters (provided by Intesa Sanpaolo) was finalised by Feltrinelli Porta Volta Fund. The maturity of the financing was extended from December 21st, 2020, to December 21st, 2023, and the margin was reduced by c. 15 basis points.

BUSINESS OUTLOOK

The Company continued to pursue its portfolio quality consolidation strategy, by reducing risks and, in the meantime, maintaining satisfactory profitability for its investors. These activities led to the following results:

- **increase in NAV** of 1.2% compared to December 31st, 2019;
- **increase in initial gross rental income:** from Euro 37.3 million (as of December 31st, 2019) to Euro 44.4 million as at December 31st, 2020;
- **moderate leverage:** Net Loan to Value equal to 38.3%.

The result of the consolidated financial statements as of December 31st, 2020 attributable to COIMA RES is Euro 15.6 million. In view of the results reported above, the Board of Directors of the Company had the opportunity to propose to the Shareholders' Meeting a dividend of Euro 10.8 million (Euro 0.30 per share), an amount in line with the dividend paid during the previous fiscal years.
The dividend was calculated based on the Parent Company's results and current regulations on the listed real estate investment companies (SIIQ).

The Company expects that the portfolio composed and described below may generate positive revenues giving the Company the opportunity to generate profits in subsequent years and to distribute dividends to its shareholders. Considering the current portfolio, the Company estimates it will reach a level of net operating profit (EPRA Earnings) equal to Euro 0.40 per share (approx. Euro 14.4 million) in 2021. The estimate reflects the release by PwC of approximately half of the Monte Rosa property during the first quarter of 2021 and other prudential considerations in light of the persistence of the COVID-19 emergency.

Thus, the Directors have prepared these consolidated financial statements on a going concern basis as they believe that all the elements confirming the Company's ability to continue to operate as a going concern exist.

The COVID-19 epidemic in Italy, did not have significant impacts on the Company’s financial results, because the COIMA RES portfolio is characterized by diversified tenants and mainly composed of multinational companies. During the year, COIMA RES demonstrated its solidity and resilience, maintaining rental income levels in line with the previous year.

Implication of the Covid-19 epidemic on the consolidated financial statements

The sudden spread of the COVID-19 pandemic has precipitated a deep global economic crisis, which is considered by many to be the worst during the last 100 years.
The restrictive measures imposed by the national and international authorities have led to an interruption in real estate transactions for many *asset classes (hospitality, retail and leisure),* because of the sustained closure of these types of businesses has created difficulty in the payment of rents. This in turn has created uncertainty in terms of the valuation of assets by the Independent Experts, risks of non-collectability of receivables and possible requests for concessions by the tenants.

As already underlined, the portfolio of the Company is composed mainly of offices, the most resilient segment, with a limited percentage, about the 5%, of the portfolio concentrated on the *hospitality* and *retail*.

At the date of this report, COIMA RES has cashed 99.4% of the rents due in 2020 and the residual amount to be cashed-in is mainly related to deferred payment granted to some tenants and that, almost for the totally of the cases, were be closed during 2021.

It should be noted that, at the date of this report, the Company is not the beneficiary of any of the schemes implemented by the national authorities to tackle the economic crisis. Some of the tenants of the Company are recipients of those schemes which have allowed to them to have the necessary cash liquidity for their activities and to satisfy their obligations.

In terms of valuations, the Independent Experts have expressed some uncertainties in formulating their opinions due to the unprecedented circumstances. The impact that the COVID-19 pandemic will have on the real estate market going forward is difficult to predict with any degree of certainty and so they have underlined the need to constantly monitor property values.

The correction of real estate values (paragraph 15 – Real Estate Investments) has not created problems related to a possible non-compliance with financial covenants which have large margins compared to the forecasted levels of the loan agreements and this would allow to absorb further critical situations that could occur in the medium term (paragraph 26 – Non-current banks borrowing). Furthermore, in almost all of the loans, cure mechanisms are provided on any breaches of the covenants that would allow the Company, considering the relevant cash liquidity position, to avoid the loss of terms benefit.
In terms of liquidity, the Group has a solid financial position with a total liquidity amounting to over Euro 48 million. The Group has only one loan, amounting to Euro 22 million (equivalent to the 7% of the total debt), with maturity date in December 2020, which extension has been signed in February 2021.

SIIQ REGIME

The application of the SIIQ regime is subject to the condition that the companies concerned mainly carry out real estate leasing activities.

The prevalence should be verified based on two indices:

a) one of an asset nature: real estate owned by way of property or other right in rem used for rental activities represents at least 80% of the assets - "*asset test*".
b) the other income statement: in each financial year, revenues from leasing activities account for at least 80% of the positive components of the income statement - "*profit test*" (ratio of exempt operating income to total income).

At the date of these financial statements, the Company is compliant with both indices.

OTHER INFORMATION

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, in Article 1, paragraph 1, letter w-quater.1) of the TUF and Art.2-ter of Consob Issuers' Regulations, it should be noted that, at the date of these financial statements, the Company falls within this definition as it has a market capitalisation of less than Euro 500 million, as shown in the following table:

Average market capitalization 2020	Average market capitalization 2019	Average market capitalization 2018
233,090,558	291,593,852	289,368,398

E-MARKET SDIR CERTIFIED

CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31ST, 2020

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT/(LOSS) FOR THE YEAR

(in thousands Euro)	Notes	December 31st, 2020	*of which related parties*	December 31st, 2019	*of which related parties*
Income statements					
Rents	3	44,418	-	37,340	-
Net real estate operating expenses	4	(4,074)	(896)	(4,032)	(605)
Net rents		**40,344**	**(896)**	**33,308**	**(605)**
Income / (losses) from real estate disposals	5	(100)	-	10	-
Costs of sales		-	-	-	-
Net revenues from disposal		**(100)**	**-**	**10**	**-**
G&A expenses	6	(8,549)	(5,254)	(9,667)	(5,940)
Other operating expenses	7	(165)	122	(197)	-
Gross operating income		**31,530**	**(6,028)**	**23,454**	**(6,545)**
Net depreciation	8	(1,785)	(81)	(307)	(81)
Net movement in fair value	9	(11,001)	-	10,514	-
Net operating income		**18,744**	**(6,109)**	**33,661**	**(6,626)**
Net income attributable to non-controlling interests	10	8,284	-	9,357	-
Income / (loss)	11	-	-	1,050	-
of which non-recurring	*11*	-	-	*1,050*	-
Financial income	12	1,237	-	291	-
Financial expenses	12	(8,304)	(8)	(9,676)	(6)
Profit before tax		**19,961**	**(6,117)**	**34,683**	**(6,633)**
Income tax	13	-	-	-	-
Profit		**19,961**	**(6,117)**	**34,683**	**(6,633)**
Minorities		(4,334)	-	(2,710)	-
Profit for the Group		**15,627**	**(6,117)**	**31,973**	**(6,633)**

EARNINGS PER SHARE

(in Euro)	Notes	December 31st, 2020	December 31st, 2019
Earnings per share			
Basic, net income attributable to ordinary shareholders	14	0.43	0.89
Diluted, net income attributable to ordinary shareholders	14	0.43	0.89

CONSOLIDATED STATEMENT OF OTHER ITEMS IN THE COMPREHENSIVE INCOME STATEMENT

(in thousands Euro)	Notes	December 31st, 2020	December 31st, 2019
Profit for the year		**19,961**	**34,683**
Other comprehensive income to be reclassified to profit of the period in subsequent periods	25	575	(1,010)
Other comprehensive income not to be reclassified to profit of the period in subsequent periods		-	-
Other comprehensive income		**20,536**	**33,673**
Referable to:			
Group shareholders		16,176	31,203
Minorities		4,360	2,470

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands Euro)	Notes	December 31st, 2020	*of which related parties*	December 31st, 2019	*of which related parties*
Assets					
Real estate investments	15	755,382	-	764,924	-
Other tangible assets	16	1,381	690	1,582	771
Intangible assets	16	257	-	188	-
Investments accounted for using the equity method	17	47,131	-	33,675	-
Financial assets at fair value	18	-	-	4,593	-
Deferred tax assets	19	20	-	10	-
Derivatives	20	40	-	158	-
Non-current financial receivables	21	-	-	1,620	1,620
Total non-current assets		**804,211**	**690**	**806,750**	**2,391**
Inventories	22	2,707	-	2,780	-
Current financial receivables	21	1,620	1,620	-	-
Trade and other current receivables	23	13,710	279	9,958	100
Cash and cash equivalents	24	48,653	-	42,693	-
Total current assets		**66,690**	**1,899**	**55,431**	**100**
Non-current assets held for sale	15	4,300	-	23,500	-
Total assets		**875,201**	**2,589**	**885,681**	**2,491**
Liabilities					
Capital stock		14,482	-	14,482	-
Share premium reserve		336,273	-	336,273	-
Valuation reserve		(1,428)	-	(1,677)	-
Interim dividend		(3,611)	-	(3,611)	-
Other reserves		84,111	-	62,670	-
Profit for the year		15,627	-	31,973	-
Total Group shareholders' equity	**25**	**445,454**	**-**	**440,110**	**-**
Minorities	**25**	**70,968**	**-**	**71,175**	**-**
Shareholders' equity	**25**	**516,422**	**-**	**511,285**	**-**
Non-current bank borrowings	26	316,973	-	340,233	-
Non-current financial liabilities	27	1,140	704	1,301	779
Payables for post-employment benefits	28	100	-	71	-
Provisions for risks and charges	29	391	391	373	373
Derivatives	30	1,663	-	1,888	-
Trade and other non-current liabilities	31	1,707	876	1,833	998
Total non-current liabilities		**321,974**	**1,971**	**345,699**	**2,150**
Current bank borrowings	26	22,017	-	16,140	-
Trade and other current liabilities	32	14,757	2,386	12,536	1,952
Current tax payables	33	31	-	21	-
Total current liabilities		**36,805**	**2,386**	**28,697**	**1,952**
Total liabilities		**358,779**	**4,357**	**374,396**	**4,102**
Total liabilities and shareholders' equity		**875,201**	**4,357**	**885,681**	**4,102**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands Euro)	Capital stock	Share premium reserve	Valuation reserve	Other reserves / (interim dividend)	Profit / (loss) carried forward	Profit / (loss) for the period	Total Group Shareholders' equity	Minorities	Total Shareholders' equity
Balance as of January 1st, 2019	**14,451**	**335,549**	**(957)**	**20,395**	**3,043**	**46,267**	**418,748**	**13,492**	**432,240**
Allocation of profit for the year	-	-	-	39,067	-	(39,067)	-	-	-
Distribution of dividends 2018 [6]	-	-	-	-	-	(7,200)	(7,200)	(1,459)	(8,659)
2019 interim dividend	-	-	-	(3,611)	-	-	(3,611)	-	(3,611)
Derivatives valuation	-	-	(720)	(50)	-	-	(770)	(240)	(1,010)
Capital increase	31	724	-	-	-	-	755	-	755
Change in interests in subsidiaries	-	-	-	-	215	-	215	56,672	56,887
Profit for the period	-	-	-	-	-	31,973	31,973	2,710	34,683
Balance as of December 31st, 2019	**14,482**	**336,273**	**(1,677)**	**55,801**	**3,258**	**31,973**	**440,110**	**71,175**	**511,285**
Allocation of profit for the year	-	-	-	19,917	4,835	(24,752)	-	-	-
Distribution of dividends 2019 [7]	-	-	-	-	-	(7,221)	(7,221)	(2,817)	(10,038)
2020 interim dividend	-	-	-	(3,611)	-	-	(3,611)	-	(3,611)
Derivatives valuation	-	-	249	283	-	-	532	26	558
Partial reimbursement of shares	-	-	-	-	-	-	-	(1,750)	(1,750)
Actuarial income reserve IAS 19	-	-	-	17	-	-	17	-	17
Profit for the period	-	-	-	-	-	15,627	15,627	4,334	19,961
Balance as of December 31st, 2020	**14,482**	**336,273**	**(1,428)**	**72,407**	**8,093**	**15,627**	**445,454**	**70,968**	**516,422**

[6] Not including the interim dividend on 2018 results amounting to Euro 3,601 thousand, paid in November 2018.
[7] Non including the interim dividend on 2019 results amounting to Euro 3,611 thousand, paid in November 2019.

E-MARKET SDIR CERTIFIED

CASH FLOW STATEMENT

(in thousands Euro)	Notes	2020	2019
Profit for the period before tax		19,961	34,683
Adjustments to reconcile the profit to net cash flow:			
Net depreciation	8	1,613	193
Severance pay	6	64	436
Net movement in fair value property	9	11,001	(10,514)
Net income attributable to non-controlling interests	10	(8,284)	(9,357)
Badwill		-	(1,050)
Financial income	12	-	(51)
Financial expenses	12	1,430	1,126
Net movement in fair value of financial instrument	7	(122)	-
Changes in working capital:			
(Increase) / decrease in trade and other current receivables	23	(3,828)	1,559
Increase / (decrease) in trade payables and other current liabilities	32	2,194	(2,527)
(Increase) / decrease in current tax payables	33	-	(25)
Increase / (decrease) in trade payables and other non-current liabilities	31	(4)	(138)
Other changes in working capital		-	-
Net cash flows generated (absorbed) from operating activities		**24,025**	**14,335**
Investment activities			
(Acquisition) / disposal of real estate properties	15	17,741	975
(Acquisition) / disposal of other tangible and intangible assets	16	(121)	(146)
(Increase) / decrease in financial assets	18	3,284	-
Purchase in subsidiaries (net of cash acquired)		-	(105,058)
Purchase of associated companies	17	(5,214)	(3,464)
Net cash flow generated (absorbed) from investment activities		**15,690**	**(107,693)**
Financing activities			
Shareholders' contribution / (dividends paid)	25	(10,812)	(10,811)
Dividends paid to minorities	25	(4,567)	(68)
(Acquisition) / closing of derivatives	30	(252)	(470)
Change in interests in subsidiaries		-	48,126
Increase / (decrease) in bank borrowings and other non-current lenders		-	150,800
Repayment of borrowings	26	(18,124)	(133,747)
Net cash flows generated (absorbed) from financing activities		**(33,755)**	**53,830**
Net increase / (decrease) in cash and cash equivalents		5,960	(39,528)
Cash and cash equivalents at the beginning of the period		42,693	82,221
Cash and cash equivalents at the end of the period		**48,653**	**42,693**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Principles of preparation and changes in accounting standards

1.1 Principles of preparation

The consolidated financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

The consolidated financial statements have been prepared in accordance with the historical cost principle, except for investment property, financial instruments, derivative financial instruments, financial assets measured at *fair value* and contingent consideration which are recognized at *fair value*. The book value of assets and liabilities that are subject to *fair value* hedging transactions and which would otherwise be recorded at amortised cost is adjusted to take account of changes in *fair value* attributable to the hedged risks.

The consolidated financial statements are presented in euros and all amounts are rounded to thousands of euros, unless otherwise stated.

The consolidated financial statements comprise the statement of financial position, the statement of profit/(loss) for the year, the statement of other comprehensive income, the statement of changes in shareholders' equity, the statement of cash flows and the notes to the financial statements.

The consolidated financial statements provide comparative information referring to the previous year and have been prepared on a going concern basis, in accordance with the principle of accrual-based accounting, in compliance with the principle of relevance and significance of information and the prevalence of substance over form.

Offsets between assets and liabilities and between costs and revenues are made only if required or permitted by a standard or an interpretation thereof.

The financial statements adopted are consistent with those required by IAS 1 – "Presentation of Financial Statements" in particular:

- the statement of financial position has been prepared by classifying assets and liabilities according to the "current / non-current" criterion;
- the statement of profit/(loss) for the year and the statement of other comprehensive income have been prepared by classifying operating costs by nature;
- the cash flow statement was prepared according to the "indirect method";
- the statement of changes in shareholders' equity.

The formats used, as specified above, are those that best represent the economic standing and financial position of the Company.

1.2 Consolidation

Scope of consolidation

The consolidated financial statements have been prepared on the basis of the financial statements at 31st December 2020 prepared by the entities included in the scope of consolidation and adjusted, where necessary, in order to align them with the accounting standards and classification criteria in accordance with IFRS. The scope of consolidation includes COIMA RES S.p.A. SIIQ, as Parent Company, and the entities summarised in the table below.

Entity	Direct participation	% owned	Consolidation method
COIMA CORE FUND IV	COIMA RES S.p.A. SIIQ	100.0%	Full consolidation
COIMA CORE FUND VI	COIMA RES S.p.A. SIIQ	88.2%	Full consolidation
MHREC REAL ESTATE SARL	COIMA CORE FUND VI	100.0%	Full consolidation
COIMA RES SIINQ I	COIMA RES S.p.A. SIIQ	100.0%	Full consolidation
COIMA CORE FUND VIII	COIMA RES S.p.A. SIIQ	50.0%	Full consolidation
LORENTEGGIO CONSORTIUM	COIMA CORE FUND VIII	69.2%	Full consolidation
COIMA OPPORTUNITY FUND I	COIMA CORE FUND VI	88.8%	Full consolidation
FELTRINELLI PORTA VOLTA	COIMA CORE FUND VI COIMA OPPORTUNITY FUND I	52.9% 47.1%	Full consolidation
CO-INVESTMENT 2 SCS	MHREC REAL ESTATE SARL	33.3%	Equity method
BONNET	COIMA RES S.p.A. SIIQ	35.7%	Equity method
P. N. GARIBALDI CONSORTIUM	COIMA RES S.p.A. SIIQ	4.0%	Equity method
IN. G. RE. SCRL	COIMA RES S.p.A. SIIQ	1.9%	Equity method

The Company consolidates the mentioned funds and companies in the consolidation financial statements because all the criteria provided by paragraphs 6 and 7 of IFRS 10 in relation to the consolidation of the investment entities are met.

Consolidation methods

The consolidated financial statements include the financial statements of the Company and its subsidiaries as of December 31st, 2020. The financial statements have been prepared using the same accounting principles as those used by the Company for each accounting period.
The main consolidation methods used to prepare the consolidated financial statements are the following:

- subsidiaries are consolidated from the date control is effectively transferred to the Company and cease to be consolidated from the date control is transferred outside the Company; control exists when the Company has the power, directly or indirectly, to influence a company's financial and managerial policies in such a way as to obtain benefits from its operations;
- the consolidation of the subsidiaries was prepared with the integral method; the technique consists in consolidating all the balance items in their global amount, that is, regardless of the percentage of ownership. Only when determining the Net Equity and the result for the year, any share attributable to third parties is highlighted in the appropriate line of the Balance Sheet and Income Statement;
- the consolidation of related companies is determined with pro rata adjustments of the participation of changes in equity of associated companies;
- the carrying value of equity investments is eliminated against the assumption of their assets and liabilities;
- all intercompany assets, liabilities, income and losses, including unrealized profits deriving from transactions between Group companies, are eliminated.

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

1.3 Main balance sheet items

Real estate investments

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

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

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

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

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

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

In accordance with IFRS 13, the *fair value* valuation of a non-financial asset considers the ability of a market operator to generate economic benefits from using the asset at its *highest and best use,* or selling it to another market participant that would employ such at its highest and best use.
According to IFRS 13, an entity must employ valuation techniques appropriate to the circumstances and for which enough data are available to measure the *fair value*, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The *fair value* is measured based on observable transactions in an active market, adjusted if necessary, depending on the specific characteristics of each investment property. If such information is not available, to determine the *fair value* for measurement of the investment property, the company uses the discounted cash flow method (for a period that varies according to the duration of existing contracts) related to future net income from leasing of property, and it is assumed that the property is sold at the end of this period.

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

Valuations are prepared every six months, in compliance with the standard "RICS Valuation - Professional Standards" and in compliance with applicable regulations and the recommendations provided by ESMA European Securities and Markets Authority.
The remuneration provided for assessments as of December 31st, 2020 has been preliminarily defined as a fixed amount based on the size of the individual investment property. The process by which the Company determines the *fair value* of its real estate investments, however, falls within the estimation processes, which implies the forecast of costs and revenues related to each investment and the formulation of assumptions on variables of calculation models that depend on expectations the performance of real estate and financial markets as well as the general economic conditions that affect rent levels and the reliability of tenants, and that, in consideration of the uncertainty connected to the realization of any future event, are able to determine variations, even significant and in the short term, the conclusions of the experts and therefore of the results of the financial statements, albeit in constant evaluation models. As for the use of estimates regarding real estate investments, refer to paragraph 15 – Real estate investments.

Real estate initiatives in progress

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

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

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

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

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

Inventories

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

Lands for developments 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 sale;
- 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.

In view of the fact that the Company's investment strategy is focused on the creation of stable cash flows deriving from the lease of the real estate portfolio, management has deemed it appropriate to classify under this item those properties that do not meet the characteristics of the Company's core business, i.e. vacant properties that do not generate lease payments.

Property, plant and equipment

Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. This cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as are placement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Machinery and equipment	5 years
Plant and office properties	12 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their *fair value* at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.
Intangible assets with finite lives are amortised over the useful economic life (5 years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.
An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included 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 maturity of no more than three months, which are not subject to significant risks associated with the change in value.
Cash and cash equivalents are stated at their nominal value and the spot rate at year-end, if in foreign currency.

Non-current assets held for sale and discontinued operations

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

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

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

Net Equity

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

Valuation reserve
When derivatives hedge the risk of cash flow variations of covered instruments (cash flow hedge; e.g. hedging the cash flow variation of assets/liabilities due to exchange rates movements), the changes in the *fair value* of the derivatives considered effective are initially recognized in the valuation reserve, relating to the other components of the overall profit and subsequently charged to the income statement in line with the economic effects produced by the hedged transaction.

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

Severance pay

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

Provision for risks and charges

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

Financial instruments

Financial instruments are an incentive recognized to management in relation to their significant contribution during the start-up and development of the Company. These financial instruments will entitle the payment of a return linked to changes in the Net Asset Value (NAV) to be carried out also through the assignment of shares in the Company. Financial instruments are initially recognized at *fair value*, recording the effects deriving from the change in fair value in the period in which they occur in the income statement. The *fair value* at the end of the period is determined through estimates made by management, also through the support of independent experts. The process by which the Company determines the *fair value* of the instrument is part of the estimation process, which implies the forecast of cash flows based on variables that depend on expectations of the performance of the real estate and financial markets and the general market conditions, able to determine changes, even significant and in the short term, on the conclusions of the experts and therefore of the financial results.

Financial liabilities - Initial recognition and measurement

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

Loans and borrowings

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

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

IFRS 9 - Derivatives financial instruments

The Group uses derivative financial instruments including *interest rate caps* and *interest rate swaps* to hedge interest rate risks on loans. These derivative financial instruments are recognised at *fair value* in accordance with IFRS 9 and are recognised as financial assets when the fair value is positive and as financial liabilities when the *fair value* is negative.

When initiating a hedging transaction, the Group formally designates and documents the hedging relationship, to which it intends to apply hedge accounting, its risk management objectives and the strategy pursued.
This documentation includes the identification of the hedging instrument, the hedged item, the nature of the risk and the manner in which the Group will assess whether the hedging relationship meets the requirements for hedge effectiveness (including analysis of the sources of hedge ineffectiveness and how the hedging relationship is determined). The hedging relationship meets the eligibility criteria for hedge accounting if it meets all the following requirements for hedge effectiveness:

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

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

Impairment

IFRS 9 requires the Company to record the expected credit losses on all items such as loans and trade receivables, having as reference either a period of 12 months or the entire contractual duration of the instrument (e.g. *lifetime expected loss*). The Company applies the simplified approach and therefore records any expected losses on all trade receivables based on their remaining contractual duration. The Company has assessed the impact of its receivables in its portfolio, both of a commercial and financial nature, taking into account the characteristics of the receivables, the counterparties and the collection times, even though not all receivables are guaranteed, and the effects deriving from the application of the new criterion are not significant taking into account the risk profile of its customers.

Hedge Accounting

As of the date of this report, the Company uses hedge accounting with reference to *interest cap rate* instruments underwritten. Considering the provisions of the standard, the Company has established that all existing hedging relationships that are currently designated as effective hedges continue to qualify for hedge accounting in accordance with IFRS 9. However, the standard provides for the recognition of the effects deriving from the valuation of these instruments, including the portion of the extrinsic value, in the item "other reserves" of shareholders' equity.

Recording of revenues, income and expenses in the income statement

Revenues

Revenue is recognized to the extent in which it is likely that economic benefits will be obtained by the company and the revenue can be measured reliably. Revenues are measured at the *fair value* of the consideration to which the entity believes it is entitled in exchange for the transfer of goods or services to the customer, taking into account the agreed contractual terms and the commitments made.
The following specific recognition criteria of revenues must always be considered before recognition in the income statement:

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

IFRS 15 Revenues from contracts with customers

IFRS 15 replaces IAS 11 - Construction contracts, IAS 18 - Revenues and related interpretations and applies to all revenues from contracts with customers, unless these contracts fall within the scope of other standards such as lease contracts, for which the reference standard is IAS 16. The standard introduces a five-step model that applies to revenues from contracts with customers. IFRS 15 requires the recognition of revenue at an amount that reflects the consideration to which the entity believes it is entitled in exchange for the transfer of goods or services to the customer.
The standard involves the exercise of an opinion by the Company, which considers all relevant facts and circumstances in the application of each phase of the model to contracts with its customers. The standard also specifies the accounting for incremental costs linked to obtaining a contract and costs directly linked to the completion of a contract.
The Company revenues are mainly from leases, so the adoption of this standard had no effect on the consolidated financial statements.

Leases

The Company is characterised by investments in high-quality real estate portfolios, mainly concentrated in leading Italian cities, with high-profile tenants and long-term lease contracts, including adequate safeguard clauses as well as clauses providing for ordinary and extraordinary maintenance expenses and works to be borne by the tenant. At present, lease revenues from owned investment property are accounted for based on IFRS 16 (paragraph 81), which represents the accrual method, based on existing lease contracts.
Considering the current contractual framework and the sector practices adopted also by the main competitors, it can be concluded that the adoption of IFRS 15 has not had an impact on the Group's results with reference to rental

property leases.

Real estate disposals

With reference to real estate sales, it should be noted that these take place through the signing of a notarial deed, during which the actual contractual obligations and the real availability of the asset by the notary are verified. In particular, these transactions provide for (i) the transfer of the asset by the seller, (ii) the settlement of the consideration by the buyer at the deed without further delay and/or commitments for the seller, and (iii), if necessary, the payment of deposits or advances at the same time as the signing of the preliminary sale contracts, the latter case taking into account the short time lapse between the preliminary and deed (generally less than one year) does not provide for the inclusion in the price of significant implicit financial components.

IFRS 16 – Leases

This standard defines the criteria for the recognition, measurement, presentation and disclosure of leases and requires tenants to account for all leasing contracts in the financial statements on the basis of a single model similar to that used to account for financial leases in accordance with the previous IAS 17. The standard provides for two exemptions for the recognition by tenants - leasing contracts relating to "low value" assets (for example personal computers) and short-term leasing contracts (for example expiring within 12 months or less). At the start date of the leasing contract, the lessee recognizes a liability for the lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset for the duration of the contract (i.e., right to use the activity). The lessees must separately account for the interest costs on the lease liability and the amortization of the right to use the asset. Lessees must also remeasure the lease liability upon the occurrence of certain events (for example: a change in the terms of the lease agreement, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee generally recognizes the amount of the lease liability as an adjustment to the right of use of the asset.

Lessors classify all leases by distinguishing two types: operating leases and financial leases, providing adequate information in the financial statements.

It should be noted that as of today the Company has leasing agreements for IT equipment, which do not fall within the scope of the standard, and three rental agreements, one of which relating to the registered office:

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

Costs

Costs and other operating expenses are recognized as components of the operating result when they are incurred on the basis of the accruals principle and when they do not have requirements for accounting as assets in the balance sheet.

Financial income and expenses

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

Taxes

Current taxes

Current income taxes are calculated based on estimated taxable income. Liabilities for current taxes are recognized 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 based on 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 recognized 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.
Taxes are therefore calculated on the income produced by the non-exempt income.

Deferred tax

With regard to non-exempt management, prepaid and deferred taxes are recognized according to the global allocation of liabilities method.
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, considering the SIIQ status.

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

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 many subjective opinions, assumptions and estimates:

- *investment property*: is initially recognised at cost including incidental expenses and acquisition, in according to IAS 40, and subsequently measured at *fair value,* recognising in the income statement the effects of changes in fair value of investment property in the year such occur. The *fair value* at the closing date of the period is determined by valuation of the real estate assets performed by independent experts; this valuation is subject to hypothesis, assumptions and estimates, for this reason the valuation made by different experts might not result in an identical opinion, furthermore as reported in the directors' report, it is subject to uncertainties related to the current emergency situation;
- *financial instrument*: financial instruments are initially valued at *fair value*, recording the effects deriving from the change in fair value in the period in which they occur in the income statement. The *fair value* is determined through estimates made by management, also through the support of independent experts; this valuation is subject to estimation processes, which implies the forecast of cash flows based on variables that depend on expectations of the performance of the real estate and financial markets as well as the general market conditions;
- *derivative financial instruments*: derivative financial instruments are measured at fair value, recognizing the effects deriving from the change in fair value in the period in which they occur. The *fair value* is determined through estimates made by management based on market prices at the reference date;
- *taxes*: income taxes, related to the non-exempt income, are estimated based on the prediction of the actual amount that will be paid to the Inland Revenue Office based on the income tax declaration; recognition of deferred tax assets is based on expectations of taxable income in future years, and pre-paid and deferred taxes are determined at the tax rates expected to be applied during the years in which temporary differences will be reversed.

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

The accounting principles adopted for the preparation of the condensed interim consolidated financial statements are consistent with those used for the preparation of the consolidated financial statements at December 31st, 2019, except for the adoption of the new principles and amendments in force since January 1st, 2020. The Company has not adopted in advance any new standards, interpretations or amendments issued but not yet in force.

Several other amendments and interpretations apply for the first time in 2020 but have no impact on the Group's consolidated financial statements.

Amendments to IFRS 3: Definition of a business

The amendments to IFRS 3 clarify that to be considered a business, an integrated set of activities and assets must include at least one input and an underlying process which together significantly contribute to the ability to create an output. Furthermore, it has been made clear that a business can exist without including all the inputs and processes needed to create an output. These changes have not had any impact on the Group's consolidated financial statements but could have an impact on future years should the Group carry out business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39: Reform of the interest rate benchmark

The amendments to IFRS 9 and IAS 39 *Financial Instruments: Recognition and Measurement* provide a series of expedients, which apply to all hedging relationships that are directly affected by the reform of the interest rate benchmark. A hedging relationship is affected if the reform generates uncertainties on the timing and / or extent of cash flows based on the reference parameters of the hedged item or hedging instrument. These changes have not had any impact on the Group's consolidated financial statements.

Amendments to IAS 1 and IAS 8: Definition of material

The amendments provide a new definition of materiality which states that "*information is material if it is reasonable to assume that its omission, misstatement or concealment could influence the decisions that key users of general purposes financial statements make about basis of these financial statements, which provide financial information about the specific entity preparing the financial statements* ".
The relevance depends on the nature or extent of the information, or both. The entity assesses whether the information, individually or in combination with other information, is relevant in the context of the financial statements, considered as a whole.
The information is hidden if it is communicated in such a way as to have, for the main users of the financial statements, an effect near to that of the omission or incorrect indication of the same information.

"Conceptual Framework for Financial Reporting" issued on March 29th, 2018

The *Conceptual Framework* does not represent a standard and none of the concepts contained in them all takes precedence over the concepts or requirements of a standard. The purpose of the *Conceptual Framework* is to support the IASB in the development of standards, to help editors to develop uniform accounting policies where there are no applicable standards in the specific circumstances and to help all parties involved to understand and interpret the standards. The revised version of the *Conceptual Framework* includes some new concepts, provides updated definitions and updated recognition criteria for assets and liabilities, and clarifies some important concepts.

Amendment to IFRS 16 Covid-19 Related Rent Concessions

On May 28th, 2020, the IASB has published an amendment to IFRS 16, which allows a lessee not to apply the requirements in IFRS 16 on the accounting effects of the contractual amendments for the reductions in lease payments granted by lessors that are a direct consequence of the Covid epidemic -19

The amendment introduces a practical expedient whereby a tenant may choose not to assess if the reduction in rent represents contractual changes. A lessee who chooses to use this expedient accounts for these reductions as if they were not contractual amendments in the scope of IFRS 16. The amendments are applicable to financial statements whose accounting period begins on or after June 1st, 2020 and is permitted for anticipated adoption.

From the point of view of the lessor, the accounting relating to the concessions on leases is based on existing guidelines, in fact the amendments to IFRS 16 are only applicable to the tenants. However, the IASB has provided some clarification on how to manage these cases from the point of view of the lessors.

The IASB has decided not to provide lessors with practical solutions for lease concessions that occur as a direct consequence of the Covid-19 pandemic for the following reasons:

- IFRS 16 does not specify how the lessor must account for a change in lease payments that is not a contractual amendment; and

- any practical expedient would negatively affect the comparability and interaction between the accounting requirements in IFRS 16 and the related requirements in the other standards (in particular, IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers).

Collectability

Many tenants may experience financial difficulties due to government-mandated business closures. This could cause a significant deterioration in the recoverability of rent payments by some lessors. Unlike other standards such as IFRS 15, IFRS 16 does not refer to recoverability to determine if (and when) rental income must be recognized. Therefore, it is believed that a lessor can continue to recognize rental income even when recoverability is not probable. However, other approaches may also be appropriate when there are significant doubts about the creditworthiness. For this reason, there may be differences in accounting, and it is important to consider the point of view of the supervisory bodies. Regardless of the approach followed, the IFRS 9 guidelines on credit losses continue to be applicable to recognized rental loans.

In this regard, the Group carried out an analysis on the recoverability of the receivables recorded in the financial statements as of December 31st, 2020, noting a loss amounting to Euro 150 thousand.

Amendment of lease agreements

The lessor's accounting for amendments depends on the classification of the *lease*. A lessor accounts for a change to an operating lease as a new contract from the effective date of the change, considering any prepayments or accrued payments related to the original contract as part of the payments related to the new contract.

In some cases, a lessor may grant the suspension of rental payments previously recognized as receivables. The granting determines a change in the fee that was not part of the original terms of the contract and therefore can be considered as a change. An alternative view may be to consider that the suspension of payments of previous leases is an extinction of the credit and the cancellation requirements of IFRS 9 apply. Paragraph 2.1 (b) (i) of IFRS 9 clarifies that the operating lease receivables recognized by a lessor are subject to the derecognition and impairment requirements of IFRS 9. When applying IFRS 9 in these situations, the lessor is deemed to have a choice of accounting policy, to be applied consistently, to include or exclude the expected suspension of payments in the credit assessment.

During the year, the Group granted deferred payment of rents to some tenants most affected by the contingent situation and which, in most cases, closed in 2020.

As of December 4th, 2020, COIMA CORE FUND VI fund has signed a supplementary agreement to the lease with NH Italia tenant considering the restrictive measures issued by the Italian government and the contraction in revenues deriving from the business activity carried out by the tenant. This agreement provides for the granting by the lessor of a period of free rent (from April 1st, 2020 to June 15th, 2020) in the face of the increase in the percentage applicable to the variable fee starting from January 1st, 2021.

Recognition of rents after the contract modification

As previously discussed, lessors treat a lease change as a new lease as of the effective date of the change. If the new lease is classified as an operating lease, the lessor applies paragraph 81 of IFRS 16 and account the lease payments on a straight-line basis, unless there is another systematic basis more representative than the model in which the benefit in the use of the underlying asset has decreased.

Accounting of lease that does not constitute an amendment

If an amendment in expected payments does not meet the definition of a lease change, that change would generally be accounted for as a negative variable lease payment. In the case of an operating lease, the lessor recognizes the effect of the concession by accounting for lower lease income.

Financial disclosure

IFRS 16 requires lessors to provide information that provides users of financial statements with a basis for assessing the effect that leases have on their financial position, financial performance and cash flows. Although there are no specific disclosure requirements relating to the lease amendments, lessors will need to provide sufficient information to enable readers of the financial statements to understand the impact of the Covid-19 related changes in lease payments on the financial position and results of the lease.

E-MARKET SDIR CERTIFIED

2. Operating Segments

In order to represent the Company's business by sector, it was decided to represent it primarily based on the destination of the buildings and secondarily based on geographical location.
In consideration of the investment strategy also reported in the prospectus, the buildings are divided between management buildings, bank branches and other properties. Management buildings include all office rental buildings, while other buildings include all other tertiary uses such as trade and logistics. The bank branch category is presented separately as it represents about 10% of the total real estate portfolio.

An income statement showing information about the Company's revenue and results as of December 31st, 2020 is given below:

(in thousands Euro)	Offices	Bank branches	Others	Unallocated amounts	Sector results
Rents	38,630	4,220	1,568	-	44,418
Net income of non-controlling interests	8,282	-	-	2	8,284
Financial income	-	-	1,234	3	1,237
Total income	**46,912**	**4,220**	**2,802**	**5**	**53,939**
Losses from disposals	-	(100)	-	-	(100)
Net real estate operating expenses	(3,029)	(738)	(307)	-	(4,074)
G&A expenses	(7,031)	(881)	(625)	(12)	(8,549)
Other operating expenses	(196)	56	(14)	(11)	(165)
Net depreciation	-	(93)	-	(1,692)	(1,785)
Net movement in fair value	(7,039)	(2,337)	(1,625)	-	(11,001)
Financial expenses	(6,759)	(1,064)	(451)	(30)	(8,304)
Sector results	**22,858**	**(937)**	**(220)**	**(1,740)**	**19,961**

The sector's revenues are broken down by the most significant items in the real estate sector, for example rents and income from investments.
The result for each sector is also represented which also includes real estate costs, net of chargebacks made to tenants, G&A costs, financial expenses and other corporate costs.
The *non-allocable amounts* column mainly the effects on the income statement deriving from the liquidation of the Italian Copper Fund.

Below is a reclassified schedule that provides the distribution of assets and liabilities based on the destination of the properties.

(in thousands Euro)	Offices	Bank branches	Others	Unallocated amounts	Sector results
Non-current assets	706,111	63,878	32,747	1,475	804,211
Current assets	44,523	17,076	3,210	1,881	66,690
Non-current assets held for sale	-	4,300	-	-	4,300
Total assets	**750,634**	**85,254**	**35,957**	**3,356**	**875,201**
Non-current liabilities	273,255	30,722	17,997	-	321,974
Current liabilities	32,328	2,734	1,682	61	36,805
Total liabilities	**305,583**	**33,456**	**19,679**	**61**	**358,779**

The assets and liabilities of the sector are broken down based on the relationship with real estate divided between the various categories.

The column called *unallocated amounts* mainly includes:

- for assets, financial receivables, the investment in Co Investments 2 and the cash and cash equivalents of MHREC Sarl;
- as for liabilities, deferred and current tax liabilities.

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

(in thousands Euro)	Milan	Rome	Others	Unallocated amounts	Sector results
Rents	40,721	401	3,296	-	44,418
Net income of non-controlling interests	8,282	-	-	2	8,284
Financial income	-	-	1,234	3	1,237
Total income	**49,003**	**401**	**4,530**	**5**	**53,939**
Loss from disposals	(12)	-	(88)	-	(100)
Net real estate operating expenses	(3,418)	(32)	(624)	-	(4,074)
G&A expenses	(7,779)	(97)	(661)	(12)	(8,549)
Other operating expenses	(227)	(4)	77	(11)	(165)
Net depreciation	(303)	-	(93)	(1,389)	(1,785)
Net movement in fair value	(8,784)	170	(2,387)	-	(11,001)
Financial expenses	(7,374)	(139)	(761)	(30)	(8,304)
Result by geographical area	**21,106**	**299**	**(7)**	**(1,437)**	**19,961**

The geographic breakdown has also been chosen regarding the Company's investment strategy which is focused in Milan.

A balance sheet showing the distribution of the assets and liabilities based on the geographic location of the real estate is listed below.

(in thousands Euro)	Milan	Rome	Others	Unallocated amounts	Sector results
Non-current assets	745,420	9,285	48,031	1,475	804,211
Current assets	50,172	1,629	13,008	1,881	66,690
Non-current assets held for sale	4,300	-	-	-	4,300
Total assets	**799,892**	**10,914**	**61,039**	**3,356**	**875,201**
Non-current liabilities	295,998	4,018	21,958	-	321,974
Current liabilities	35,349	216	1,179	61	36,805
Total liabilities	**331,347**	**4,234**	**23,137**	**61**	**358,779**

As for the geographical breakdown of assets and liabilities, the Company chose the same methodology used for the breakdown of assets and liabilities for sectors.

3. Rents

As of December 31st, 2020, rents amount to Euro 44,418 thousand and are detailed as follows:

(in thousands Euro)	Investments	December 31st, 2020	December 31st, 2019
COIMA RES SIIQ	Vodafone	-	6,863
	Monte Rosa	3,711	3,815
	Tocqueville	2,857	2,614
	Pavilion	3,266	2,979
COIMA CORE FUND IV	Deutsche Bank branches	4,220	5,088
COIMA CORE FUND VI	Gioiaotto	4,009	3,960
COIMA RES SIINQ I	Deruta	3,632	3,614
COIMA CORE FUND VIII	Vodafone	14,099	7,136
COIMA OPPORTUNITY FUND I	Sarca	4,042	1,010
FELTRINELLI PORTA VOLTA	Microsoft	4,582	261
Rents		**44,418**	**37,340**

The increase of Euro 7,078 thousand compared to the previous year is mainly due to the rents related to Sarca and Microsoft properties, indirectly acquired in the fourth quarter of 2019 in the broader context acquisition of the COIMA OPPORTUNITY FUND I and Feltrinelli Porta Volta transaction.

Monte Rosa shows a decrease of Euro 104 thousand, attributable to the release of spaces from Bluvacanze starting from January 1st, 2020. The decrease has been partially offset by short-terms rents deriving from new rental agreements signed with other tenants of the property.

The increase of Tocqueville rents, amounting to Euro 243 thousand, refers to the amendment of the lease agreement with Sisal, the main tenant of the property, which postpones the expiration date of the contract to December 31st, 2021, with an increase of the gross rent from January 1st, 2021.

The rents deriving from the Deutsche Bank branches show a reduction of Euro 868 thousand attributable to the sale of 10 bank branches carried out during the year.

Pavilion has produced higher rents amounting to Euro 287 thousand thanks to the contribution on an annual basis of the IBM lease, effective from February 1st, 2019.

As of December 31st, 2020, the rents for Gioiaotto property reflect the accounting impacts resulting from the agreement between COIMA CORE FUND VI and NH Hotel which provides for the granting by the lessor of a period of free rent (from April 1st, 2020 to June 15th, 2020), with an increase of the percentage applicable to the variable fee from January 1st, 2021.

4. Net real estate operating expenses

Net real estate operating expenses amounted to Euro 4,074 thousand as of December 31st, 2020. Details of the amount are shown below:

(in thousands Euro)	Vodafone* Complex	Tocqueville Monte Rosa Pavilion	Deutsche Bank branches	Gioiaotto Sarca Microsoft	Deruta	December 31st, 2020	December 31st, 2019
Recovery of costs from tenants	2,183	1,476	54	1,889	18	5,620	4,923
Property management fee	(311)	(148)	(42)	(215)	(39)	(755)	(558)
Maintenance charges	(961)	(882)	(59)	(866)	(30)	(2,798)	(2,781)
Utilities	(935)	(434)	(6)	(520)	-	(1,895)	(1,935)
Insurances	(97)	(64)	(43)	(107)	(25)	(336)	(265)
Property taxes	(746)	(851)	(592)	(940)	(248)	(3,377)	(2,939)
Stamp duties	(141)	(95)	(49)	(123)	(36)	(444)	(353)
Other real estate costs	(2)	(84)	(1)	(2)	-	(89)	(124)
Net real estate expenses	**(1,010)**	**(1,082)**	**(738)**	**(884)**	**(360)**	**(4,074)**	**(4,032)**

* Including Consorzio Lorenteggio Village

The item for *recovery of costs from tenants* refers to the overturning to the tenants of the ordinary management costs of the properties.

Property management fee mainly relate to ordinary administrative and maintenance management of properties.

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

The item *utilities* refers to the cost of providing electricity, water and gas for the properties.

The item *insurances* refers to the all-risk policies signed by the Company and Funds to protect the asset value and ownership of the properties.

Other real estate costs mainly include the fees for the occupation of public areas and other expenses related to the operation of the properties.

5. Income / (losses) from real estate disposals

The item shows a loss amounted to Euro 100 thousand (compared to an income amounted to Euro 10 thousand as of December 31st, 2019), relating to the commission paid to real estate agents for the sale of Deutsche Bank branches.

6. General and administration expenses

General and administration expenses amount to 8,549 thousand. The detailed summary table is attached below:

(in thousands Euro)	COIMA RES	CORE IV SIINQ I	CORE VI COF I FPV	CORE VIII	Others	December 31st, 2020	December 31st, 2019
Asset management fee	(850)	(288)	(1,957)	(1,049)	-	(4,144)	(4,991)
Personnel costs	(1,737)	-	-	-	-	(1,737)	(2,071)
Consulting costs	(481)	(149)	(261)	(34)	(23)	(948)	(937)
Control functions	(338)	(31)	(16)	-	-	(385)	(363)
Audit	(204)	(40)	(114)	(32)	(8)	(398)	(293)
Marketing	(269)	(4)	(2)	-	-	(275)	(354)
IT services	(183)	-	-	-	-	(183)	(168)
Independent appraisers	(28)	(51)	(59)	(19)	-	(157)	(156)
Other operating expenses	(312)	-	-	(1)	(9)	(322)	(334)
G&A expenses	**(4,402)**	**(563)**	**(2,409)**	**(1,135)**	**(40)**	**(8,549)**	**(9,667)**

Asset management fee mainly relates to the agreement signed between the Company and COIMA SGR for the *scouting* of investment transactions and the management of the real estate portfolio as well as other ancillary activities provided for in the *asset management* agreement.
These fees are calculated quarterly on the Net Asset Value (NAV) recorded by the company in the previous three months, net of the commissions already paid by the funds included in the consolidation perimeter.

The decrease of Euro 847 thousand compared to December 31st, 2019 is related to the modification of the Asset Management Agreement approved by the Board of Directors on March 19th, 2020, which provides for the reduction of management fees by 30 basis points (from 1.10% to 0.80% of the NAV) starting from January 1st, 2020.
For further details, please refer to Chapter 2 "Management" - *Asset Management*.

Personnel costs amount to Euro 1,737 thousand and its breakdown is given in the table below:

(in thousands Euro)	December 31st, 2020	December 31st, 2019
Wages and salaries	(789)	(744)
Social security contribution	(208)	(173)
Severance pay	(59)	(63)
Other personnel costs	(681)	(1,091)
Personnel costs	**(1,737)**	**(2,071)**

The item *wages and salaries,* amounting to Euro 789 thousand, includes:

- wages of Euro 481 thousand;
- bonus to employees of Euro 207 thousand;
- vacation and additional monthly payments of Euro 101 thousand.

The item *other personnel costs*, amounting to Euro 681 thousand, includes:

- board of directors and key managers' fees of Euro 535 thousand;
- social security contributions of directors of Euro 68 thousand;
- training costs, health insurance policies, restaurant tickets and travel expenses of Euro 36 thousand;

- the provisions for risks of Euro 35 thousand;
- fees for temporary workers and reimbursement of expenses for internship contracts for Euro 7 thousand.

As of March 16th, 2020, the Chief Executive Officer, in order to help to limit the Company's internal costs in light of the current market capitalization, in line with the interests of the other shareholders of COIMA RES, confirmed to accept the suspension of the restatement of the annual fixed remuneration and the payment of the variable remuneration starting from 2020 and up to January 1st, 2025.
The suspension of the recalculation of the annual fixed and variable remuneration can be interrupted by Manfredi Catella only and if within that date:

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

As of today, none of the conditions has failed and it is considered remote that even one of them may occur within the approval of the financial statements as of December 31st, 2020.

The Chief Executive Officer has reserved the right to terminate the suspension of the recalculation of the annual fixed and variable remuneration if the market capitalization of COIMA RES reaches a level higher than that recorded at the IPO (i.e. Euro 360 million); only from the occurrence of this event will the relative emolument be determined, without impacting the previous periods.
In consideration of what is reported in the previous lines, the waiver of remuneration for the years 2017, 2018 and 2019 remains unaffected by the terms and conditions set out in the communication by the Chief Executive Officer of February 19th, 2019.

The best current estimate of this contingent liability as of December 31st, 2020, considering what is mentioned above, amounts to Euro 4.2 million.

Regarding the death option, considering the existing agreement with the Chief Executive Officer and the reports described above, the Company made a provision of approximately Euro 391 thousand based on the mortality tables prepared by ISTAT, according to IAS 19 provisions.

The existing agreement with the Chief Executive Officer also provides that, in the event of Manfredi Catella's termination from the position held in the Company for one of the reasons provided for by the agreement in force and described in the Remuneration Report ("***Good Leaver***"), the Company is obliged to pay Manfredi Catella by way of compensation for the damage or, in any case, by way of compensation for the termination of the administration relationship, the greater amount between: (a) Euro 5 million and, (b) three times the total annual remuneration (fixed and variable amount). As of today, the Company considers the possibility of one of the *Good Leaver* hypotheses envisaged in the existing agreement as remote. The best current estimate as of December 31st, 2020 amounts to Euro 5.1 million.

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

- legal, tax and notarial advice for corporate activities;
- brokerage fees;
- technical advice on real estate properties.

Control functions costs amount to Euro 385 thousand and its breakdown is detailed in table below.

(in thousands Euro)	December 31st, 2020	December 31st, 2019
Internal audit and compliance	(56)	(56)
Advisory Committee	(32)	(34)
Risk Management	(82)	(80)
Supervisory board	(27)	(27)
Board of statutory auditors	(124)	(124)
Professional directors	(64)	(42)
Governance and other control functions	**(385)**	**(363)**

Audit costs include the fees paid to the companies that have been appointed as independent auditors and the fees for the revision of the data on the Group's sustainability report.

Marketing expenses relate mainly to costs for digital and media relations (Euro 95 thousand), maintenance of the digital website (Euro 120 thousand), and other costs for corporate events, seminars and conferences (Euro 60 thousand).

IT services costs refer to technical assistance and IT management expenses.

The charges for the *independent appraisers* relate to the assignments given to CBRE Valuation, AXIA RE, Duff & Phelps REAG and Praxi for the preparation of the property reports.

The item *other operating expenses* mainly relates to:
- corporate insurance, equal to Euro 167 thousand;
- costs relating to the management of the Company's registered office, amounting to Euro 46 thousand;
- costs relating to membership fees, Borsa Italiana and Monte Titoli for Euro 66 thousand;
- other administrative costs, for Euro 43 thousand.

7. Other operating expenses

This item, amounting to Euro 165 thousand (Euro 197 thousand as of December 31st, 2019), mainly includes the donations made by the Company to the Luigi Sacco hospital, to Fondo di Mutuo Soccorso of the municipality of Milan and to Buzzi Foundation to deal with the COVID-19 health emergency, which spread to Italy at the end of February 2020.
The financial resources related to the donations, amounting to Euro 236 thousand, partly derive from the waiver of remuneration of Manfredi Catella as member of the Board of Directors, amounting to Euro 90 thousand, and to waiver of emoluments of other directors and key mangers of the Company, for a total amount of Euro 59 thousand.

The other operating costs include the change in *fair value* of the financial instrument granted to the directors and *key managers* of the Company which presents a decrease over the year amounting to Euro 122 thousand.
For more details on the parameters used by the independent expert for calculating the value of the financial instrument, please refer to Note 31 - Trade and other non-current payables.

8. Net depreciation

Net depreciation, amounting to Euro 1,785 thousand (Euro 307 thousand as of December 31st, 2019) mainly include the loss for Euro 1,309 thousand, realized by the early liquidation of the ITALIAN COPPER FUND, resolved on December 11th, 2020 by the Shareholders' Meeting.

The amount also includes depreciation of tangible and intangible fixed assets for Euro 253 thousand, losses on receivables for Euro 150 thousand and the reduction in the value of the properties recorded in the item *inventories* for Euro 73 thousand. The latter adjustment was made based on the appraisal prepared by the independent expert appointed by COIMA CORE FUND IV. For more details on the write-down, see note 21 - Inventories.

9. Net movement in *fair value*

The net movement in *fair value* of the real estate properties shows a negative amount of Euro 11,001 thousand (compared to a positive amount of Euro 10,514 thousand as of December 31st, 2019) and refers to adjustments made to the value of investment properties based on the appraisals prepared by independent experts.
For further details, please refer to paragraph 15 – Real estate investments.

10. Net income attributable to non-controlling interests

This item, amounting to Euro 8,284 thousand, mainly represents the adjustment of the value of investments accounted for using the equity method.

The detail of the most significant investments is shown below.

(in thousands Euro)	Equity as of December 31st 2020 (*)	% owned	Equity owned as of December 31st 2020	Equity value before adjustment	Other transactions	Adjustment to equity value as of December 31st 2020	Adjustment to equity value as of December 31st 2019
Porta Nuova Bonnet Fund	127,904	35.7%	45,675	37,362	31	8,282	8,751
Co – Investment 2SCS	4,360	33.3%	1,455	1,527	(74)	2	13
Net income attributable to non-controlling interests						**8,284**	**8,764**

* The shareholders' equity of entities is calculated in accordance with IAS IFRS.

The value of the investment in Co - Investment 2 SCS was adjusted to the amount indicated in the appraisal prepared by the independent expert. This value of the investment was calculated by adjusting the entire chain of shareholdings belonging to MHREC Sàrl to shareholders' equity and by taking into account the income distributed to subsidiaries during the year.

For further details on the equity investments in place as of December 31st, 2020, please refer to paragraph 17 - Investments accounted for using the equity method.

11. Non-recurring income/ (loss)

Non-recurring income related to the previous year includes the badwill arising from the acquisition of the investments in COIMA OPPORTUNITY FUND I and Feltrinelli Porta Volta, carried out during the fourth quarter 2019.

12. Financial income and expenses

The item *financial income*, amounting to Euro 1,237 thousand (Euro 291 thousand as of December 31st, 2019), mainly includes dividends distributed by ITALIAN COPPER FUND of Euro 1,234 thousand.

Relating to the financial expenses, amounting to Euro 8,304 thousand, the detail is shown below.

(in thousands Euro)	COIMA RES	CORE IV SIINQ I	CORE VI COF I FPV	CORE VIII	Others	December 31st, 2020	December 31st, 2019
Interests of loans	(2,121)	(394)	(1,458)	(2,746)	-	(6,719)	(7,552)
Costs on bank accounts	(5)	(57)	(47)	-	(6)	(115)	(227)
Other financial costs	(1,062)	(40)	(201)	(165)	(2)	(1,470)	(1,897)
Financial expenses	**(3,188)**	**(491)**	**(1,706)**	**(2,911)**	**(8)**	**(8,304)**	**(9,676)**

The decrease on the interests of loans, amounting to Euro 833 thousand, is attributable to extraordinary non-monetary costs recorded during 2019 as part of the refinancing and contribution of the Vodafone property complex. This decrease is partially redeemed by the increase of the interest expense relating to loan agreements of Sarca and Microsoft, indirectly acquired by the Company during the fourth quarter of 2019 through the transaction of COIMA OPPORTUNITY FUND and Feltrinelli Porta Volta.

Other financial costs, amounting to Euro 1,470 thousand, mainly include the amount of the payment flows of *Interest Rate Swap* derivatives, the effect on the income statement of *Interest Rate Cap* derivatives and the costs related to the operation of partial closure of derivatives, amounting to Euro 348 thousand (of which Euro 96 thousand non-cash amount).

13. Income taxes

In accordance with the provisions of the SIIQ regulations, the Company calculates taxes on income from activities other than exempt operations, using the tax rate of 24%.

As of December 31st, 2020, non-exempt operations produced low taxable income.

14. Earnings per share

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

Diluted earnings per share do not differ from basic earnings per share.

Profit and share information used to calculate the basic loss per share is shown below:

(in thousand Euro)	December 31st, 2020	December 31st, 2019
Profit attributable to ordinary shareholders of COIMA RES	15,627	31,973
Weighted average number of ordinary shares outstanding	36,107	36,057
Basic earnings per share (in Euro)	**0.43**	**0.89**
Diluted earnings per share (in Euro)	**0.43**	**0.89**

There were no transactions on ordinary shares between the balance sheet date and the date of preparation of the financial statements.

15. Real estate investments

Changes in investment property as of December 31st, 2020 are shown below:

(in thousands Euro)	Investments	December 31st, 2019	Capex	Revaluations (write-downs)	December 31st, 2020
COIMA RES SIIQ	Monte Rosa	61,100	54	(554)	60,600
	Tocqueville	59,600	49	(149)	59,500
	Pavilion	73,200	-	(500)	72,700
COIMA CORE FUND IV	DB branches	66,204	5	(2,337)	63,872
COIMA CORE FUND VI	Gioiaotto	83,700	-	(1,700)	82,000
COIMA RES SIINQ I	Deruta	47,100	-	(2,700)	44,400
COIMA CORE FUND VIII	Vodafone	213,000	-	(2,000)	211,000
COIMA OPPORTUNITY FUND I	Sarca	62,790	186	(906)	62,070
FELTRINELLI PORTA VOLTA	Microsoft	98,230	1,165	(155)	99,240
Real estate investments		**764,924**	**1,459**	**(11,001)**	**(755,382)**

The amount as of December 31st, 2020 corresponds to the value taken from the appraisals prepared by the independent experts. These reports are drawn up in compliance with the "RICS Valuation - Professional Standards", in accordance with the applicable legislation and the recommendations provided by ESMA - European Securities and Markets Authority.

The column *capex* shows the interventions carried out on the properties in the portfolio during the period, among which the realization of the public spaces near to the Microsoft property for Euro 1,165 thousand and improvements on the Sarca and Microsoft properties for Euro 186 thousand.

The item "*revaluations/(write-downs)*" refers to the changes in the value of properties to bring them into line with their market value, taken from the transactions carried out during the period and the appraisals prepared by the independent experts appointed by the Company or the Funds as of December 31st, 2020.

The following table sets out the parameters used by the independent experts to carry out their assessments:

Independent expert	Property	Discount rate	Conversion rate	Cap out rate	Expected inflation rate	Years of plan
CBRE Valuation	Monte Rosa	5.40%	7.00%	5.20%	1.07%	8.8
	Tocqueville	5.50%	7.45%	3.65%	1.07%	6.7
	Pavilion	4.50%	7.10%	3.40%	1.07%	15.1
	Deruta	5.50%	7.70%	5.40%	1.07%	5
AXIA RE	DB branches (leased)	m. 5.73%	m. 5.73%	m. 3.74%	2.00%	15-20
	DB branches (vacant)	m. 6.17%	m. 6.17%	m. 3.83%	2.00%	15
Duff & Phelps REAG	Gioiaotto (offices)	5.75%	5.75%	4.19%	1.50%	16
	Gioiaotto (tur./ric.)	6.30%	6.80%	4.73%	1.50%	18
	Vodafone	6.10%	6.10%	4.63%	1.50%	10
Praxi	Sarca	6.73%	6.73%	5.04%	1.65%	15
	Microsoft	5.22%	5.22%	3.88%	1.65%	15

The revaluation of the Monte Rosa property, equal to Euro 554 thousand, was determined by the independent expert considering the period of income guaranteed by the lease contracts in force on the valuation date, as well as the timing to return the property to generate income. The change is mainly due to a worsening of the inflation curve and extension of the real estate relocation assumptions, partially redeemed by an improvement in the rates used by the independent expert, in line with what emerged in the reference market in 2020.

The depreciation of the Tocqueville property, equal to Euro 149 thousand, was determined by the independent expert, considering the period of income guaranteed by the lease contracts in force on the valuation date, as well as the expected times for the carrying out of the renovation works and the subsequent return to income of the property at market rents in line with those in place in the Porta Nuova area. The change is mainly due to the worsening of the inflation curve during the 2020, partially redeem by the approach of the proceeds of the contractually established fee.

The decrease of the Pavilion property of Euro 500 thousand is mainly linked to the worsening of the inflation curve during the 2020.

The property located in via Deruta shows a decrease of Euro 2,700 thousand compared to the previous year, attributable to the approaching expiry of the lease contract with BNL, currently scheduled for December 2021, and to the modification of the relocation hypotheses by the independent expert. (who hypothesized a fractional relocation of the spaces to market rents, after adequate renovation works, with complete absorption of the property in three years).

With regard to the evaluation of the Deutsche Bank portfolio, there is a decrease of Euro 2,337 thousand due to the reduction of the inflation curve applied in the estimate schedules.

The valuation relating to Gioiaotto has undergone an increase of Euro 1,700 thousand compared to the valuations of the previous year. The change, mainly connected to the property portion located to NH, is only due to the COVID-19 impact on the hospitality industry.

The valuation of Vodafone real estate complex decreases for Euro 2,000 thousand compared to the previous year, mainly due to the worsening of the inflation curve.

The Microsoft property shows a decrease of Euro 155 thousand mainly due to a decrease in the inflation curve, partially redeemed with the positive change in the rates applied by the Independent Experts in line with the market dynamics found in the local area.

The valuation of the Sarca property shows a decrease of Euro 906 thousand mainly due to a communication of partial release of spaces received from some tenants (Tupperware and Signify).

The following table shows the market values of investment property as of December 31st, 2020 gross and net of transaction costs respectively:

Independent expert	Investments	Gross market value at December 31st, 2020	Net market value at December 31st, 2019
CBRE Valuation	Monte Rosa	62,721	60,600
	Tocqueville	61,583	59,500
	Pavilion	75,245	72,700
	Deruta	45,954	44,400
AXIA RE [8]	Deutsche Bank branches	65,469	63,872
Duff & Phelps REAG [9]	Gioiaotto (offices)	55,043	53,700
	Gioiaotto (tur./ric.)	29,008	28,300
	Vodafone	216,275	211,000
Praxi	Sarca	63,890	62,070
	Microsoft	102,220	99,240

The "*non-current assets held for sale*" item, amounting to Euro 4,300 thousand (Euro 23,500 thousand as of December 31st, 2019) includes the Deutsche Bank branch located in Milan, in Via dei Martinitt, whose sale has been completed on January 15th, 2021.

[8] The valuation reports prepared by Axia RE do not show the gross market value but only the percentage range relating to the transaction costs to be taken into consideration. The value shown in the table was calculated by applying 2.5% of transaction costs.

[9] The valuation reports prepared by Duff & Phelps do not show the gross market value but only the percentage range relating to the transaction costs to be taken into consideration. The value shown in the table was calculated by applying 2.5% of transaction costs

16. Other tangible and intangible fixed assets

Other tangible fixed assets, amounting to Euro 1,381 thousand (Euro 1,582 thousand as of December 31st, 2019), mainly include the right of use of the space located to the Group for the complete contract duration (*i.e., rights of use*), the furniture and fixtures relating to the Company's headquarters.

(in thousands Euro)	December 31st, 2019	Increases / (decreases)	December 31st, 2020
Furniture and fixtures	72	-	72
Installations	284	-	284
Other tangible assets	7	-	7
Rights of use	1,405	1	1,406
Original costs	**1,768**	**1**	**1,769**
Furniture and fixtures	(15)	(6)	(21)
Installations	(55)	(23)	(78)
Other tangible assets	(4)	(2)	(6)
Rights of use	(112)	(171)	(283)
Depreciation fund	**(186)**	**(202)**	**(388)**
Net book value	**1,582**	**(201)**	**1,381**

As of today, the Group has three lease agreements in place:

- the registered office in Milan, Piazza Gae Aulenti n.12;
- a garage located in Milan, Viale Fulvio Testi n.282, subleased to Philips S.p.A.;
- the control room of the Vodafone property complex located in Milan, Via Lorenteggio 240;

whose right of use, net of depreciation for the period, has a total amount of Euro 1,123 thousand.

Intangible assets, amounting to Euro 257 thousand (Euro 188 thousand as of December 31st, 2019), refer to (administrative and accounting) software in implementation. This increased by Euro 69 thousand compared to last year due to the development of implementation activities carried out during the period, net of depreciation for the period.

17. Investments accounted for using the equity method

Investments accounted for using the equity method amounts to Euro 47,131 thousand (Euro 33,675 thousand as of December 31st, 2019) and includes the investment in the Porta Nuova Bonnet fund and Co - Investment 2 SCS, held indirectly through MHREC Sàrl.

Porta Nuova Bonnet Fund owns a complex undergoing complete redevelopment located in Milan, in the Porta Nuova district known as Corso Como Place. The project, started in 2017, has been completed in 2020 and handed over to tenants Accenture and Bending Spoons at the beginning 2021.

The company Co - Investment 2SCS, is part of the corporate chain headed by MHREC Sàrl,which was set up to manage, together with other investors, a real estate development in the Porta Nuova area in Milan. With the sale of the 58.6% stake in the Porta Nuova Varesine Real Estate Fund by Le Varesine Sàrl, the company chain does not hold any real estate property and is not currently engaged in other activities.

Changes in the most significant equity investments as of December 31st, 2020 are shown below:

(in thousand Euro)	% owned	December 31st, 2019	Increases (decrease)	Net income	December 31st, 2020
Porta Nuova Bonnet	35.7%	32,147	5,246	8,282	45,675
Co – Investment 2 SCS	33.3%	1,527	(74)	2	1,455
Other investments	<4.0%	1	-	-	1
Investments in associated companies		**33,675**	**5,172**	**8,284**	**47,131**

The column *increases* mainly refers to the amounts paid by the Company during the year in anticipation of the costs to be incurred for the development of the Corso Como Place project.

Below is a summary of the amounts paid to Porta Nuova Bonnet Fund and the remaining amount to be paid.

(in thousand Euro)	Amount paid
Equity recalls 2016	13,214
Equity recalls 2017	643
Equity recalls 2018	2,196
Equity recalls 2019	3,464
Equity recalls 2020	5,214
Amount paid	**24,731**
Amount committed	25,000
Remaining amount to be paid	**269**

It should be noted that regarding Co - Investments 2, the valuation of Euro 1,455 thousand is supported by the opinion of an independent expert.

18. Financial assets at fair value

As of December 31st, 2019, financial assets at *fair value* were referred to the investment of about 13% in ITALIAN COPPER FUND. On December 11th, 2020 the Shareholder's meeting resolved the anticipated liquidation of the fund, following the sale of the entire portfolio, which was composed of five technical real estate properties based in north and central Italy located by Telecom.

19. Deferred tax assets

Deferred tax assets, amounting to Euro 20 thousand as of December 31st, 2020 (Euro 10 thousand as of December 31st, 2019), mainly refer to receivables claimed by MHREC Sarl.

20. Derivatives

Derivatives, amounting to Euro 40 thousand, refer to interest rate cap derivative agreements entered into to hedge the cash flows linked to existing loans.

The changes during the period are shown below.

(in thousand Euro)	December 31st, 2019	Adjustment to fair value	December 31st, 2020
COIMA RES SIIQ	34	(28)	6
COIMA CORE FUND VI	3	(1)	2
COIMA RES SIINQ I	1	(1)	0
COIMA OPPORTUNITY FUND I	0	0	0
COIMA CORE FUND VIII	120	(88)	32
Derivatives	**158**	**(118)**	**40**

During the year the Company, following the reimbursement of the loans amounting to Euro 17,700 thousand, has partially closed the related *interest rate cap* contract in order to align the notional value of the derivative at the nominal value of the loan. This operation has led to a non-monetary cost amounting to Euro 96 thousand, recorded in the item *financial expenses*.

In accordance with IFRS 9, the *fair value* of derivatives has been separated into two components: the intrinsic value (*intrinsic value*), amounting to the actual value of the derivative in the case of immediate exercise, and the time value (*time value*), i.e. how much a buyer would be willing to pay over the intrinsic value. The Company recognised the change in *fair value* relating to the time effect of the derivatives, amounting to Euro 270 thousand (net of the effect on the income statement, amounting to Euro 388 thousand) and their intrinsic component in the cash flow hedge reserve, which at the balance sheet date had a zero balance.

21. Current financial receivables

Current financial receivables, amounting to Euro 1,620 thousand are related to loans granted by MHREC Sàrl to the associate company Co - Investment 2 SCS.
This item was originally classified among the non-current financial receivables and it was reclassified among the current assets as the related amount will presumably be collected within 12 months.

22. Inventories

Inventories, amounting to Euro 2,707 thousand (Euro 2,780 thousand as of December 31st, 2019), include the vacant Deutsche Bank portfolio branches, respectively located in Livorno, Padova and Novedrate.

The decrease, amounting to Euro 73 thousand compared to the previous financial year, is attributable to the value adjustment made on the basis of the appraisal prepared by the independent expert.

For further details on the parameters used by the independent expert in the valuation, please refer to paragraph 15 - Real estate investments.

23. Trade and other current receivables

Trade receivables and other current receivables as of December 31st, 2020 and December 31st, 2019 are detailed below.

(in thousands Euro)	December 31st, 2020	December 31st, 2019
Receivables from tenants	11,026	5,387
Receivables from buyers	-	800
Trade receivables	**11,026**	**6,187**
Tax receivables	133	1,753
Other receivables	942	320
Accrued income and prepaid expenses	1,609	1,698
Other current receivables	**2,684**	**3,771**
Trade receivables and other current receivables	**13,710**	**9,958**

Receivables from tenants increased by Euro 5,639 thousand mainly due to the anticipated invoicing of rents related to the first quarter 2021, amounting to Euro 5,376 thousand.
The remaining part of the receivables from tenants relates to the effects of the normalisation of lease payments, (accounted in accordance with IFRS 16) of Euro 4,149 thousand, invoices to be issued for Euro 963 thousand and outstanding receivables for Euro 538 thousand.
As of December 31st, 2020, trade receivables are shown net of write-downs relating to uncollectible amounts or collections that are deemed unrealizable.

Tax receivables consist mainly of consolidated VAT receivables. The decrease of Euro 1,620 thousand compared to the previous year is largely due to the offsetting of the receivable with other taxes and duties.

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

Accrued income and prepaid expenses mainly include prepaid expenses by the Group related to the future, among which are contributions to tenants for improvements and enhancement works that will be amortized over the contractual period *(landlord contribution*).

24. Cash and cash equivalents

The Company's cash and cash equivalents, amounting to 48,653 thousand Euro, are held at the following institutions:

(in thousands Euro)	December 31st, 2020	December 31st, 2019
BNP Paribas	21,668	15,051
DepoBank	12,228	11,175
ING Bank N.V.	3,893	3,752
Banca Passadore	3,621	1,515
UBI Banca	2,619	-
Intesa San Paolo	1,593	3,308
Unicredit	1,586	7,252
Banco BPM	1,285	453
Société Générale Group	160	186
Cash	0	1
Cash and cash equivalents	**48,653**	**42,693**

The institutions Banca Passadore, Banco BPM and UBI mainly include the parent company's available liquidity.

Cash and cash equivalents of Unicredit and Intesa San Paolo include five pledged current accounts and two unpledged accounts (called *distribution accounts*) which were opened following the signing of the loan agreements relating to the Deutsche Bank branches, Monte Rosa, Tocqueville and Pavilion properties. The distribution accounts contain the amounts that the Company can freely use after the quarterly verification of the covenants of the loan agreements.

The cash on the current account of BNP Paribas constitutes the cash of COIMA CORE FUND IV, COIMA OPPORTUNITY FUND I and Feltrinelli Porta Volta at the custodian bank.

The amount exposed to DepoBank refers to the cash in the current accounts of COIMA CORE FUND VIII and COIMA CORE FUND VI. Among the various accounts opened with a positive balance, two accounts are pledged against the financing banks.

ING Bank N.V. includes the liquidity of COIMA RES SIINQ I and the Lorenteggio Village Consortium, deriving from the collection of BNL lease payments and the charges of the consortium members of the Vodafone property complex.
Some accounts of COIMA RES SIINQ I are pledged in favour of the financing bank.

Société Générale Group includes the liquidity available in the company MHREC Sàrl.

25. Shareholders' equity

The Group's shareholders' equity as of December 31st, 2020 amounted to Euro 445,454 thousand (Euro 440,110 thousand as of December 31st, 2019) and is composed as shown in the consolidated financial statements.

The share capital, equal to Euro 14,482 thousand is represented by no. 36,106,558 shares with no par value.
The valuation reserve is negative, amounting to Euro 1,428 thousand, and reflects the change in the *fair value* of

hedging derivatives, as required by IFRS 9.

The following table shows the reconciliation between individual and consolidated shareholders' equity and profit for the year as of December 31st, 2020:

(in thousands Euro)	Profit for the year	Shareholders' equity
COIMA RES SIIQ as of December 31st 2020	**10,934**	**402,769**
Subsidiaries	17,664	(418,705)
Companies and entities consolidated	12,016	509,997
Dividends	(28,937)	-
Badwill arising from acquisitions in equity investments	-	1,970
Net income attributable to non-controlling interest	8,284	20,391
Consolidated value as of December 31st, 2020	**19,961**	**516,422**
Minorities	(4,334)	(70,968)
Consolidated Group Value as of December 31st, 2020	**15,627**	**445,454**

The item “*subsidiaries*” includes the write-down of the equity investments in COIMA CORE FUND IV and COIMA CORE FUND VIII for Euro 17,664 thousand, and the reversal of the total value of the equity investments, amounting to Euro 418,705 thousand.
In the column “profit for the year”, the item "companies and entities consolidated” includes the profit of subsidiaries, while the column “shareholders' equity” includes the reversal of the values of share capital, reserves, retained earnings and results of subsidiaries, gross of dividends distributed.
The item dividends represent the reversal of income distributed to COIMA RES by subsidiaries.

26. Bank borrowings

Non-current bank borrowings, amounting to Euro 316,973 thousand, include the financial indebtedness contracted by the Company and its subsidiaries, whose movements are shown below.

(in thousands Euro)	December 31st, 2019	Reimbursements	Amortised cost / other transactions	Reclassifications	December 31st, 2020
COIMA RES SIIQ	99,132	(1,674)	500	-	97,958
COIMA CORE FUND VI	47,640	-	191	-	47,831
COIMA RES SIINQ I	19,859	-	68	-	19,927
COIMA CORE FUND VIII	125,841	-	408	-	126,249
COIMA OPPORTUNITY FUND I	25,016	-	(8)	-	25,008
FELTRINELLI PORTA VOLTA	22,745	(424)	(330)	(21,991)	-
Non-current bank borrowings	**340,233**	**(2,098)**	**829**	**(21,991)**	**316,973**
COIMA RES SIIQ	16,140	(16,026)	(114)	-	-
COIMA CORE FUND VIII	-	-	14	-	14
FELTRINELLI PORTA VOLTA	-	-	12	21,991	22,003
Current bank borrowings	**16,140**	**(16,026)**	**(88)**	**21,991**	**22,017**
Bank borrowings	**356,373**	**(18,124)**	**741**	**-**	**338,990**

During the year, the Company repaid a portion of the outstanding loans for a total amount of Euro 17,700 thousand (of which Euro 10,105 thousand relating to the financing of Tocqueville and Monte Rosa properties and Euro 7,595 thousand relating to the Deutsche Bank loan). This repayment was made using the liquidity deriving the sold of its branches.

Relating to the Feltrinelli Porta Volta loan, the fund has submitted to the lending bank a request for an extension of the maturity date, scheduled on December 21st, 2020, and a change to some contractual conditions, whose terms were defined in the amendment finalised on February 17th, 2021.
At the expiration date, the fund has reimbursed Euro 424 thousand based on the current conditions of the loan agreement which provides the anticipated repaid amounting to the sum of the VAT receivable used by the fund or redeemed with other taxes and duties.

On October 27th, 2020, the Company signed a Revolving Credit Facility ("**RCF**") with Banco BPM S.p.A group amounting to Euro 10 million with expiration date in 18 months. As of December 31st, 2020, the Company has no financial exposures with this institute.

For more information on existing financing, a summary table with economic details is provided:

(in thousands Euro)	**December 31st, 2020**	**Maturity**	**Rate**	**% hedged**
Deutsche Bank branches	30,541	July 16th, 2023	Eur 3M + 180 bps	100%
Monte Rosa, Tocqueville	40,657	July 16th, 2023	Eur 3M + 160 bps	100%
Pavilion	26,760	October 31st, 2023	Eur 6M + 150 bps	93%
Gioiaotto	47,831	March 31st, 2022	Eur 3M + 150 bps	80%
Deruta	19,927	January 16th, 2022	Eur 3M + 160 bps	80%
Vodafone	126,249	June 27th, 2024	Eur 3M + 180 bps	80%
Sarca	25,008	November 1st, 2022	Eur 3M + 175 bps	80%
Microsoft	21,991	December 21st, 2020	Eur 6M + 205 bps	n.a.

To hedge existing loans, the entities have entered into derivative contracts in the form of *Interest Rate Cap* and *Interest Rate Swaps*. These transactions take the form of cash flow hedges of outstanding loans, falling within the scope of *hedge accounting*.
For further details on derivative financial instruments, see paragraphs 20 and 30 - Derivatives.

The financial covenants are checked every quarter or half year by the entities of the Group, as required by the existing contracts.

Below are the indicators for each entity as of December 31st, 2020:

	Covenant	Limits	Test result as of December 31st, 2020
Deutsche Bank branches Monte Rosa Tocqueville	LTV Portfolio LTV Consolidated ICR Portfolio ICR/DSCR Consolidated	<60% <60% >1.8x >1.4x	37.6% 42.6% 4.7x 4.6x
Pavilion	LTV Portfolio	<65%	36.8%
Vodafone	LTV ICR-BL ICR-FL	<65% >2,25x >2,25x	60.6% 5.4x 4.3x
Gioiaotto	LTV ICR	<65% >1.75x	58.6% 4.0x
Sarca	LTV ICR	<55% >2x	40.3% 6.3x
Microsoft	LTV	<60%	22.2%
Deruta	LTV ICR-BL ICR-FL	<55% >3.0x >3.0x	45.0% 10.0x 10.2x

The above indicators confirm that the covenants set out in the loan agreement have been maintained.

As for the guarantees granted by the entities to the banks, please refer to paragraph 36 - Risks, guarantees and commitments.

27. Non-current financial liabilities

This item, amounting to Euro 1,140 thousand (Euro 1,301 thousand as of December 31st, 2019), includes financial liabilities for the payment of lease payments relating to existing lease agreements, in accordance with IFRS 16. This liability is equal to the present value of the future cash flows expected for the duration of the contract. For further details please refer to paragraph 16 - Other tangible and intangible assets.

28. Payables for post-employment benefits

The balance of the Employee Severance Indemnity (TFR) as of December 31st, 2020, amounting to Euro 100 thousand (Euro 71 thousand as of December 31st, 2019) concerns the debt relating to some Company employees. The movement of the fund was also characterized by the provision and the subsequent transfer to external funds of the TFR relating to two managers of the Company.

29. Provisions for risks and charges

This amount, totalling Euro 391 thousand (Euro 373 thousand as of December 31st, 2019), refers to the payment to cover the risks relating to the contracts in place with the CEO. For further information, please read the personnel costs details described in paragraph 6 – G&A expenses.

30. Derivatives

Derivative financial instruments classified as liabilities, amounting to Euro 1,663 thousand (Euro 1,888 thousand as of December 31st, 2019), refer to *Interest Rate Swaps* entered into to hedge the cash flows relating to loans for the Vodafone, Monte Rosa, Tocqueville and Pavilion properties.

During the year the Company, after the existing loans amounting to Euro 17,700 thousand were repaid, has partially closed the related Interest Rate Swap contract in order to align the notional of the derivative to the value of the underlying nominal. This transaction has due to closing costs amounting to Euro 252 thousand, entered in the item *financial expenses.*

The *Interest Rate Swap* contract is entered into in order to hedge the Euribor reference rate and its variations by paying a fixed rate which represents the total cost of funding for the entire duration of the swap contract.

The Company has accounted for hedging transactions based on hedge accounting, verifying the effectiveness of the hedging relationship. In order to test the effectiveness of existing derivatives, the *hedged item* was identified, at the start date of the hedge, with a hypothetical derivative ("*hypothetical derivative*"). This derivative must perfectly cover the risks caused by the exposure both in terms of the underlying and in contractual terms (notional, indexing, etc.). Finally, the hypothetical stipulation must take place at market conditions on the date the hedging relationship was established.
The changes in *fair value* have been recognized in the valuation reserve, net of what is recorded in the income statement in the event of ineffectiveness.
The *fair value* measurements of the derivatives also took account of any adjustments to be made as a result of the deterioration of one of the banking counterparties or of the Company itself, also taking account of any guarantees given by the Company to the Banks.

31. Trade and other non-current liabilities

Trade payables and other non-current liabilities are detailed below:

(in thousands Euro)	December 31st, 2020	December 31st, 2019
Financial instruments	876	998
Advances and deposits	831	835
Trade and other non-current liabilities	**1,707**	**1,833**

The financial instrument recorded at *fair value* was issued by the Company and acquired by management for a nominal value of Euro 1 thousand. As of December 31st, 2020, the instrument was valued at Euro 876 thousand following an appraisal prepared by an external consultant and considering the estimates made by the company, with no changes in value compared to the previous year.
The appraiser expressed his opinion on the *fair market value* of the equity instrument issued by the Company in favour of certain managers on the basis of the instrument's settlement, based on the fact that the Company is listed and on the expected cash flows in three different scenarios (*base, downside and upside*).
The valuation was carried out in application of the financial criterion. It estimates the value of an *asset* as the sum of expected cash flows, discounted at a rate that expresses the systematic risk of the investment. The valuation model has been set up as follows:

- the reference date was December 31st, 2020;
- the estimate was made by assuming the expected annual cash flows from the *Promote Fee* over the period 2021-2030. Average-weighted cash flows were considered in three separate scenarios (*base, downside and*

upside). For estimating the expected cash flows, the flows of the three scenarios were weighted (respectively by 33.33% each one);

- for estimating the annual cash flows of the holders of the instrument, the average-weighted annual flows deriving from the *Promote Fee* were 60%. This is in line with what is provided for in the Instrument Regulations;
- the average-weighted cash flows of the holders of the instrument have been discounted, at December 31st, 2020, at a discount rate expressing the average return expected on investments having a risk profile comparable to that of the investment in the instrument. This discount rate, equal to 4.0%, was quantified by the consultant according to the CAPM ("*Capital Asset Pricing Model*") approach and is equal to the cost of the Company's own capital, expressing the systematic (non-diversifiable) risk associated with the business activities from which cash flows depend, in the last instance, those of the instrument.

The discount rate was estimated by the consultant assuming the following parameters:

- *risk-free* rate of 0.34%. This figure is equal to the average of the returns (without considering taxes) as of December 31st, 2020, of the Italian public debt securities with a residual maturity of 8 years;
- Beta coefficient of 0.60. In details, the Beta coefficient was determined: (i) assuming the average *unlevered* Beta (0.46) 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 consider the target financial structure of COIMA RES (i.e. ratio net funding position / equity amounted to 40%);
- ERP of 6.12%. This figure corresponds to most recent measure of *forward looking* ERP compared to the estimate date, deducted from empirical observations of the market (source: NYU Stern *School of Business*).

The item *advances and deposits* refers to deposits and advances paid by tenants.

32. Trade and other current liabilities

Trade payables and other current payables are made up as shown in the table below.

(in thousands Euro)	December 31st, 2020	December 31st, 2019
Accounts payables	2,464	2,128
Deposits paid by buyers	1,104	3,502
Invoices to be received	2,381	2,970
Trade liabilities	**5,949**	**8,600**
Personnel payables	308	261
Tax payables	287	148
Security providers payables	85	70
Other payables	1,877	1,812
Accrued expenses and deferred income	6,251	1,645
Other liabilities	**8,808**	**3,936**
Trade and other current liabilities	**14,757**	**12,536**

Accounts payables mainly include liabilities to COIMA SGR relating to asset management services.

The item *deposits paid by buyers* refers to advances paid to COIMA CORE FUND IV for the sale of the branch ended in January 2021, described in paragraph 15 – Real estate investments.

Invoices to be received mainly consist of facilities maintenance services, withholdings to guarantee related to the work carried out on the properties, pro-forma invoices received from consultants for legal, tax and administrative services made during the fourth quarter 2020 and other marketing and IT services.

The item *other payables* mainly includes payables for dividends approved in 2020 for the third parties, amounting to Euro 1,032 thousand and payables to other corporate bodies amounting to Euro 312 thousand.

*Deferred income*s mainly relate to the anticipated invoicing of rents related to the first quarter 2021.

The residual amount of the balance sheet item mainly includes liabilities to personnel for bonus, tax payables and credit notes to be issued.

33. Current tax payables

This item, amounting to Euro 31 thousand (Euro 21 thousand as of December 31st, 2019), mainly refers to taxes payable by MHREC Sàrl.

34. Information on transfers of financial assets portfolios

The Company has not made any transfers between financial assets portfolio 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. considering the best use of the assets from the perspective of market participants;
- liabilities (financial and non-financial) and equity instruments (i.e. shares issued as consideration in a *business combination*) must be transferred to a market participant as at the measurement date. In the process of measuring the fair value of a liability it is necessary to identify the risk of default of the counterparty, which also includes credit risk.

The general rules for preparing fair value measurement techniques should be adjusted based on the circumstances, configured 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 carrying amount and *fair value* of the Company's assets and liabilities as of December 31st, 2020 is shown below.

(in thousands Euro)	December 31st, 2020		December 31st, 2019	
	Net book value	Fair Value	Net book value	Fair Value
Real estate investments	755,382	755,382	764,924	764,924
Other tangible assets	1,381	1,381	1,582	1,582
Intangible assets	257	257	188	188
Investments accounted for using the equity method	47,131	47,131	33,675	33,675
Financial assets at fair value	-	-	4,593	4,593
Deferred tax assets	20	20	10	10
Derivatives	40	40	158	158
Non-current financial receivables	-	-	1,620	1,620
Inventories	2,707	2,707	2,780	2,780
Current trade and financial receivables	15,330	15,330	9,958	9,958
Cash and cash equivalents	48,653	48,653	42,693	42,693
Non-current assets held for sale	4,300	4,300	23,500	23,500
Assets	**875,201**	**875,201**	**885,681**	**885,681**
Non-current bank borrowings	316,973	320,557	340,233	342,371
Other liabilities	17,250	17,250	15,137	15,137
Derivatives	1,663	1,663	1,888	1,888
Financial instruments	876	876	998	998
Current bank borrowings	22,017	22,017	16,140	16,355
Liabilities	**358,779**	**362,363**	**374,396**	**376,749**

The Company does not own capital instruments valued at cost.

The summary table below shows the hierarchy in the measurement of the fair value as of December 31st, 2020 and December 31st, 2019.

(in thousands Euro)	December 31st, 2020			
	Total amount	Quoted prices in active markets (Level 1)	Observable inputs (Level 2)	Unobservable inputs (Level 3)
Real estate investments	755,382	-	-	755,382
Other tangible assets	1,381	-	-	1,381
Intangible assets	257	-	-	257
Investments accounted for using the equity method	47,131	-	-	47,131
Deferred tax assets	20	-	-	20
Derivatives	40	-	40	-
Inventories	2,707	-	-	2,707
Trade and financial current receivables	15,330	-	-	15,330
Cash and cash equivalents	48,653	-	-	48,653
Non-current assets held for sale	4,300	-	-	4,300
Assets	**875,201**	**-**	**40**	**875,161**
Non-current Bank borrowings	320,557	-	320,557	-
Other liabilities	17,250	-	-	17,250
Derivatives	1,663	-	1,663	-
Financial instruments	876	-	-	876
Current bank borrowings	22,017	-	-	22,017
Liabilities	**362,363**	**-**	**322,220**	**40,143**

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

36. Risks, guarantees and commitments

Risks to which the company is subjected and the related mitigations are explained in Paragraph 3 "Governance" – *How we manage risks.*

Guarantees and commitments

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

As for the loan related to Deutsche Bank portfolio:

- first mortgage of Euro 298,550 thousand;
- pledge on the COIMA CORE FUND IV units;
- pledge on operating bank accounts linked to the loan agreement.

As for the loan related to Monte Rosa and Tocqueville:

- first mortgage of Euro 140,000 thousand;
- pledge on the COIMA CORE FUND IV units;
- pledge on operating bank accounts linked to the loan agreement;
- disposal of receivables related to rents, insurance claims and any other receivables arising from disputes against consultants engaged for the *due diligence* on the property.

As for the loan related to Pavilion:

- first mortgage of Euro 63,000 thousand;
- pledge on operating bank accounts linked to the loan agreement;
- disposal of receivables related to rents, insurance claims and any other receivables arising from disputes against consultants engaged for the *due diligence* on the property.

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

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

Following the financing sign of the existing properties, COIMA CORE FUND VI has allowed these following guarantees to the financing banks:

- first mortgage amounting to Euro 156,000 thousand;
- pledged on the DEPObank bank accounts;
- sales of loans, in favour of the Financing Bank, deriving from rental agreements, insurance contracts and financial guarantees issued in favour of the Fund as guarantee of the correct fulfilment of the obligations deriving from the rental agreements by the tenants.

Furthermore, COIMA CORE FUND VI, has committed to contribute to the modernization and redevelopment of the Gioiaotto property made by NH Hotel tenant amounting to Euro 1,400 thousand, of which Euro 1,260 thousand already paid.

Regarding the participation of COIMA OPPORTUNITY FUND I, COIMA CORE FUND VI has residual capital payment commitments amounting to Euro 17.4 million.

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

- first degree mortgage for Euro 255,600 thousand;
- pledge on operating current accounts linked to the loan agreement;

- assignment of receivables deriving from the Vodafone lease agreement, insurance claims and any receivables deriving from disputes with consultants employed for *due diligence* on Vodafone.

As for COF I, the entity has agreed the following guarantees to the bank:
- first mortgage of Euro 50,000 thousand;
- pledge on operating bank accounts linked to the loan agreement;
- disposal of receivables related to rents, insurance claims and guarantees issued in favour of the fund.

Finally, regarding the financing of Feltrinelli Porta Volta, the guarantees granted are as follows:
- first mortgage for Euro 80,800 thousand;
- pledge on operating current accounts linked to the loan agreement;
- assignment of receivables arising from insurance and guarantees issued in favour of the fund.

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

The Company has a commitment of Euro 25,000 thousand to the Porta Nuova Bonnet Fund, almost totally paid as of December 31st, 2020, with a residual amount to be recalled of Euro 269 thousand. For further details please refer to paragraph 17 - Investments accounted for using the equity method.

On June 11th, 2020 COIMA RES has signed a binding agreement for the acquisition of a stake between the 10% and the 25% in the Porta Nuova Gioia real estate fund, manged by COIMA SGR, owner of the building under renovation called Gioia 22, located in Milan, in Via Melchiorre Gioia 22.
The closing of the transaction is expected at the end of 2021 or at the beginning of 2022 and it is subject to the occurrence of some precedent conditions, among which the achievement of the 75% of the real estate *occupancy.* The stake that will be acquired by COIMA RES in the Porta Nuova Gioia real estate fund will be determined by the Company, at its discretion, within the aforementioned interval, near the closing. At the date, the estimated purchase price is between Euro 22 million and Euro 56 million.

37. Related party transactions

Details of transactions with related parties are provided below:

(in thousands Euro)	Receivables	Liabilities	Income	Costs
COIMA SGR S.p.A.	205	1,859	-	4,152
COIMA S.r.l.	-	218	-	732
Infrastrutture Garibaldi - Repubblica	-	1	-	5
Porta Nuova Garibaldi consortium	-	51	-	174
Porta Nuova Garibaldi Fund	690	760	-	116
Riccardo Catella Foundation	-	12	-	8
Co - Investment 2 SCS	1,694	-	-	-
Senior managers	-	51	-	228
Directors	-	1,268	-	465
Board of Statutory Auditors	-	124	-	124
Others	-	13	-	113

Also note that the Company has signed the following service agreements with related parties in line with market standards:

- Asset Management Agreement with COIMA SGR S.p.A.;
- Agreement with COIMA S.r.l. for the supply, by the latter, of development and project management services, as well as property and facility management services;
- Lease agreement related to the new headquarter of the Company signed on July 21st, 2017, with Porta Nuova Garibaldi Fund, managed by COIMA SGR S.p.A..

Asset Management Agreement

As of March 19th, 2020, Board of Directors approved the changes made to the Asset Management Agreement with COIMA SGR, summarized below:

- reduction of *management fee* to: (i) 80bps in face of 110 bps previously provide, up to an amount of the total net value of the real estate assets amounting to 1 billion; (ii) to 60 bps in face of the 85 bps, in addition to Euro 1 billion and (iii) up to 1.5 billion and 55 bps in face of 50 bps in addition to Euro 1.5 billion;
- extension of the deadline until January 1st, 2025, which will be renewed for a further five years, unless cancelled by one of the parties to be communicated to the other with a notice of at least 12 months, for the period from January 1st, 2020 to January 1st, 2025 ("First Period") and the subsequent five-year period ("Second Period"), or at least 18 months, as regards the five-year periods subsequent to the First Period and the Second Period;
- elimination of the *termination penalty* in the event of withdrawal by the Company starting from the expiry of the Second Period (i.e., starting from January 1st, 2030) and on condition that the withdrawal is communicated by the Company with 18 months' notice, with simultaneous termination of the exclusivity clause starting from the receipt of the notice of withdrawal;
- insertion of a *cap* amounting to Euro 110,000 beyond which the fixed annual remuneration of the Company's Chief Executive Officer cannot be deducted from the *asset management fee* due to Coima SGR;
- modification of the clause relating to the confidentiality obligations in order to introduce an explicit reference to the rules on market abuse, as well as the clause relating to compliance with the so-called 231 Model adopted by the Company.

Property and Development Management Agreement

During the month of December 2020, the Company, as required by the master agreement with COIMA S.r.l., completed the annual review of the economic conditions of the *property and development management* agreement. This process involved only the modification of the contractual duration of the master agreement, which was aligned with the expiry of the Asset Management contract in place with COIMA SGR, i.e., January 1st, 2025.

Publication of audit fees pursuant to art. 149-duodecues of Consob Regulation No. 11971 of 14 May 1999

We report in this table a detail of the fees paid to the auditing company which has been assigned the audit assignment pursuant to Legislative Decree 39 as of January 27th, 2010, and to the entities in the network to which the auditing company belongs:

(in thousands Euro)	Object	Audit firm	Remunerations
Legal review (*)	Parent Company	EY S.p.A.	188
Legal review (**)	Subsidiary	EY S.p.A.	14
Review of sustainability report	Parent Company	EY S.p.A.	16
Total			**218**

(*) These fees refer to the statutory audit of the consolidated financial statements, the separate financial statements and the half-year consolidated financial statements of COIMA RES SIIQ and to the limited audit of the accounting prospectus as of 30 September 2020, aimed at issuing the opinion for the distribution of the interim dividends. of COIMA RES SIIQ pursuant to article 2433 bis of the Civil Code. The amount includes the remunerations (expenses included) of Euro 177 thousand and the CONSOB contribution, estimated by the Company of Euro 11 thousand.
(**) These fees refer to the statutory audit of the COIMA RES SIINQ I financial statements (expenses included).

E-MARKET SDIR CERTIFIED

RECOMMENDATIONS N. DEM/9017965. FEBRUARY 26th, 2009

1. Representation of the property portfolio

Category	Net book value as the date of the report	Accounting criteria	Fair value as the date of the report	Last evaluation report date
Real estate investments:				
Monte Rosa		IAS 40 Fair Value	60,600	December 31st, 2020
Tocqueville		IAS 40 Fair Value	59,500	December 31st, 2020
Pavilion		IAS 40 Fair Value	72,700	December 31st, 2020
Deutsche Bank branches		IAS 40 Fair Value	63,872	December 31st, 2020
Gioiaotto		IAS 40 Fair Value	82,000	December 31st, 2020
Deruta		IAS 40 Fair Value	44,400	December 31st, 2020
Vodafone		IAS 40 Fair Value	211,000	December 31st, 2020
Sarca		IAS 40 Fair Value	62,070	December 31st, 2020
Feltrinelli		IAS 40 Fair Value	99,240	December 31st, 2020
Total amount			**755,382**	
Inventories:				
Deutsche Bank branches		IAS 2	2,707	December 31st, 2020
Total amount			**2,707**	
Non-current assets held for sale:				
Deutsche Bank branches		IFRS 5	4,300	December 31st, 2020
Total amount			**4,300**	

2. Overall debt financial situation of the Group

Real estate investment properties	Net book value	Loan	Type of loan	Maturity date	Significant agreements terms
Deutsche Bank branches	66,579	30,541	Bullet	July 16th, 2023	Financial covenants – Note 26
Monte Rosa	60,600	20,741	Bullet	July 16th, 2023	Financial covenants – Note 26
Tocqueville	59,500	19,916	Bullet	July 16th, 2023	Financial covenants – Note 26
Pavilion	72,700	26,760	Bullet	October 31st, 2023	Financial covenants – Note 26
Gioiaotto	82,000	47,831	Bullet	March 31st, 2022	Financial covenants – Note 26
Deruta	44,400	19,927	Bullet	January 16th, 2022	Financial covenants – Note 26
Vodafone	211,000	126,249	Bullet	June 27th, 2024	Financial covenants – Note 26
Sarca	62,070	25,008	Bullet	November 1st, 2022	Financial covenants – Note 26
Microsoft	99,240	21,991	Bullet	December 21st, 2020	Financial covenants – Note 26

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, 2020

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, regarding 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;
   - can provide 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 25th, 2021

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

INDEPENDENT AUDITORS' REPORT

Building a better working world

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

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

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Coima Res S.p.A. SIIQ

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Coima Res Group (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit/(loss) for the year, the consolidated statement of other items in the comprehensive income statement, the consolidated statement of changes in shareholder's equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, 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 the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Coima Res S.p.A. SIIQ in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

EY S.p.A.
Sede Legale: Via Lombardia, 31 - 00187 Roma
Capitale Sociale Euro 2.525.000,00 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
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
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

EY
Building a better working world

We identified the following key audit matter:

Key Audit Matter	Audit Response
Valuation of real estate portfolio	
Investment properties are stated at fair value in accordance with International Financial Reporting Standards IAS 40 Investment properties, recognizing the effects of changes of fair values in the income statement. Management has estimated fair value based on the reports prepared by independent experts. The fair value estimate involves the use of fair value models which require forecasting future costs and revenues of each property and the use of assumptions about the occupancy rate of properties, the markets trends of real estate and financial markets, also considering the effects of the current Covid-19 pandemic, as well as the general economic conditions that affect the rent and the reliability of the tenants. We considered that this item represents a key audit matter, due to the relevance of the investment properties stated at fair value and changes in fair value over the accounting periods, the judgment required by Management in assessing the above mentioned assumptions used in the fair value models, as well as the effects on the Company's and Group's key performance indicators, especially the Net Asset Value. The paragraph 1.3 "Main balance sheet items" of the notes to the financial statements, describes the process adopted to select the independent experts and the fair value models.	Our audit procedures in response to this key audit matter relate to, amongst others, the analysis of the company's procedure related to the selection of the independent expert appointed in order to prepare a fair value estimate, the tracing of these amounts with the balance sheet figures, the critical review and discussion with Management and independent experts of the main market assumptions and, also with the support of our real estate experts, detail testing of the reports prepared by the independent experts. Finally, we have examined the disclosures provided in the notes to the financial statements.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Coima Res S.p.A. SIIQ or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit 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 Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

EY Building a better working world

However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Coima Res S.p.A. SIIQ, in the general meeting held on February 1st, 2016, engaged us to perform the audits of the consolidated financial statements for each of the years ending December 31st, 2016 to December 31st, 2024.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

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 Ownership Structure of Coima Res Group as at 31 December 2020, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and 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 of Coima Res Group as at 31 December 2020 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of Coima Res Group as at 31 December 2020 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Milan, 19 March 2021

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

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

SEPARATE FINANCIAL STATEMENTS AS AT DECEMBER 31ST, 2020

DIRECTORS' REPORT

SIGNIFICANT EVENTS DURING THE YEAR

During 2020, the Company continued to carry out asset management activities aimed at extracting value from all the properties, directly and indirectly owned, in its portfolio.

Below is a summary of the most significant events that took place during 2020.

Investment in COIMA CORE FUND IV

Disposals: on January 15th, 2020, the COIMA CORE FUND IV fund completed the sale of the first tranche of bank branches relating to the operation announced on November 8th, 2019 (sale of 11 bank branches for a total value of Euro 23.5 million). The first tranche concerns the sale of a portfolio of 8 bank branches located in Milan, Verona, Como, Trezzano sul Naviglio and Liguria for a value of Euro 13.1 million (56% of the total value of the portfolio for sale).
On July 13th, 2020, the sale of the ninth bank branch located in Verona, in Corso Porta Nuova, was completed for Euro 4.1 million.
The sale of the residual part of the portfolio, consisting of two branches located in Milan for Euro 6.3 million, was partially completed in October 2020 with the sale of the branch in Piazza De Angeli, while the sale of the branch located in via dei Martinitt ended on January 15th, 2021.

Investment in COIMA CORE FUND VI

Leasing: in the third quarter of 2020, the COIMA CORE FUND VI renewed the lease agreement with QBE (a global insurance company) for an additional 6 years. The lease agreement, which covers more than 900 square meters of offices at Gioiaotto property in Porta Nuova in Milan, was signed with an award of 44% compared to the previous rent in place and in line with the prime rent in the area.
On December 4th, 2020, the COIMA CORE FUND VI signed a supplementary agreement to the lease agreement with the NH Italia tenant in consideration of the restrictive measures issued by the Italian government and the reduction in revenues deriving from the business activity carried out by the counterparty. This agreement provides for the granting by the lessor of a period of free use (from April 1st, 2020 to June 15th, 2020) in face of the increase in the percentage applicable to the variable rent starting from January 1st, 2021.
Disposals: on December 15th, 2020, the sale of the Telecom Portfolio to APWireless, a subsidiary of Radius Global Infrastructure, was completed. COIMA CORE FUND VI had indirectly acquired a minority stake in the Telecom Portfolio in 2019, concurrently with the purchase of the Microsoft and Philips offices.

Investment in CORSO COMO PLACE (PORTA NUOVA BONNET)

The project Corso Como Place was subsequently completed in the fourth quarter of 2020 with costs in line with the estimates made in the budget phase. The spaces were delivered to tenants Accenture and Bending Spoons at the beginning of 2021 based on the preliminary lease agreements signed in 2019.

SGR Agreement and CEO remuneration

On March 19th, 2020, the Board of Directors approved the signing of a new *asset management agreement* between COIMA RES and COIMA SGR containing some changes compared to the previous agreement in place, including the extension of the first period and an improvement in the economic terms in favour of the Company. The end of the first contract period was postponed from May 13th, 2021 to January 1st, 2025 and the management fee was reduced of 30 bps from 1.10% of NAV to 0.80% of NAV (i.e., a decrease of 27%) in place from January 1st, 2020. For more information, see paragraph 68 relating to related parties.

Furthermore, Manfredi Catella, founder and CEO of COIMA RES, has expressed his will to renounce, for the first period, as extended until January 1st, 2025, the emoluments due to him for the position of Chief Executive Officer, in line with the conduct held by the IPO to date.

Renewal of the Board of Directors

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

Gioia 22 acquisition

On June 11th, 2020, COIMA RES concluded a binding agreement for the purchase of a stake of 10-25% in the Gioia 22 property, a real estate of 35,800 square meters spread over 26 floors above ground located in Via Melchiorre Gioia 22 in Milan, in the Porta Nuova district. The closing of the operation is provided in 2022 and is subject to the occurrence of certain conditions precedent, including the rental of 75% of the building.

Gold Award

In terms of transparency, COIMA RES has received two Gold Awards from the European Public Real Estate Association ("**EPRA**") for the 2019 Annual Report and the 2019 Sustainability Report which confirm the awards given last year. EPRA is the most important association in the listed real estate sector in Europe, whose objective is to define *best practices* in terms of *accounting, reporting* and *corporate governance* in order to provide high quality information to investors and create a framework for debate and decision making on key issues for the future of the sector.

OVERVIEW OF THE FINANCIAL RESULTS

The table below summarizes the income statement for the financial year 2020, which shows a net result of Euro 10.9 million.

(in million Euro)	December 31st, 2020	December 31st, 2019
Rents	9.8	16.3
Net real estate operating expenses	(1.1)	(1.6)
Net rents	**8.8**	**14.7**
Other revenues	0.0	3.6
G&A expenses	(4.3)	(6.3)
Other expenses	0.1	(0.0)
Non-recurring general expenses	(0.3)	(0.7)
EBITDA	**4.3**	**11.3**
Net depreciation	(18.0)	(0.6)
Net movement in fair value	(1.2)	4.4
EBIT	**(14.9)**	**15.1**
Financial income	0.0	0.0
Other income and charges	28.9	9.4
Financial expenses	(3.2)	(4.3)
Profit before taxation	**10.9**	**20.2**
Income tax	(0.0)	0.0
Profit	**10.9**	**20.2**

Net Operating Income (also "**NOI**") amounts to Euro 8.8 million (Euro 14.7 million as of December 31st, 2019) and represents 89.8% of the total lease rents. The NOI includes the lease rents on Monte Rosa, Tocqueville and Pavilion properties during 2020.

Net real estate operating expenses, amounting to Euro 1.1 million, mainly relate to property taxes, *property management* costs, net of property operating and maintenance costs. These costs decreased by Euro 0.5 million compared to December 31st, 2019 mainly due to the sale of the Vodafone real estate complex, closed during the first half-year 2020.

G&A expenses, amounting to Euro 4.3 million, include management fees, personnel costs, corporate governance and control functions costs as well as consultancy, audit, IT, marketing and management costs for the Company's headquarters. The decrease of Euro 2 million compared to December 31st, 2019 is mainly due to the renewal of the asset management agreement with COIMA SGR, which resulted in a decrease in the rate applied for the calculation of commissions of almost 30% and to targeted savings activity undertaken by management during the 2020 financial year.

Other expenses include the change in the *fair value* of the financial instrument, positive for Euro 0.1 million.

Non-recurring general expenses consist mainly of donations made by the Company in favour of entities active in dealing with the COVID-19 health emergency (Euro 0.1 million), from provisions for risks and extraordinary consultancy (Euro 0.2 million).

Net depreciation amounting to Euro 18 million (Euro 0.6 million as of December 31st, 2019) mainly includes the *impairment test* carried out on subsidiaries following the distributions approved in 2020.

Net movement in *fair value*, of negative Euro 1.2 million (positive Euro 4.4 million as of December 31st, 2019), refers to the value adjustment of the Company's real estate portfolio.

Other income and charges, amounting to Euro 28.9 million (Euro 9.4 million as of December 31st, 2019) consists of the income and units reimbursements distributed during the year by the subsidiaries COIMA RES S.p.A. SIINQ I, COIMA CORE FUND IV, COIMA CORE FUND VI and COIMA CORE FUND VIII. In particular, COIMA CORE FUND VI has made a partial repayment for units of Euro 17.7 million following the sale of the Deutsche Bank branches.

Financial expenses, amounting to Euro 3.2 million (Euro 4.3 million as of December 31st, 2019), relate to loans outstanding at the date of these financial statements. The decrease of Euro 1.1 million compared to the previous period is mainly due to the lower financial exposure of the Company, thanks to the contribution of the Vodafone real estate complex and the related loan to the COIMA CORE FUND VIII fund, concluded in the first half of 2020, and to the repayments made during the year following the sale of the Deutsche Bank branches amounting to Euro 17.7 million.

The table below shows the Balance Sheet as of December 31st, 2020 and the comparison with the last year:

(in million Euro)	December 31st, 2020	December 31st, 2019
Assets		
Real estate investments	192.8	193.9
Investments in subsidiaries	292.5	305.0
Other non-current assets	2.4	2.9
Total non-current assets	**487.7**	**501.8**
Receivables	10.0	11.0
Cash and cash equivalents	10.7	12.5
Total current assets	**20.7**	**23.5**
Total assets	**508.4**	**525.3**
Liabilities		
Shareholders' equity	**402.8**	**402.3**
Bank borrowings	98.0	99.1
Other non-current liabilities	3.7	4.1
Total non-current liabilities	**101.7**	**103.2**
Current bank borrowings	-	16.1
Trade payables and other current liabilities	3.9	3.7
Total current liabilities	**3.9**	**19.8**
Total liabilities	**105.6**	**123.0**
Total liabilities and Shareholders' equity	**508.4**	**525.3**

Real estate investments, amounting to Euro 192.8 million as of December 31st, 2020 (Euro 193.9 million as of December 31st, 2019), shows a decrease of Euro 1.1 million due to the fair value correction made by independent experts in consideration of the current market situation affected by the Covid-19 pandemic.

Investments in subsidiaries, amounting to Euro 292.5 million (Euro 305 million as of December 31st, 2019), decreased by Euro 12.5 million as a result of the value adjustment following the repayments of capital by COIMA CORE FUND IV following the sale of some bank branches (Euro 17.6 million), partially offset by payments made for the Porta Nuova Bonnet Fund, amounting to Euro 5.2 million.
Other non-current assets, amounting to Euro 2.4 million (Euro 2.9 million as of December 31st, 2019), decreased by Euro 0.5 million mainly due to the partial financial receivable from COIMA CORE FUND VIII relating to the transfer of almost all the financial charges incurred in the refinancing of the Vodafone property complex.

Current receivables, amounting to Euro 10 million (Euro 11 million as of December 31st, 2019), decreased by Euro 1 million due to the offset of VAT receivables from the previous year with other taxes and duties of 2020.

The Company's net financial indebtedness amounted to Euro 88 million as of December 31st, 2020 and shows a decrease of Euro 15.6 million mainly because of the repayments made on the existing loans after the sale of Deutsche Bank branches.

The table below shows the Company's net financial indebtedness as of December 31st, 2020 in accordance with Recommendation ESMA/2013/319.

(in thousands Euro)	**December 31st, 2020**	**December 31st, 2019**
(A) Cash	10,648	12,467
(B) Cash equivalents	-	-
(C) Trading securities	-	-
(D) Liquidity (A)+(B)+ (C)	**10,648**	**12,467**
(E) Current financial receivables		
(F) Current bank borrowings	-	(16,140)
(G) Current portion of non-current bank borrowings	-	-
(H) Other current financial debt	-	-
(I) Current financial debt (F)+(G)+(H)	**-**	**(16,140)**
(J) Net current liquidity (I)+(E)+(D)	**10,648**	**(3,673)**
(K) Non-current bank borrowings	(97,958)	(99,132)
(L) Bonds issued	-	-
(M) Other non-current financial debt	(704)	(778)
(N) Non-current financial indebtedness (K)+(L)+(M)	**(98,662)**	**(99,910)**
O) Net liquidity (J)+(N)	**(88,014)**	**(103,583)**

As of December 31st, 2020, the Company had the following loans in place:

(In thousands Euro)	December 31st, 2020	Maturity	Rate	% hedged
Deutsche Bank branches	30,541	July 16th, 2023	Eur 3M + 180 bps	100%
Monte Rosa, Tocqueville	40,657	July 16th, 2023	Eur 3M + 160 bps	100%
Pavilion	26,760	October 31st, 2023	Eur 6M + 150 bps	93%

Other non-current liabilities, amounting to Euro 3.7 million (Euro 4.1 million as of December 31st, 2019), mainly refer to *Interest Rate Swap* derivatives for Euro 1.5 million, the financial instrument for Euro 0.9 million, the debt deriving from the application of IFRS 16 for Euro 0.7 million, to the provision for risks for Euro 0,4 million and to the TFR provision for Euro 0.1 million.

Trade payables and other current liabilities, amounting to Euro 3.9 million (Euro 3.7 million as of December 31st, 2019), mainly includes payables and invoices to be received from suppliers for Euro 2.2 million (Euro 2.9 million as of December 31st, 2019) and deferred income for Euro 1.1 million (Euro 0.3 million as of December 31st, 2019).

The Company's shareholders' equity amounted to Euro 402.8 million (Euro 402.3 million as of December 31st, 2019) and increased by Euro 0.5 million due mainly to the profit for the year, equal to Euro 10.9 million (net of dividends distributed, amounting to Euro 10.8 million) and to the change of the derivatives value for Euro 0.4 million.

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 on 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 COIMA RES S.p.A. SIIQ website (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 subsequently modified), as provided for by Legislative Decree no. 231/2001, and on June 11th, 2020, established the supervisory body and appointed as members Marco Lori, as Chairman, Michele Luigi Giordano 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 2020.

TREASURY SHARES AND SHARES OR UNITS OF PARENT COMPANIES

As of December 31st, 2020, the Company 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 paragraph 68.

SUBSEQUENT EVENTS

On January 15th, 2020 COIMA CORE FUND IV, totally owned by COIMA RES, completed the sale of Deutsche Bank branch in Milan, in Via De Martinitt, for Euro 4.3 million.

On February 17th, 2021, the extension and amendment of the Euro 22.0 million financing of the Microsoft headquarters (provided by Intesa Sanpaolo) was finalised by Feltrinelli Porta Volta Fund. The maturity of the financing was extended from December 21st, 2020, to December 21st, 2023, and the margin was reduced by c. 15 basis points.

BUSINESS OUTLOOK

COIMA RES aims to provide its shareholders with a stable and sustainable dividend payment stream, preserve capital to perform targeted refurbishments on its real estate portfolio and to seize potential acquisitions opportunities.

Considering the positive results achieved, the COIMA RES Board of Directors has the opportunity to suggest to shareholder’s meeting a dividend of Euro 10.8 million (Euro 0.30 per share), an amount in line with the dividend paid for the previous fiscal year.
The dividend was calculated on the basis of the Company's results and current legislation on listed real estate investment companies.

The Company expects that the portfolio described in the previous pages may generate additional revenues giving the Company the possibility to increase its profits in subsequent years and to distribute further dividends to its shareholders.

Thus, the Directors have prepared these financial statements on a going concern basis as they believe that all the elements confirming the Company's ability to continue to operate as a going concern exist.

Regarding the spread of the COVID-19 epidemic in Italy, the Company has not had a significant impact on financial results, as the COIMA RES portfolio is characterized by diversified tenants and mainly made up of multinational companies. During the year, COIMA RES has demonstrated its solidity and resilience, maintaining levels of income from rents in line with the previous year.

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 respects both the two indices as the investments made are entirely of a real estate nature and the revenues are entirely generated by these investments.

OTHER INFORMATION

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, in Article 1, paragraph 1, letter w-quater.1) of the TUF and Art.2-ter of Consob Issuers' Regulations, it should be noted that, at the date of these financial statements, the Company falls within this definition as it has a market capitalisation of less than Euro 500 million, as shown in the following table:

Average market capitalization 2020	Average market capitalization 2019	Average market capitalization 2018
233,090,558	291,593,852	289,368,398

PROPOSAL OF APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR AS AT DECEMBER 31st, 2020 AND DISTRIBUTION OF DIVIDEND

The financial statements as of December 31st, 2020, closed with a net profit of Euro 10,933,612, considering a negative adjustment of the *fair value* amounting to Euro 1,202,658 which allows to release the reserve previously accrued among the reserves not available.
It is therefore suggested, in consideration of the regulatory obligation to distribute at least 70% of the net profit deriving from the real estate leasing activity:

- to allocate Euro 1,202,658, related to the negative adjustment of the *fair value*, to reduce the valuation reserve;
- to allocate Euro 1,304,302.60 to retained earnings;
- to reclassify Euro 5,018,139.84 of IAS 40 valuation reserve subject to the unavailability system envisaged by Article 6 of Legislative Decree no. 38 of February 28th, 2005, increasing the reserve of retained earnings by the same amount. The amount of Euro 5,018,139.84 refers to the revaluations made in previous years of the Vodafone complex sold during 2019;
- to distribute to the Shareholders a dividend of Euro 10,831,967.40 (Euro 0.30 per share), of which Euro 3,610,655.80 (Euro 0.10 per share) paid on November 18th, 2020 for each of the ordinary shares outstanding at the time of payment date. The proposed dividend includes an ordinary component of Euro 0.24 per share and an extraordinary component of Euro 0.06 per share related to 50% of capital gain realised, compared to the purchase cost and related ancillary charges, through the sale of Vodafone complex.

Milan, February 25th, 2021

FINANCIAL STATEMENTS

STATEMENT OF PROFIT/(LOSS) FOR THE YEAR

(in Euro)	Notes	December 31st, 2020	*of which related parties*	December 31st, 2019	*of which related parties*
Income statements					
Rents	39	9,833,808	-	16,271,130	-
Net real estate operating expenses	40	(1,082,170)	(342,461)	(1,637,457)	(693,107)
Net rents		**8,751,638**	**(342,461)**	**14,633,673**	**(693,107)**
Income / (losses) from real estate disposals	41	-	-	3,561,868	-
Net sales revenues		**-**	**-**	**3,561,868**	**-**
G&A expenses	42	(4,402,418)	(1,935,356)	(6,841,968)	(3,930,908)
Other operating expenses	43	(41,684)	122,000	(27,890)	-
Gross operating income		**4,307,536**	**(2,155,817)**	**11,325,683**	**(4,624,015)**
Net depreciation	44	(17,955,369)	(17,745,693)	(647,469)	(81,139)
Net movement in fair value	45	(1,202,658)	-	4,472,898	-
Net operating income		**(14,850,491)**	**(19,901,510)**	**15,151,112**	**(4,705,154)**
Income from investments	46	28,936,973	28,936,973	9,355,582	9,355,582
Financial income	47	1,160	-	530	-
Financial expenses	47	(3,154,030)	(7,903)	(4,330,403)	2,470,246
Profit before taxes		**10,933,612**	**9,027,560**	**20,176,821**	**7,120,674**
Income taxes	48	-	-	-	-
Profit		**10,933,612**	**9,027,560**	**20,176,821**	**7,120,674**

OTHER COMPREHENSIVE INCOME STATEMENT

(in Euro)	Notes	December 31st, 2020	December 31st, 2019
Profit for the year		**10,933,612**	**20,176,821**
Other comprehensive income to be reclassified to profit of the period in subsequent periods	57	374,580	(544,923)
Other comprehensive income not to be reclassified to profit of the period in subsequent periods		-	-
Other comprehensive income		**11,308,192**	**19,631,898**

E-MARKET SDIR CERTIFIED

STATEMENT OF FINANCIAL POSITION

(in Euro)	Notes	December 31st, 2020	*of which related parties*	December 31st, 2019	*of which related parties*
Assets					
Real estate investments	49	192,800,00	-	193,900,000	-
Other tangible assets	50	950,846	690,440	1,061,256	770,994
Other intangible assets	50	255,558	-	185,580	-
Investments in subsidiaries	51	267,785,848	-	285,450,315	-
Investments in associated companies	52	24,732,731	-	19,518,446	-
Non-current financial receivables	53	1,189,658	1,189,658	1,650,785	1,650,785
Derivatives	54	5,594	-	33,701	-
Total non-current assets		**487,720,235**	**1,880,098**	**501,800,083**	**2,421,779**
Trade and other current receivables	55	9,515,734	4,566,630	10,542,188	5,520,261
Current financial receivables	53	490,923	490,923	490,899	490,899
Cash and cash equivalents	56	10,648,167	-	12,466,758	-
Total current assets		**20,654,824**	**5,057,553**	**23,499,845**	**6,011,160**
Total assets		**508,375,059**	**6,937,651**	**525,299,928**	**8,432,939**
Liabilities					
Capital stock		14,482,292	-	14,482,292	-
Share premium reserve		336,272,528	-	336,272,528	-
Valuation reserve		(1,428,453)	-	(1,676,529)	-
Interim dividend		(3,610,656)	-	(3,610,656)	-
Other reserve		38,944,184	-	34,338,484	-
Profit/ (loss) carried forward		7,175,447	-	2,309,789	-
Profit/ (loss) for the year		10,933,612	-	20,176,821	-
Shareholders' equity	**57**	**402,768,954**	**-**	**402,292,729**	**-**
Non-current bank borrowings	58	97,958,386	-	99,131,633	-
Non-current financial liabilities	59	704,079	704,079	778,502	778,502
Payables for post-employment benefits	60	99,743	-	71,093	-
Provision for risk and charges	61	391,021	391,021	372,803	372,803
Derivatives	62	1,530,587	-	1,747,198	-
Trade and other non-current liabilities	63	1,032,325	876,000	1,141,210	998,000
Total non-current liabilities		**101,716,141**	**1,971,100**	**103,242,439**	**2,149,304**
Current bank borrowings	58	-	-	16,139,657	-
Trade and other current liabilities	64	3,879,045	801,217	3,614,184	1,576,157
Current tax payables		10,919	-	10,919	-
Total current liabilities		**3,889,964**	**801,217**	**19,764,760**	**1,576,157**
Total liabilities		**105,606,105**	**2,772,317**	**123,007,199**	**3,725,461**
Total liabilities and shareholders' equity		**508,375,059**	**2,772,317**	**525,299,928**	**3,725,461**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in Euro)	Capital stock	Share premium reserve	Valuation reserve	Other reserves (Interim dividend)	Profit / (loss) carried forward	Profit / (loss) for the year	Total Shareholders' equity
Balance as of January 1st, 2019	**14,450,800**	**335,549,475**	**(956,533)**	**4,692,979**	**2,091,782**	**36,889,839**	**392,718,342**
Allocation of profit for the year	-	-	-	25,869,732	218,007	(26,087,739)	-
Distribution of dividends 2018 [10]	-	-	-	3,600,700	-	(10,802,100)	(7,201,400)
2019 interim dividend	-	-	-	(3,610,656)	-	-	(3,610,656)
Derivatives valuation	-	-	(719,996)	175,073	-	-	(544,923)
Capital increase	31,492	723,053	-	-	-	-	754,545
Profit /(loss) for the period	-	-	-	-	-	20,176,821	20,176,821
Balance as of December 31st, 2019	**14,482,292**	**336,272,528**	**(1,676,529)**	**30,727,828**	**2,309,789**	**20,176,821**	**402,292,729**
Allocation of profit for the year	-	-	-	4,479,196	4,865,658	(9,344,854)	-
Distribution of dividends 2019 [11]	-	-	-	3,610,656	-	(10,831,967)	(7,221,311)
2020 interim dividend	-	-	-	(3,610,656)	-	-	(3,610,656)
Derivatives valuation	-	-	248,076	109,810	-	-	357,886
Actuarial profit reserve IAS 19	-	-	-	16,694	-	-	16,694
Profit /(loss) for the period	-	-	-	-	-	10,933,612	10,933,612
Balance as of December 31st, 2020	**14,482,292**	**336,272,528**	**(1,428,453)**	**35,333,528**	**7,175,447**	**10,933,612**	**402,768,954**

[10] Not including the interim dividend on 2018 results amounting to Euro 3,601 thousand, paid in November 2018.
[11] Not including the interim dividend on 2019 results amounting to Euro 3,611 thousand, paid in November 2019.

CASH FLOW STATEMENT

(in Euro)	Notes	2020	2019
Profit for the period before tax		10,933,612	20,176,821
Adjustments to reconcile the profit to net cash flow:			
Net depreciation	44	17,874,146	566,329
Severance pay	42	63,562	435,413
Net movement in fair value	45	1,202,658	(4,472,898)
Financial income		-	-
Financial expenses	47	895,086	1,034,608
Net movement in fair value of financial instruments	43	(122,000)	-
Changes in working capital:			
(Increase) / decrease in trade and other current receivables	55	1,392,681	(2,473,303)
(Increase) / decrease in trade payables and other current liabilities	64	131,163	(3,981,798)
(Increase) / decrease in trade payables and other non-current liabilities	63	13,115	(147,655)
Net cash flows generated (absorbed) from operating activities		**32,384,023**	**11,137,517**
Investment activities			
(Acquisition) / disposal of real estate investments	49	(102,658)	(265,234)
(Acquisition) / disposal of other tangible and intangible assets	50	(121,405)	(147,017)
Purchase of subsidiaries		-	(6,738,311)
Purchase of associated companies	52	(5,214,285)	(3,464,287)
Net cash flow generated (absorbed) from investment activities		**(5,438,348)**	**(10,614,849)**
Financing activities			
Shareholders’ equity contribution / (dividends paid)	57	(10,812,466)	(10,812,056)
(Acquisition) / closing of derivatives	62	(251,800)	70,000
Increase in bank borrowing and other non-current lenders		-	-
Repayment borrowing	58	(17,700,000)	(5,947,000)
Net cash flows generated (absorbed) from financing activities		**(28,764,266)**	**(16,689,056)**
Net increase / (increase) in cash and cash equivalents		(1,818,591)	(16,166,388)
Cash and cash equivalents at the beginning of the period		12,466,758	28,633,146
Cash and cash equivalents at the end of the period		**10,648,167**	**12,466,758**

NOTES TO THE FINANCIAL STATEMENTS

Principles of preparation and changes in accounting standards

Principles of preparation

The financial statements as of December 31st, 2020 have been prepared in accordance with IAS/IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

The financial statements have been prepared in accordance with the historical cost principle, except for investment property, financial instruments, derivative financial instruments, financial assets and contingent consideration which are recorded at fair value. The book value of assets and liabilities that are subject to fair value hedging transactions and which would otherwise be recorded at amortised cost is adjusted to take account of changes in fair value attributable to the hedged risks.

The financial statements comprise the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Cash Flow Statement and Notes to the Financial Statements.

In accordance with the provisions of Article 5, paragraph 2, of Legislative Decree no. 38 of February 28th, 2005, the financial statements are prepared using the euro as the functional currency. Unless otherwise specified, the amounts in the financial statements are stated in euros. The data contained in the notes to the financial statements are rounded off to ensure consistency with the amounts shown in the balance sheet and income statement.

The financial statements provide comparative information referring to the previous year and have been prepared on a going concern basis, in accordance with the principle of accrual accounting, and in compliance with the principle of relevance, significance of information and the prevalence of substance over form.

Offsets between assets and liabilities and between costs and revenues are made only if required or permitted by a standard or an interpretation thereof.

The financial statements adopted are consistent with those required by IAS 1 - "Presentation of Financial Statements". In particular:

- the statement of financial position has been prepared by classifying assets and liabilities according to the "current/non-current" criterion;
- the income statement and the statement of comprehensive income have been prepared by classifying operating costs by nature;
- the cash flow statement was prepared according to the "indirect method";
- the statement of changes in shareholders' equity.

The formats used, as specified above, are those that best represent the Company's economic, equity and financial position.

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,* 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 capitalised on the carrying value of the investment property when it is probable that they will generate future economic benefits, do not exceed the market value 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 (at the date on which the buyer obtains the control) or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The amount of consideration to be considered for determining the profit or loss deriving from the cancellation of an investment property is determined in accordance with the requirements for determining the price of the transaction in IFRS 15.

IFRS 13 defines the *fair value* as the price (*exit price)* that would be received for the sale of an asset, or that would be paid for transfer of a liability in a regular transaction between market participants at the valuation date. In particular, in measuring the *fair value* of investment property, 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 enough 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 and adjusted if necessary, depending on the specific characteristics of each investment property. If such information is not available, such 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 Board of Directors of COIMA RES S.p.A. SIIQ, 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 Monte Rosa, Tocqueville and Pavilion 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 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, the duration of the appointment (four-year and not renewable), the independence and incompatibility requirements of experts.
The procedure also gives guidelines for the determination of the remuneration to the independent expert so as not to undermine their independence. The remuneration provided for assessments as of December 31st, 2020 has been preliminarily defined as a fixed amount based on the size of the individual investment property.
The process by which the Company determines the *fair value* of its real estate investments, however, falls within the estimation processes, which implies the forecast of costs and revenues related to each investment and the formulation of assumptions on variables of calculation models that depend on expectations the performance of real estate and financial markets as well as the general economic conditions that affect rent levels and the reliability of tenants, and that, in consideration of the uncertainty connected to the realization of any future event, are able to determine variations, even significant and in the short term, the conclusions of the experts and therefore of the results of the financial statements, albeit in constant evaluation models.
The evaluations are also analysed by the Company in order to verify the accuracy and consistency of the assumptions used by the independent expert. As for the use of estimates regarding real estate investments, refer to paragraph 49 – Real estate investments.

Property, plant and equipment

Plant and equipment are stated as costs, net of accumulated depreciation and accumulated impairment losses, if any. Such costs include replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as are placement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Machinery and equipment	5 years
Plant and office properties	12 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their *fair value* at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life (5 years) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.
An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included 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:

- 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;
- it has the actual ability to exercise such power over the subsidiary to affect the profitability of the same;
- 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 Company exercises control in a share 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 ventures*.
In accordance with IAS 28, a related entity is a company in which the Company has significant influence, described as the power to participate in financial and operating strategic decisions despite not having control.

Investments in subsidiaries, joint ventures and associates are initially recognised 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 recognised 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 recognised as a provision. If, subsequently the impairment is reversed or reduced, it is recognised in the income statement as a value restoration of the cost limits.

Dividends paid by subsidiaries, joint ventures and associates are recognised 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 Shareholders' Meeting 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.

Net Equity

Capital stock

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

Valuation reserve

When derivatives 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 changes in the fair value of the derivatives considered effective are initially recognised in the valuation reserve, relating to the other components of the overall profit and subsequently charged to the income statement in line with the economic effects produced by the hedged transaction.

Cash dividend and Interim dividend

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

Severance pay

Severance pay fund (TFR) is considered as a defined benefit plan. The benefits promised to employees are recognised monthly with the maturation and are paid upon termination of employment. The severance pay is accrued based on the seniority reached at the end of each individual employee in accordance with the laws and labour contracts in force at the reporting date. The provision reflects the liability towards employees, based on 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 relate to costs and charges of a determined nature and of certain or probable existence that at the end of the period are indeterminate in the amount or date of occurrence. Provisions are recognized when: (i) it is probable the existence of a current obligation, legal or implicit, deriving from a past event; (ii) it is probable that the fulfilment of the obligation will be onerous; (iii) the amount of the obligation can be reliably estimated. The provisions are recognised at the representative value of the best estimate of the amount that the Company would rationally pay to extinguish the obligation or to transfer it to third parties at the closing date of the period. When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provision is subject to discounting; the increase in the provision related to the passage of time is charged to the income statement under "*financial charges*".
When the liability relates to tangible assets (for example, reclamation of areas), the provision is recognised as a contra entry to the asset to which it refers; the allocation to the income statement takes place through the amortization process. The provisions are periodically updated to reflect changes in cost estimates, implementation times and the discount rate; the revisions of estimates of the funds are charged to the same income statement item that previously accepted the provision or, when the liability relates to tangible assets (for example, reclamation of areas), as a contra entry to the activity to which it refers.

The notes to the financial statements illustrate the potential liabilities represented by possible (but not probable) obligations, deriving from events whose existence will be confirmed only in the absence of one or more conditions not totally under the control of the Company. For more details, please refer to what is described in paragraph 42 – General and administration expenses.

Financial instruments

Financial instruments are an incentive recognised by management in relation to their significant contribution in the start-up and development of the Company. These financial instruments will give the right to the payment of a yield linked to changes in the Issuer's Net Asset Value (NAV), to be executed also through the assignment of shares of the Company itself. Financial instruments are initially recognized at *fair value*, recognizing the effects deriving from the change in *fair value* in the period in which they occur in the income statement. The *fair value* at the closing date of the period is determined through estimates made by management, also with the support of independent experts. The process by which the Company determines the *fair value* of the instrument is part of the estimation processes, which implies the forecast of cash flows based on variables that depend on expectations of the performance of the real estate and financial markets as well as on general market conditions that are able to determine variations, even significant and in the short term, on the conclusions of the experts and therefore of the results of the financial statements.

Financial liabilities - Initial recognition and measurement

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

Loans and borrowings

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

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

IFRS 9 - Derivative financial instruments

The Company uses derivative financial instruments including *interest rate caps* and *interest rate swaps* to hedge interest rate risks on loans. These derivative financial instruments are recognised at *fair value* in accordance with IFRS 9 and are recognised as financial assets when the *fair value* is positive and as financial liabilities when the *fair value* is negative.

When initiating a hedging transaction, the Company formally designates and documents the hedging relationship, to which it intends to apply hedge accounting, its risk management objectives and the strategy pursued.
This documentation includes the identification of the hedging instrument, the hedged item, the nature of the risk and the manner in which the Company will assess whether the hedging relationship meets the requirements for hedge effectiveness (including analysis of the sources of hedge ineffectiveness and how the hedging relationship is determined). The hedging relationship meets the eligibility criteria for hedge accounting if it meets all the following requirements for hedge effectiveness:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not outweigh the changes in value resulting from the above economic relationship;
- the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company hedges and the quantity of the hedging instrument that the Company uses to hedge that quantity.

With regard to the cash flow hedge transaction, the Company recognises the portion of profit or loss on the hedged instrument relating to the effective portion of the hedge in the statement of other comprehensive income in the "cash flow hedge" reserve, while the ineffective portion is recognised directly in the statement of profit/(loss) for the year. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in the *fair value* of the hedged item.

Impairment

IFRS 9 requires the Company to record the expected credit losses on all items such as loans and trade receivables, having as reference period of either 12 months or the entire contractual duration of the instrument (i.e., lifetime expected loss). The Company applies the simplified approach and therefore records any expected losses on all trade receivables based on their remaining contractual duration. The Company has assessed the impact of its receivables in its portfolio, both of a commercial and financial nature, taking into account the characteristics of the receivables, the counterparties and the collection times, even though not all receivables are guaranteed, and the effects deriving from the application of the new criterion are not significant taking into account the risk profile of its customers.

Hedge Accounting

At present, the Company uses hedge accounting with reference to *interest cap rate* instruments underwritten. Considering the provisions of the standard, the Company has established that all existing hedging relationships that are currently designated as effective hedges continue to qualify for hedge accounting in accordance with IFRS 9. However, the standard provides for the recognition of the effects deriving from the valuation of these instruments, including the portion of the extrinsic value, in the item "other reserves" of shareholders' equity.

Recording of revenues, income and expenses in the income statement

Revenues

Revenue is recognised to the extent in which it is likely that economic benefits will be obtained by the Company and the revenue can be measured reliably, regardless of the date of collection. Revenues are measured at the *fair value* of the consideration to which the entity believes it is entitled in exchange for the transfer of goods or services to the customer, taking into account the agreed contractual terms and the commitments made.
The following specific recognition criteria of revenues must always be considered before recognition in the income statement:

- *rental income*: rental income from the investment property owned by the Company is recognised *on a straight-line basis*, in accordance with the international accounting standard IFRS 16 (paragraph 81), representative criterion of temporal competence, conforming the maturity lease agreements;
- *income from real estate disposals*: income from the real estate disposals are recognized in the income statement when the contractual *obligation performance* is effectively executed and then transferred to the

buyer of all the significant risks and rewards associated with ownership, which is normally transferred on the date of signing the deed notarial, when the transaction price is generally also settled.

IFRS 15 Revenues from contracts with customers

IFRS 15 replaces IAS 11 - Construction contracts, IAS 18 - Revenues and related interpretations applies to all revenues from contracts with customers, unless these contracts fall within the scope of other standards such as lease contracts, for which the reference standard is IFRS 16. The standard introduces a five-step model that applies to revenues from contracts with customers. IFRS 15 requires the recognition of revenue at an amount that reflects the consideration to which the entity believes it is entitled in exchange for the transfer of goods or services to the customer.
The standard involves the exercise of an opinion by the Company, which considers all relevant facts and circumstances in the application of each phase of the model to contracts with its customers. The standard also specifies the accounting for incremental costs linked to obtaining a contract and costs directly linked to the completion of a contract.
The Company has applied the standard using the full retrospective application method. However, since the group's revenues are mainly from leases, the adoption has no effect on the consolidated financial statements.

Leases

The Company is characterised by investments in high-quality real estate portfolios, mainly concentrated in leading Italian cities, with high-profile tenants and long-term lease contracts, including adequate safeguard clauses as well as clauses providing for ordinary and extraordinary maintenance expenses and works to be borne by the tenant. At present, lease revenues from owned investment property are accounted for based on IFRS 16 (paragraph 81), which represents the accrual method, based on existing lease contracts.
Considering the current contractual framework and the sector practices adopted also by the main competitors, it can be concluded that the adoption of IFRS 15 has not had an impact on the Company's results with reference to property leases.

Real estate disposals

With reference to real estate sales, it should be noted that these take place through the signing of a notarial deed, during which the actual contractual obligations and the real availability of the asset by the notary are verified. In particular, these transactions provide for (i) the transfer of the asset by the seller, (ii) the settlement of the consideration by the buyer at the deed without further delay and/or commitments for the seller, and (iii), if necessary, the payment of deposits or advances at the same time as the signing of the preliminary sale contracts, the latter case taking into account the short time lapse between the preliminary and deed (generally less than one year) does not provide for the inclusion in the price of significant implicit financial components. Although these transactions fall within the scope of IFRS 15, they do not have a significant impact from the application of the new standard because the performance obligations were extinguished at the date of the deed.

IFRS 16 – Leases

This standard defines the criteria for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leasing contracts in the financial statements on the basis of a single model similar to that used to account for financial leases in accordance with the previous IAS 17. The standard provides for two exemptions for the recognition by lessees - leasing contracts relating to "low value" assets (for example personal computers) and short-term leasing contracts (for example expiring within 12 months or less). At the start date of the leasing contract, the lessee recognizes a liability for the lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset for the duration of the contract (i.e., right to use the activity). The lessees must separately account for the interest expenses on the lease liability and the amortization of the right to use the asset. Lessees must also remeasure the lease liability upon the occurrence of certain events (for example: a change in the terms of the lease agreement, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee generally recognizes the amount of the lease liability as an adjustment to the right of use of the asset.

Lessors classify all leases by distinguishing two types: operating leases and financial leases, providing adequate information in the financial statements.

It should be noted that as of today the Company has leasing agreements for IT equipment, which do not fall within the scope of the standard, and a rental agreement for the registered office.

On July 21st, 2017 COIMA RES signed a rental contract for the new registered office in Milan, in Piazza Gae Aulenti 12. The agreement provides for a duration of six years renewable twice with an annual fee of approximately Euro 94 thousand. In consideration of the fact that COIMA RES has invested a significant amount for the preparation of the new headquarters, it is appropriate to consider the duration of the lease as twelve years.

Costs

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

Financial income and expenses

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 based on 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 based on 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.
Taxes are therefore calculated on the income produced by the non-exempt income.

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, considering the SIIQ status.

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 in application of the IFRS requires that the management make estimates and assumptions that have an effect on the values of revenues, costs, assets, and liabilities in the financial statements and on the related disclosure to potential assets and liabilities at the date of the financial 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, derivatives and taxes.
Estimates and assumptions are reviewed periodically by management and, when deemed necessary, are seconded by opinions and studies of independent external consultants of leading standing (for example, real estate appraisals), and the effects of any changes are reflected in the income statement.

The following are the most significant estimates related to the preparation of financial statements and annual accounting reports in that they entail many 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, for this reason the valuation made by different experts might not result in an identical opinion, furthermore, as reported in the directors' report, it is subject to uncertainties related to the current emergency situation;

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

New accounting standards, interpretations and amendments adopted by the Company

The accounting principles adopted for the preparation of the condensed interim consolidated financial statements are consistent with those used for the preparation of the consolidated financial statements as of December 31st, 2019, except for the adoption of the new principles and amendments in force since January 1st, 2020. The Company has not adopted in advance any new standards, interpretations or amendments issued but not yet in force.

Several other amendments and interpretations apply for the first time in 2020 but have no impact on the Company's financial statements.

Amendments to IFRS 3: Definition of a business

The amendments to IFRS 3 clarify that to be considered a business, an integrated set of activities and assets must include at least one input and an underlying process which together significantly contribute to the ability to create an output. Furthermore, it has been clarified that a business can exist without including all the inputs and processes necessary to create an output. These changes have not had any impact on the financial statements but could have an impact on future years if the Company were to carry out business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39: Reform of the interest rate benchmark

The amendments to IFRS 9 and IAS 39 *Financial Instruments: Recognition and Measurement* provide a series of expedients, which apply to all hedging relationships that are directly affected by the reform of the interest rate benchmark. A hedging relationship is affected if the reform generates uncertainties on the timing and / or extent of cash flows based on the reference parameters of the hedged item or hedging instrument. These changes had no impact on the financial statements.

Amendments to IAS 1 and IAS 8: Definition of material

The amendments provide a new definition of materiality which states that "*information is material if it is reasonable to assume that its omission, misstatement or concealment could influence the decisions that key users of general purpose financial statements make about basis of these financial statements, which provide financial information about the specific entity preparing the financial statements*".
The relevance depends on the nature or extent of the information, or both. The entity assesses whether the information, individually or in combination with other information, is relevant in the context of the financial statements, considered as a whole. The information is concealed if it is communicated in such a way as to have, for the main users of the financial statements, an effect similar to that of the omission or incorrect indication of the same information.

"Conceptual Framework for Financial Reporting" issued on March 29th, 2018

The *Conceptual Framework* does not represent a standard and none of the concepts it contains take precedence over the concepts or requirements of a standard. The purpose of the *Conceptual Framework* is to support the IASB in the development of standards, to help editors to develop uniform accounting policies where there are no applicable standards in the specific circumstances and to help all parties involved to understand and interpret the standards. The revised version of the *Conceptual Framework* includes some new concepts, provides updated definitions and updated recognition criteria for assets and liabilities, and clarifies some important existing concepts.

Amendment of IFRS 16 Covid-19 Related Rent Concession

On May 28th, 2020, the IASB published an amendment to IFRS 16, which allows a lessee not to apply the requirements in IFRS 16 on the accounting effects of contractual amendments for reductions in lease payments granted by lessors that are a direct consequence of Covid-19 epidemic.

The change introduces a practical expedient whereby a tenant may choose not to assess whether the reduction in rent represent contractual changes. A lessee who chooses to use this expedient accounts for these reductions as if they were not contractual amendments in the scope of IFRS 16. The amendments are applicable to financial statements whose accounting period begins on or after June 1st, 2020 and is permitted for an anticipated adoption.

From the point of view of the lessor, the accounting relating to the concessions on leases is based on existing guidelines, in fact the amendments to IFRS 16 are applicable only to the tenants. However, the IASB has provided some clarifications on how to manage these cases from the point of view of the lessors.

The IASB has decided not to provide lessors with practical solutions for lease concessions that occur as a direct consequence of the Covid-19 pandemic for the following reasons:

- IFRS 16 does not specify how the lessor must account for a change in lease payments that is not a contractual amendment; and
- any practical expedient would negatively affect the comparability and interaction between the accounting requirements in IFRS 16 and the related requirements in the other standards (in particular, IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers).

Collectability

Many tenants may experience financial hardship due to government-mandated business closures. This could cause a significant deterioration in the recoverability of rent payments by some lessors. Unlike other standards such as IFRS 15, IFRS 16 does not refer to recoverability to determine if (and when) rental income must be recognised. Therefore, it is believed that a lessor can continue to recognise rental income even when recoverability is not probable. However, other approaches may also be appropriate when there are significant doubts about the creditworthiness. For this reason, there may be differences in accounting, and it is important to consider the point of view of the supervisory bodies. Regardless of the approach followed, the IFRS 9 guidelines on credit losses continue to be applicable to recognised rental loans.

Regarding this matter, the Company has proceeded with an analysis on the recoverability of the receivables recorded in the financial statements as December 31st, 2020, recording a loss amounting to Euro 129 thousand.

Amendment of lease agreements

The lessor's accounting for changes depends on the classification of the *lease*. A lessor accounts for a change to an operating lease as a new contract from the effective date of the change, considering any prepayments or accrued payments related to the original contract as part of the payments related to the new contract.

In some cases, a lessor may grant the suspension of rental payments previously recognized as receivables. The concession determines a change in the consideration that was not part of the original terms of the contract and therefore can be considered as a change. An alternative view may be to consider that the suspension of payments of previous instalments is an extinction of the credit and the cancellation requirements of IFRS 9 apply. Paragraph 2.1 (b) (i) of IFRS 9 clarifies that the operating lease receivables recognized by a lessor are subject to the elimination and impairment requirements of IFRS 9. When applying IFRS 9 in these situations, it is considered that the lessor has a choice of accounting policy, to be applied consistently, to include or exclude the expected suspension of payments in the valuation of receivables.

During the year, the Company has granted deferred payments of the rental fees to one tenant who was most affected by the contingent situation, with whom negotiations are underway for the repayment plan.

Recognition of rents after the contract modification

As discussed above, lessors treat a lease change as a new lease as of the effective date of the change. If the new lease is classified as an operating lease, the lessor applies paragraph 81 of IFRS 16 and recognizes the lease payments on a straight-line basis, unless there is another systematic basis more representative than the model in which the benefit in the use of the underlying asset has decreased.

Accounting of lease that does not constitute an amendment

If a change in expected payments does not meet the definition of a contract change, that change would generally be record as a negative variable lease payment. In the case of an operating lease, the lessor recognises the effect of the concession by recognising lower rents.

Financial disclosure

The IFRS 16 requires lessors to provide information that provides users of financial statements with a basis for assessing the effect that leases have on their financial position, financial performance and cash flows. Although there are no specific disclosure requirements relating to the lease changes, lessors will need to provide sufficient information to enable readers of the financial statements to understand the impact of the Covid-19 related changes in lease payments on the financial position and on the entity of the results.

38. Operating segment

The breakdown by operating segment and geographical area is not shown because as of December 31st, 2020, the Company owns investment properties located in Milan and lease for office use.

E-MARKET SDIR CERTIFIED

39. Rents

(in thousands Euro)	December 31st, 2020	December 31st, 2019
Vodafone	-	6,863
Monte Rosa	3,711	3,815
Tocqueville	2,857	2,614
Pavilion	3,266	2,979
Rents	**9,834**	**16,271**

As of June 29th, 2019, the Company has sold the Vodafone real estate complex to COIMA CORE FUND VIII, of whom today is a shareholder for 50%.

Monte Rosa shows a decrease of Euro 104 thousand, attributable to the release of spaces from Bluvacanze starting from January 1st, 2020. The decrease has been partially offset by short-terms rents deriving from new rental agreements signed with other tenants of the property.

The increase of Tocqueville rents, amounting to Euro 243 thousand, refers to the amendment of the lease agreement with Sisal, the main tenant of the property, which postpones the expiration date of the contract to December 31st, 2021, with an increase of the gross rent from January 1st, 2021.

Pavilion has produced higher rents amounting to Euro 287 thousand thanks to the contribution on an annual basis of the IBM lease, effective from February 1st, 2019.

40. Net real estate operating expenses

The net real estate operating expenses amount to Euro 1,082 thousand and are detailed as follows:

(in thousands Euro)	Monte Rosa	Tocqueville	Pavilion	December 31st, 2020	December 31st, 2019
Recovery of costs from tenants	962	252	262	1,476	2,590
Property management fee	(81)	(32)	(35)	(148)	(198)
Maintenance and service charges	(440)	(194)	(248)	(882)	(1,499)
Utilities	(339)	(95)	-	(434)	(990)
Insurance	(22)	(21)	(21)	(64)	(98)
Property taxes	(483)	(270)	(98)	(851)	(1,215)
Stamp duties	(38)	(24)	(33)	(95)	(133)
Other real estate costs	(83)	(1)	-	(84)	(94)
Net real estate expenses	**(524)**	**(385)**	**(173)**	**(1,082)**	**(1,637)**

These costs, net of the recovery of expenses from the tenants, show a decrease of Euro 555 thousand mainly attributable to the sale of the Vodafone complex, closed during the first half-year 2019.

41. Income from real estate disposals

During the year 2020, the Company did not hold profit or loss from real estate disposals. The item, amounting to Euro 3,562 thousand, are attributable to the sale of the Vodafone real estate complex closed in June 2019.

42. General and administration expenses

The table below shows the general and administration expenses as of December 31st, 2020 compared to the previous year.

(in thousand Euro)	December 31st, 2020	December 31st, 2019
Asset management fees	(850)	(2,839)
Personnel costs	(1,737)	(2,071)
Consulting	(481)	(520)
Control functions	(338)	(314)
Audit	(204)	(191)
Marketing	(269)	(354)
IT service	(183)	(168)
Independent appraisers	(28)	(56)
Other operating expenses	(312)	(329)
G&A expenses	**(4,402)**	**(6,842)**

These items include the costs relating to the Company's normal operations, including personnel costs, governance costs, fees of the independent auditors and external consultants, marketing and IT assistance expenses.

The decrease of Euro 2,440 thousand Euro compared to 2019 is mainly due to the amendment of the Asset Management Agreement, approved by the Board of Directors on March 19th, 2020, which requires a decrease of the management fees of 30 bps (from 1.10% to 0.80% of NAV) from January 1st, 2020. For further information, see the paragraph 68 of related parties.

On March 16th, 2020, the Chief Executive Officer, in order to help limit the Company's internal costs in light of the current market capitalisation, in line with the interests of COIMA RES shareholders, has confirmed his waiver of the redetermination of the fixed emolument and the payment of variable compensation from 2020 until January 1st, 2025. This waiver can be revoked only if one of the following conditions is met:

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

As of today, none of the conditions have failed and it is considered unlikely that even one of them may occur within the approval of the financial statements as of December 31st, 2020.

The CEO has reserved the right to terminate the suspension of the recalculation of the annual fixed remuneration and variable remuneration if the market capitalization of COIMA RES reaches a level higher than that recorded at the IPO (i.e., Euro 360 million); only from the occurrence of this event will the relative emolument be determined, without impacting the previous periods.

In consideration of what is reported in the previous lines, the waiver refers to 2017, 2018 and 2019 emoluments, as by the terms and conditions of Manfredi Catella's communication on February 19th, 2019.

The current best estimate of this contingent liability as of December 31st, 2020, considering what expressed above, is approximately Euro 4.2 million.

It should be noted that regarding the death option, considering the existing agreement with the Chief Executive Officer and the reports described above, the Company made a provision of approximately Euro 391 thousand based on the mortality tables prepared by ISTAT, according to IAS 19 provisions.

The existing agreement with the Chief Executive Officer also provides that, in the event of Manfredi Catella's termination from the position held in the Company for one of the reasons provided for by the agreement in force and described in the Remuneration Report ("***Good Leaver***"), the Company is obliged to pay Manfredi Catella by way of compensation for the damage or, in any case, by way of compensation for the termination of the administration relationship, the greater amount between: (a) Euro 5 million and, (b) three times the total annual remuneration (fixed and variable amount). As of today, the Company considers the possibility of one of the *Good Leaver* hypotheses envisaged in the existing agreement as remote. The best current estimate as of December 31st, 2020 amounts to Euro 5.1 million.

43. Other operating expenses

Other operating expenses amounts to Euro 42 thousand (Euro 28 thousand as of December 31st, 2019) mainly include donations made by the Company to the Luigi Sacco hospital, to Fondo di Mutuo Soccorso of the Municipality of Milan and to Buzzi Foundation to deal with the COVID-19 health emergency, which spread to Italy at the end of February 2020. The financial resources related to these donations, amounting to Euro 236 thousand, derive in part from the remuneration waiver by Manfredi Catella as Member of the Board of Directors, amounting to Euro 90 thousand, and the waiver of emoluments by other directors and key managers, amounting to Euro 59 thousand.

The cost of the donations was partially offset by the change in decrease of the *fair value* of the financial instrument allowed to directors and key mangers by the Company, for an amount of Euro 122 thousand.
For more details on the parameters used by the independent expert for calculating the value of the financial instrument, see note 63 - Trade and other non-current payables.

44. Net depreciations

(in thousands Euro)	December 31st, 2020	December 31st, 2019
Amortisations and write-downs of other tangible and intangible assets	(162)	(139)
Allowance for doubtful accounts	(129)	-
Value adjustments of financial assets at fair value	-	-
Depreciations of COIMA CORE FUND IV	(17,587)	(345)
Depreciations of COIMA CORE FUND VIII	(77)	(163)
Net depreciations	**(17,955)**	**(647)**

The amount of Euro 17,955 thousand mainly refers to the value adjustment of the subsidiaries COIMA CORE FUND IV. This change was made on the *impairment test* carried out on December 31st, 2020, taking into consideration future cash flows and earnings recorded in previous financial years.

The analysis was carried out by comparing the fund's net assets as of December 31st, 2020, calculated in accordance with international accounting standards (including unrealized capital gains), with the book value of the investment. The principal assets of COIMA CORE FUND IV are the Deutsche Bank branches portfolio, which were valued at *fair value* on the evaluation report issued by the independent expert Duff & Phelps REAG, and by cash. The fund's liabilities consist of short-term trade payables. The *fair value* of the Fund's net assets as of December 31st, 2020 calculated in accordance with international accounting standards, was therefore amounting to Euro 82,025 thousand, while the book value of the investment was Euro 99,612 thousand. The comparison of these two values caused an adjustment of Euro 17,587 thousand. This reduction is essentially due to the repaid of units by the fund amounting to Euro 17,687 thousand, after the sale of 8 Deutsche Bank branches in January 2020, to the adjustment at *fair value* of the properties and to the distribution of profits made by the Fund during 2020.

The depreciation of COIMA CORE FUND VIII, amounting to Euro 77 thousand, was calculated with the same methodology as described above. The decrease is mainly due to the adjustment at *fair value* of Vodafone property and to the distribution of profits to the parent company, offset with the profit recorded during the year.

45. Net movement in fair value

Net movement at *fair value* of real estate shows a negative value of Euro 1,203 thousand (in face of a positive amount of Euro 4,473 thousand during the previous year) and it refers to the change in value of real estate investments, recorded on the basis of the appraisals prepared by the independent expert CBRE. As regards the parameters used in the valuations, please refer to note 49 – Real estate investments.

46. Income from investments

(in thousands Euro)	December 31st, 2020	December 31st, 2019
Income from COIMA CORE FUND IV	366	972
Income from COIMA CORE FUND VI	4,654	4,851
Income from COIMA CORE FUND VIII	1,838	-
Dividends from COIMA RES SIINQ I	2,642	2,733
Redemption of COIMA CORE FUND IV units	17,687	-
Redemption of COIMA CORE FUND VIII units	1,750	800
Income from investments	**28,937**	**9,356**

Income from investments amount to Euro 28,937 thousand and refers to income distributed by the Company's subsidiaries and to the reimbursements of units made during 2020.

47. Financial income and expenses

Financial income, amounting to Euro 1 thousand (Euro 1 thousand as of December 31st, 2019) mainly refer to interest income on liquidity.

Financial expenses, amounting to Euro 3,154 thousand (Euro 4,330 thousand as of December 31st, 2019), mainly include interest expense accrued on existing loans, payment flux of derivatives *Interest Rate Swap* and the effect of the *fair value* adjustment of derivative *Interest Rate Cap*.
The decrease of Euro 1,176 thousand is attributable to lower financial charges incurred following the contribution

of the Vodafone in COIMA CORE FUND VIII loan, made during the first half-year 2019 and to the lower financial exposure of the Company for reimbursements made during the year.

48. Income tax

In accordance with the provisions of the SIIQ regulations, the Company calculates income taxes deriving from activities other than exempt operations, using the 24% tax rate.
As of December 31st, 2020, non-exempt management produced low taxable income.

49. Real estate investments

The changes in real estate investments during 2020 are listed below.

(in thousands Euro)	December 31st, 2019	Capex	Revaluations (write-downs)	December 31st, 2020
Monte Rosa	61,100	54	(554)	60,600
Tocqueville	59,600	49	(149)	59,500
Pavilion	73,200	-	(500)	72,700
Real estate investments	**193,900**	**103**	**(1,203)**	**192,800**

The value adjustment of properties refers to appraisals prepared by the independent real estate expert in accordance with the RICS Valuation - Professional Standards and in accordance with applicable law and the recommendations of the ESMA European Securities and Markets Authority.

The main parameters used for the evaluation of the investment are shown below.

Independent expert	Property	Discount rate	Conversion rate	Cap out rate	Expected inflation rate	Years of plan
CBRE Valuation	Monte Rosa	5.40%	7.00%	5.20%	1.07%	8.8
	Tocqueville	5.50%	7.45%	3.65%	1.07%	6.7
	Pavilion	4.50%	7.10%	3.40%	1.07%	15.1

The revaluation of the Monte Rosa property, equal to Euro 554 thousand, was determined by the development and independent expert of the valuation considerations with reference to the period of income guaranteed by the lease contracts in force on the valuation date, as well as the timing to return the property to income. The change is mainly due to an improvement in the rates used by the independent expert net of a worsening of the inflation curve, in line with what emerged in the reference market in 2020.

The revaluation of the Tocqueville property, equal to Euro 149 thousand, was determined by the development, by the independent expert, of the valuation considerations with reference to the period of income guaranteed by the lease contracts in force on the valuation date, as well as the expected times for the carrying out of the renovation works and the subsequent return to income of the property at market rents in line with those in place in the Porta Nuova area. The change is mainly due to the worsening of the inflation curve which took place in 2020, partially offset by the approaching collection of the rent when fully contracted.

The revaluation in decrease of the Pavilion property of Euro 500 thousand is mainly linked to the reduction in the inflation curve during 2020.

The following table shows the market values of investment property as of December 31st, 2020 gross and net of transaction costs respectively:

Independent expert	Investments	Gross market value at December 31st, 2020	Net market value at December 31st, 2020
CBRE Valuation	Monte Rosa	62,721	60,600
	Tocqueville	61,583	59,500
	Pavilion	72,245	72,700

50. Other tangible and intangible assets

Other tangible assets, amounting to Euro 951 thousand (Euro 1,061 thousand as of December 31st, 2019), mainly include the *right of use* the spaces used by the Company for office use (so-called *right of use*), the furniture and furnishings relating to the Company's registered office.

The movements in other tangible assets as of December 31st, 2020, are shown below:

(in thousands Euro)	December 31st, 2019	Increases/(decreases)	December 31st, 2020
Furniture and fixtures	71	-	71
Installations	284	-	284
Other tangible assets	7	-	7
Rights of use	852	1	853
Original costs	**1,214**	**1**	**1,215**
Furniture and fixtures	(14)	(6)	(20)
Installations	(54)	(23)	(77)
Other tangible assets	(4)	(1)	(5)
Rights of use	(81)	(81)	(162)
Depreciation fund	**(153)**	**(111)**	**(264)**
Net book value	**1,061**	**(110)**	**951**

As of today, the Company has a lease agreement in place for the registered office in Piazza Gae Aulenti n.12, whose right of use as of December 31st, 2020 amounts to Euro 691 thousand, net of amortizations.

Intangible assets, amounting to Euro 256 thousand (Euro 186 thousand as of December 31st, 2019), refer to (administrative and accounting) software in implementation. The increased by Euro 70 thousand compared to last year due to the development of implementation activities carried out during the period.

51. Investments in subsidiaries

The table below shows the movements in subsidiaries as of December 31st, 2020.

(in thousands Euro)	December 31st, 2019	Revaluations / (write-downs)	December 31st, 2020
COIMA CORE FUND IV	99,612	(17,587)	82,025
COIMA CORE FUND VI	114,622	-	114,622
COIMA RES SIINQ I	27,750	-	27,750
COIMA CORE FUND VIII	43,466	(77)	43,389
Investments in subsidiaries	**285,450**	**(17,664)**	**267,786**

The write downs, amounting to Euro 17,664 thousand, are due to the *impairment test* carried out in order to align the book value of the equity investments with the share of shareholders' equity of the entities at the same date. For further details related to COIMA CORE FUND IV write-down, please refer to paragraph 44 - Net depreciations.

The following are the main data relating to subsidiaries, calculated in accordance with the IAS / IFRS international accounting standards:

(in thousands Euro)	% owned	Capital stock as of December 31st, 2020	Total asset as of December 31st, 2020	Shareholders 'equity as of December 31st, 2020 (*)
COIMA CORE FUND IV	100.0%	80,458	84,421	82,025
COIMA CORE FUND VI	88.2%	115,777	202,883	149,319
COIMA RES SIINQ I	100.0%	250	47,888	27,881
COIMA CORE FUND VIII	50.0%	82,000	217,728	86,777

* The amounts include 2020 results and unrealised capital gains.

52. Investments in associated companies

The item investments in associated companies includes the investment in the Porta Nuova Bonnet Fund, described below, and the investments in Infrastrutture Garibaldi Repubblica and Porta Nuova Garibaldi Consortium.

(in thousands Euro)	December 31st, 2019	Increase	December 31st, 2020
Porta Nuova Bonnet	19,517	5,214	24,731
Other associated companies	1	-	1
Investments in associated companies	**19,518**	**5,214**	**24,732**

The column *increase* mainly refers to the amounts paid by the Company during the year in view of the capex to be incurred for the development of the Corso Como Place project.

53. Financial receivables

The items, equal to Euro 1,190 thousand for the long-term amount and Euro 491 thousand for the short term, relate to residual receivables from COIMA CORE FUND VIII for the transfer of almost all the financial costs incurred in the refinancing transaction of the Vodafone real estate complex.
The receivables originally amount to Euro 2,476 thousand and will be collected in ten payment tranches within December 31st, 2023.

54. Derivatives

Derivatives, amounting to Euro 6 thousand (Euro 34 thousand as of December 31st, 2019), relates to the four *Interest Rate Cap* derivative agreements entered into to hedge the cash flows relating to the mortgage financing of the Deutsche Bank branch portfolio.

The decrease of Euro 28 thousand compared to December 31st, 2019 is mainly due to the partial closure of the derivative, in order to align the notional to the nominal value of the loans, reduced following the repayments made, and to the change in *fair value* of the residual derivative contracts.

In accordance with IFRS 9, the *fair value* of derivatives has been separated into two components: the intrinsic value (*intrinsic value*), equal to the actual value of the derivative in the case of immediate exercise, and the time value (*time value*), i.e., how much a buyer would be willing to pay over the intrinsic value. The Company booked the change in *fair value* relating to the time effect of the derivatives to equity, amounting to Euro 28 thousand (net of the deferral with effect on the income statement, amounting to Euro 138 thousand) and to cash flow hedge reserve their intrinsic component, which at the closure date of the fiscal year ha a null amount.

The hedging strategy adopted by the Company is to set an upper limit to the cost of financing, for the part covered. The Company has accounted for hedging transactions based on *hedging accounting*, verifying their effectiveness. In order to test the effectiveness of existing derivatives, the *hedged item* was identified, at the start date of the hedge, with a hypothetical derivative ("*hypothetical derivative*"). This derivative must perfectly cover the risks caused by the exposure both in terms of the underlying and in contractual terms (notional, indexing, etc.). Finally, the hypothetical stipulation must take place at market conditions on the date the hedging relationship was established.
The changes in *fair value* have been recognized in the valuation reserve, net of what is recorded in the income statement in the event of ineffectiveness
The *fair value* measurements of the derivatives also took account of any adjustments to be made as a result of the deterioration of one of the banking counterparties or of the Company itself, also taking account of any guarantees given by the Company to the Banks.

55. Trade and other current receivables

The breakdown of trade and other current receivables as of December 31st, 2020 are given below:

(in thousands Euro)	December 31st, 2020	December 31st, 2019
Receivables from tenants	4,046	2,911
Receivables from subsidiaries	4,467	5,531
Trade receivables	**8,513**	**8,442**
Tax receivables	19	1,679
Prepayments and accrued income	256	280
Other current activities	728	141
Other current receivables	**1,003**	**2,100**
Trade and other current receivables	**9,516**	**10,542**

Receivables from tenants show an increase of Euro 1,135 thousand mainly due to the anticipated invoicing in December of some rents related to the first quarter 2021, amounting to Euro 1,152 thousand.
The remaining part of the receivables from tenants is mainly referred to the effects of the normalisation of rents (recorded in accordance with IFRS 16) for Euro 2,433 thousand, invoices to be issued for Euro 317 thousand and outstanding receivables for Euro 144 thousand.
As of December 31st, 2020, trade receivables are exposed as net of eventually write-offs related to uncollectible amounts or collections that are deemed unrealizable.

Receivables from subsidiaries include receivables for income resolved by funds, in particular Euro 3,967 thousand from COIMA CORE FUND VI and Euro 500 thousand from COIMA CORE FUND VIII.

Tax receivables shows a decrease of Euro 1,660 thousand compared to the previous year due to the offsetting of the receivable with other taxes and duties.

Accrued income and prepaid expenses mainly include registration taxes, insurance and other costs already incurred for the following year.

56. Cash and cash equivalents

Cash and cash equivalents, amounting to Euro 10,648 thousand, are held at the following institutions:

(in thousands Euro)	December 31st, 2020	December 31st, 2019
Banco BPM	1,285	449
Unicredit	1,586	7,252
Intesa San Paolo	1,593	3,308
Banca Passadore	3,565	1,457
UBI	2,619	-
Cash	0	1
Cash and cash equivalents	**10,648**	**12,467**

At Banco BPM, Banca Passadore and UBI the Company holds its liquidity available for ordinary management.

The amounts deposited with Unicredit and Intesa Sanpaolo include five current accounts and two unpledged accounts called *distribution accounts*, opened as a result of the stipulation of the loan agreements which will be discussed below. The unpaid accounts include the amounts that are available to the Company following the quarterly review of the financial *covenants*.

57. Shareholders' equity

Shareholders' equity as of December 31st, 2020 amounted to Euro 402,769 thousand (Euro 402,293 thousand as of December 31st, 2019) and is composed as shown in the table in the financial statements.

The share capital consists of 36,106,558 ordinary shares with no par value.

The legal reserve represents the portion of profits which, in accordance with Article 2430 of the Italian Civil Code, cannot be distributed as a dividend.

The valuation reserve, negative for an amount of Euro 1,428 thousand (negative for Euro 1,677 thousand as of December 31st, 2019), relates to the change in the *fair value* of derivative agreements entered into to hedge the cash flows of the existing loan.

The interim dividend of Euro 3,611 thousand refers to the 2020 interim dividend of Euro 0.10 for each share in circulation on the ex-coupon date, approved on November 5th, 2020 by the Board of Directors pursuant to Article 2433-bis, paragraph 5, of the Italian Civil Code and paid on November 18th, 2020 with the ex-coupon date set for November 16th, 2020.

The table below shows the availability and distribution of the equity reserves as of December 31st, 2020:

(in thousands Euro)	Amount	Possibility to use (*)	Available amount	Dividends	Amount used in the three previous years	
					To cover losses	For other reason
Capital stock	14,482					
Share premium reserve	336,273	A, B, C	336,273			
Legal reserve	2,896	B	2,896			
Interim dividend 2020	(3,611)			(3,611)		
Valuation reserve	(1,428)					
Other reserves	36,049			(7,221)		
Profit / (loss) carried forward	7,175	A, B, C	7,175			
Profit / (loss) for the year	10,933					
Total shareholders' equity	**402,769**		**346,344**	**(10,832)**		
Amount unavailable for distribution			2,896			
Amount available for distribution			343,448			

(*) A: for capital increase; B: to cover losses; C: for distribution

58. Bank borrowings and other lenders

The table below shows the detail of bank borrowings as of December 31st, 2020 and its transactions during the year.

(in thousands Euro)	December 31st, 2019	Amortized costs / others	Reimbursements	December 31st, 2020
Deutsche Bank borrowing	31,068	191	(718)	30,541
Monte Rosa – Tocqueville borrowing	41,400	213	(956)	40,657
Pavilion borrowing	26,664	96	-	26,760
Non-current bank borrowings	**99,132**	**500**	**(1,674)**	**97,958**
Deutsche Bank borrowing	6,877	-	(6,877)	-
Monte Rosa – Tocqueville borrowing	9,175	(26)	(9,149)	-
Pavilion borrowing	88	(88)	-	-
Current bank borrowings	**16,140**	**(114)**	**(16,026)**	**-**
Bank borrowings	**115,272**	**386**	**(17,700)**	**97,958**

During the year, the Company had reimbursed part of the existing borrowings for Euro 17,700 thousand (of which Euro 10,105 thousand related to Tocqueville and Monte Rosa real estate borrowings and Euro 7,595 thousand related to Deutsche Bank borrowing). This reimbursement was made by using the liquidity deriving from the sale of its relative branches.

On October 27th, 2020, the Company signed a Revolving Credit Facility ("**RCF**") with Banco BPM S.p.A. bank group amounting to Euro 10 million with expiration date 18 months. As of December 31st, 2020, the Company has no financial exposition in this institute.

The financial covenants are checked by the Company every quarter and/or half year, as required by the existing contracts.
The covenant as of December 31st, 2020 are shown below:

Investments	Covenant	Limits	Test results as of December 31st, 2020
Deutsche Bank branches	LTV Consolidated	<60%	42.6%
Monte Rosa	ICR Portfolio	>1,8x	4.7x
Tocqueville	ICR/DSCR Consolidated	>1,4x	4.6x
Pavilion	LTV Portfolio	<65%	36.8%

The above indicators confirm that the covenants set out in the loan agreement have been maintained.

59. Non-current financial liabilities

This item, amounting to Euro 704 thousand (Euro 779 thousand as of December 31st, 2019), in accordance with the international accounting standard IFRS 16, includes the liability in respect of the payment of lease rents relating to existing lease agreements. The liability is equal to the present value of the future cash flows expected for the contractual duration. For more details in this regard, see paragraph 50 - Other tangible and intangible fixed assets.

60. Payables for post-employment benefits

The balance of the Employee Severance Indemnity (TFR), equal to Euro 100 thousand (Euro 71 thousand as of December 31st, 2019), concerns the debt relating to four employees of the Company.

61. Provisions for risks and charges

This amount, equal to Euro 391 thousand (Euro 373 thousand as of December 31st, 2019), refers to the payment to cover the risks relating to the contracts in place with the CEO. For further information, please read the personnel costs details described in paragraph 42 – G&A expenses.

62. Derivatives

The derivative financial instruments classified in liabilities, equal to Euro 1,531 thousand (Euro 1,747 thousand balance as of December 31st, 2019), refer to *Interest Rate Swaps* subscribed to cover the financial flows relating to Monte Rosa, Tocqueville and Pavilion.

The decrease amounting to Euro 216 thousand compared to December 31st, 2019 is mainly attributable to the partial closure of derivatives in order to align the notional to the nominal value of the loans, reduced following the repayments made, and to the change in *fair value* of the residual derivative contracts. This transaction has led to closure costs amounting to Euro 252 thousand, recorded in the item *financial charges.*

The *Interest Rate Swap* agreement is stipulated in order to cover the Euribor and its changes by paying a fixed amount that represents the total cost of the collection for the entire duration of the swap agreements.

The hedging strategy adopted by the Company 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. 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.

63. Trade and other non-current liabilities

Trade and other non-current payables mainly include the *fair value* of the financial instrument classified in the non-current liabilities, granted to the CEO and *key managers*. As of December 31st, 2020, the instrument was revalued at Euro 876 thousand (Euro 998 thousand as of December 31st, 2019) based on the evaluation report specifically prepared by an external consultant.

The appraiser expressed his opinion on the *fair market* value of the equity instrument issued by the Company in favour of certain managers on the basis of the instrument's settlement, based on the fact that the Company is listed and on the expected cash flows in three different scenarios (*base, downside and upside*).
The valuation was carried out in application of the financial criterion. It estimates the value of an asset as the sum of expected cash flows, discounted at a rate that expresses the systematic risk of the investment. The valuation model has been set up as follows:

- the reference date was December 31st, 2020;
- the estimate was made by assuming the expected annual cash flows from the *Promote* Fee over the period 2021-2030. Average-weighted cash flows were considered in three separate scenarios (*base, downside and*

upside). For estimating the expected cash flows, the flows of the three scenarios were weighted respectively by 33.33% each;
- for estimating the annual cash flows of the holders of the instrument, the average-weighted annual flows deriving from the Promote Fee were 60%. This is in line with what is provided for in the instrument regulations;
- the average-weighted cash flows of the holders of the instrument have been discounted, as of December 31st, 2020, at a discount rate expressing the average return expected on investments having a risk profile comparable to that of the investment in the instrument. This discount rate, equal to 4.0%, was quantified by the consultant according to the CAPM ("*Capital Asset Pricing Model*") approach and is equal to the cost of the Company's own capital, expressing the systematic (non-diversifiable) risk associated with the business activities from which cash flows depend, in the last instance, those of the instrument.

The discount rate was estimated by the consultant assuming the following parameters:
- *risk-free* rate of 0.34%. This figure is equal to the historical average of the returns (without considering taxes) as of December 31st, 2020, of the Italian public debt securities with a residual maturity of 8 years;
- Beta coefficient of 0.60. In details, the Beta coefficient was determined: (i) assuming the average unlevered Beta (0.46) 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 consider the target financial structure of COIMA RES (i.e. ratio net funding position / equity amounted to 40%);
- ERP of 6.12%. This figure corresponds to most recent measure of *forward looking* ERP compared to the estimate date, deducted from empirical observations of the market (source: NYU Stern *School of Business*).

64. Trade and other current liabilities

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

(in thousands Euro)	December 31st, 2020	December 31st, 2019
Account payables	823	1,479
Invoices to be received	1,349	1,435
Trade payables	**2,172**	**2,914**
Personnel payables	308	261
Security provider payables	85	70
Tax payables	183	36
Other payables	33	45
Accruals and deferred income	1,098	288
Other liabilities	**1,707**	**700**
Trade and other current liabilities	**3,879**	**3,614**

Account payables mainly consist of payables for asset management services provided during the year amounting to Euro 539 thousand. The remaining part of the payables is referred to consulting and development activities carried out during the fourth quarter 2020.

Invoices to be received mainly consist of the fee for the third and fourth quarter of the asset management agreement with COIMA SGR, pro-forma invoices received from the Company's consultants for legal, tax and administrative advice and marketing and communication expenses.
Deferred income refers to the advance collection of lease payments relating to the year 2021.

The other amounts in this item mainly refer to payables for bonus, vacation and additional monthly payments (Euro

308 thousand), payables related to social security contributions and pension funds (Euro 85 thousand), VAT payables and withholding to be paid (Euro 183 thousand), payables to collaborator (Euro 13 thousand) and payables for approved dividends (Euro 20 thousand).

65. Information on transfers of financial asset portfolios

The Company has not made any transfers between financial asset portfolios in 2020.

66. Information on fair value

IFRS 13 provides that:

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

The general rules for preparing fair value measurement techniques should be adjusted based on the circumstances, configured in order to maximise 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 swap*, 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 of December 31st, 2020 compared to December 31st, 2019 is given below.

(in thousands Euro)	December 31st, 2020		December 31st, 2019	
	Net book value	Fair Value	Net book value	Fair Value
Real estate investments	192,800	192,800	193,900	193,900
Other tangible assets	951	951	1,061	1,061
Other intangible assets	256	256	186	186
Investments in subsidiaries	267,786	267,786	285,450	285,450
Investments in associated companies	24,732	24,732	19,518	19,518
Derivatives	6	6	34	34
Long term financial assets	1,190	1,190	1,651	1,651
Trade and other current receivables	10,006	10,006	11,033	11,033
Cash and cash equivalents	10,648	10,648	12,467	12,467
Assets	**508,375**	**508,375**	**525,300**	**525,300**
Non-current bank borrowings	97,958	98,059	99,131	99,073
Current bank borrowings	-	-	16,140	16,355
Non-current financial liabilities	704	704	779	779
Other liabilities	4,537	4,537	4,212	4,212
Derivatives	1,531	1,531	1,747	1,747
Financial instruments	876	876	998	998
Liabilities	**105,606**	**105,707**	**123,007**	**123,164**

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 of December 31st, 2020 and 2019.

(in thousands Euro)	December 31st, 2020			
	Total amount	Quoted prices in active markets (Level 1)	Observable inputs (Level 2)	Unobservable inputs (Level 3)
Real estate investments	192,800	-	-	192,800
Other tangible assets	951	-	-	951
Other intangible assets	256	-	-	256
Investments in subsidiaries	267,786	-	-	267,786
Investments in associated companies	24,732	-	-	24,732
Derivatives	6	-	6	-
Non-current financial assets	1,190	-	-	1,190
Trade and other current receivables	10,006	-	-	10,006
Cash and cash equivalents	10,648	-	-	10,648
Assets	**508,375**	**-**	**6**	**508,369**
Non-current bank borrowings	98,059	-	98,059	-
Non-current financial liabilities	704	-	-	704
Other liabilities	4,537	-	-	4,537
Derivatives	1,531	-	1,531	-
Financial instruments	876	-	-	876
Liabilities	**105,707**	**-**	**99,590**	**6,117**

(in thousands Euro)	December 31st, 2019			
	Total amount	Quoted prices in active markets (Level 1)	Observable inputs (Level 2)	Unobservable inputs (Level 3)
Real estate investments	193,900	-	-	193,900
Other tangible assets	1,061	-	-	1,061
Other intangible assets	186	-	-	186
Investments in subsidiaries	285,450	-	-	285,450
Investments in associated companies	19,518	-	-	19,518
Derivatives	34	-	34	-
Non-current financial assets	1,651	-	-	1,651
Trade and other current receivables	11,033	-	-	11,033
Cash and cash equivalents	12,467	-	-	12,467
Assets	**525,300**	**-**	**34**	**525,266**
Non-current bank borrowings	99,073	-	99,073	-
Current bank borrowings	16,355	-	16,242	113
Other borrowings	779	-	-	779
Other liabilities	4,212	-	-	4,212
Derivatives	1,747	-	1,747	-
Financial instruments	998	-	-	998
Liabilities	**123,164**	**-**	**117,062**	**6,102**

67. Risks, guarantees and commitments

The risks which the Company is subject to and the relative mitigation are reported in the Chapter 3 "Governance" - *How we manage the risks.*

Guarantees and commitments

With regard to the loans contracted by the parent company COIMA RES, the following *security packages* have been agreed with the lending banks.

As for the loan related to Deutsche Bank portfolio:

- first mortgage of Euro 298,550 thousand;
- pledge on the COIMA CORE FUND IV units;
- pledge on operating bank accounts linked to the loan agreement

As for the loan related to Monte Rosa and Tocqueville:

- first mortgage of Euro 140,000 thousand;
- pledge on the COIMA CORE FUND IV units;
- pledge on operating bank accounts linked to the loan agreement;
- disposal of receivables related to rents, insurance claims and any other receivables arising from disputes against consultants engaged for the *due diligence* on the property.

As for the loan related to Pavilion:

- first mortgage of Euro 63,000 thousand;
- pledge on operating bank accounts linked to the loan agreement;
- disposal of receivables related to rents, insurance claims and any other receivables arising from disputes against consultants engaged for the *due diligence* on the property.

As for the 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 approx. Euro 25 thousand.

The Company has a commitment of Euro 25,000 thousand to the Porta Nuova Bonnet Fund, almost totally paid at the date of December 31st, 2020 with residual Euro 269 thousand to be claimed.

On June 11th, 2020 COIMA RES signed a binding agreement for the acquisition of a stake between the 10% and the 25% in the Porta Nuova Gioia real estate fund, manged by COIMA SGR, owner of the building under renovation called Gioia 22, located in Milan, in Via Melchiorre Gioia 22.
The closing of the transaction is expected within the end of 2021 or at the beginning of 2022 and it is subordinated to the occurrence of some precedent conditions, among which the achievement of the 75% of the real estate *occupancy*. The stake that will be acquired by COIMA RES in the Porta Nuova Gioia real estate fund will be determined by the Company, at its discretion, within the interval, near the closing. At the date, the estimated purchase price is between Euro 22 million and Euro 56 million.

68. Related party transactions

Related party transactions are listed below:

(in thousands Euro)	Receivables	Liabilities	Income	Costs
COIMA SGR S.p.A.	-	409	-	850
COIMA S.r.l.	-	86	-	177
COIMA CORE FUND IV	-	-	18,053	17,587
COIMA CORE FUND VI	3,968	-	4,654	-
COIMA CORE FUND VIII	2,181	11	3,588	77
COIMA RES S.p.A. SIINQ I	-	-	2,642	-
Infrastrutture Garibaldi	-	1	-	5
Porta Nuova Garibaldi consortium	-	51	-	174
Lorenteggio Village consortium	99	-	-	-
Porta Nuova Garibaldi fund	690	760	-	116
Riccardo Catella foundation	-	12	-	8
Senior managers	-	51	-	228
Directors	-	1,268	-	465
Board of Statutory Auditors	-	109	-	109
Others	-	13	-	113

Also note that the Company has signed the following service agreements with related parties in line with market standards:

- Asset Management Agreement with COIMA SGR S.p.A.;
- Agreement with COIMA S.r.l. for the supply, by the latter, of development and project management services, as well as property and facility management services;
- Lease agreement related to the new headquarter of the Company signed on July 21st, 2017, with Porta Nuova Garibaldi Fund, managed by COIMA SGR S.p.A..

Asset Management Agreement

As of March 19th, 2020, Board of Directors approved the changes made to the Asset Management Agreement with COIMA SGR, summarized below:

- reduction of *management fee* to: (i) 80 bps in face of 110 bps previously provide, up to an amount of the total net value of the real estate assets amounting to 1 billion; (ii) to 60 bps in face of the 85 bps, in addition to Euro 1 billion and (iii) up to 1.5 billion and 55 bps in face of 50 bps in addition to Euro 1.5 billion;
- extension of the deadline until January 1st, 2025, which will be renewed for a further five years, unless cancelled by one of the parties to be communicated to the other with a notice of at least 12 months, for the period from January 1st, 2020 to January 1st, 2025 ("First Period") and the subsequent five-year period ("Second Period"), or at least 18 months, as regards the five-year periods subsequent to the First Period and the Second Period;
- elimination of the *termination penalty* in the event of withdrawal by the Company starting from the expiry of the Second Period (i.e., starting from January 1st, 2030) and on condition that the withdrawal is communicated by the Company with 18 months' notice, with simultaneous termination of the exclusivity clause starting from the receipt of the notice of withdrawal;
- insertion of a *cap* amounting to Euro 110,000 beyond which the fixed annual remuneration of the Company's Chief Executive Officer cannot be deducted from the *asset management fee* due to Coima SGR;

- modification of the clause relating to the confidentiality obligations in order to introduce an explicit reference to the rules on market abuse, as well as the clause relating to compliance with the so-called 231 Model adopted by the Company.

Property and Development Management Agreement

During the month of December 2020, the Company, as required by the master agreement with COIMA S.r.l., completed the annual review of the economic conditions of the *property and development management* agreement. This process involved only the modification of the contractual duration of the master agreement, which was aligned with the expiry of the Asset Management contract in place with COIMA SGR, i.e., January 1st, 2025.

Publication of audit fees pursuant to art. 149-duodecues of Consob Regulation No. 11971 of 14 May 1999

We report in this table a detail of the fees paid to the auditing company which has been assigned the audit assignment pursuant to Legislative Decree 39 of January 27th, 2010, and to the entities in the network to which the auditing company belongs:

(in thousands Euro)	Object	Audit firm	Remunerations
Legal review (*)	COIMA RES S.p.A. SIIQ	EY S.p.A.	188
Review of sustainability report	COIMA RES S.p.A. SIIQ	EY S.p.A.	16
Total amount			**204**

(*) These fees refer to the statutory audit of the consolidated financial statements, the separate financial statements and the half-year consolidated financial statements of COIMA RES SIIQ and to the limited audit of the accounting prospectus as of September 30th, 2020, aimed at issuing the opinion for the distribution of the interim dividends. of COIMA RES SIIQ pursuant to article 2433 bis of the Civil Code. The amount includes the remunerations (expenses included) of Euro 177 thousand and the CONSOB contribution, estimated by the Company of Euro 11 thousand.

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, 2020

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 considered the provisions of art, 154-*bis*, paragraphs 3 and 4, of the Legislative Decree No. 58 of February 24th, 1998, hereby certify:
   - the adequacy, regarding 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;
   - can provide 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 25th, 2021

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

INDEPENDENT AUDITORS' REPORT

Building a better working world

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

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

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Coima Res S.p.A. SIIQ

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Coima Res S.p.A. SIIQ (the Company), which comprise the statement of financial position as at 31 December 2020, and the statement of profit/(loss) for the year, the other comprehensive income statement, the statement of changes in shareholder's equity and the cash flows statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, 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 the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

EY S.p.A.
Sede Legale: Via Lombardia, 31 - 00187 Roma
Capitale Sociale Euro 2.525.000,00 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
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
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

We identified the following key audit matter:

Key Audit Matter	Audit Response
Valuation of real estate portfolio Investment properties are stated at fair value in accordance with International Financial Reporting Standards IAS 40 Investment properties, recognizing the effects of changes of fair values in the income statement. Management has estimated fair value based on the reports prepared by independent experts. The fair value estimate involves the use of fair value models which require forecasting future costs and revenues of each property and the use of assumptions about the occupancy rate of properties, the markets trends of real estate and financial markets, also considering the effects of the current Covid-19 pandemic, as well as the general economic conditions that affect the rent and the reliability of the tenants. We considered that this item represents a key audit matter, due to the relevance of the investment properties stated at fair value and changes in fair value over the accounting periods, the judgment required by Management in assessing the above mentioned assumptions used in the fair value models, as well as the effects on the Company's and Group's key performance indicators, especially the Net Asset Value. The paragraph "Main balance sheet items" of the notes to the financial statements, describes the process adopted to select the independent experts and the fair value models.	Our audit procedures in response to this key audit matter relate to, amongst others, the analysis of the company's procedure related to the selection of the independent expert appointed in order to prepare a fair value estimate, the tracing of these amounts with the balance sheet figures, the critical review and discussion with Group Management and independent experts of the main market assumptions and, also with the support of our real estate experts, detail testing of the reports prepared by the independent experts. Finally, we have examined the disclosures provided in the notes to the financial statements.

Building a better working world

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing art. 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit 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 Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going

concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Coima Res S.p.A. SIIQ, in the general meeting held on February 1st, 2016, engaged us to perform the audits of the financial statements for each of the years ending December 31st, 2016 to December 31st, 2024.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

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 Ownership Structure of Coima Res S.p.A. SIIQ as at 31 December 2020, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements of Coima Res S.p.A. SIIQ as at 31 December 2020 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of Coima Res S.p.A. SIIQ as at 31 December 2020 and comply with the applicable laws and regulations.

With reference to the statement required by art. 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Milan, 19 March 2021

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

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,

the Board of Statutory Auditors of COIMA RES S.p.A. SIIQ ("**COIMA RES**" or "the **Company**") is required to report to the Shareholders Meeting, called to approve the financial statements for the year ended December 31st, 2020, regarding the audit conducted during the year and on the other activities pursuant to art. 153 of Legislative Decree 58/98 and art. 2429 et seq. of Italian Civil Code, as well as pursuant to art. 17, 19 of Legislative Decree no. 39/2010 and art. 4, 5, 6, 11, 16, 17 of the EU Regulation no. 537/2014.

We noted that, in compliance with Legislative Decree n.58 of 1998, the supervisory activities on the regular bookkeeping and of consolidated and separate financial statements have been tasked by the auditing firm EY S.p.A. [also "**EY**"], appointed by Shareholders' Meeting of February 1st, 2016, for the years 2019-2024, whose reports - which contain no qualifications or emphasis of matter - we refer you.

It should be noted that for the 2020 financial year, the Sustainability Section attached to the Annual Report of COIMA RES was also subject to review , drafted in line with the "European Public Real Estate Association's Sustainability Best Practice Reporting guidelines " (EPRA sBPR).

The results of the auditing of both the Financial Statements and the Sustainability Section are set out in the relevant auditor's reports - which do not contain any observations or requests for information - to which we refer.

During the year ended December 31st, 2020 the Board of Statutory Auditors of COIMA RES S.p.A. SIIQ carried out the supervisory activities required by existing law, in accordance with Supervisory Authorities recommendations and in particular according to the key required to CONSOB with Communications n. 1025564 of April 6th, 2001 and subsequent supplements of 2003 and 2006, 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 n.39 of January 27th, 2010 for the public interest entities, which is your Company, the Internal Control and Auditing Committee [also "CCIRC"] identifies with the Board of Statutory Auditors and therefore, during the period, were carried out the supervisory activities mandated to the same, pursuant to art. 19 of the aforementioned Decree.
We remind you that the regulatory provisions referred to in Decree n. 135/2016 as well as with EU Regulation 537/2014, with a view to strengthening the interaction between the auditors and the Board of Statutory Auditors, as CCIRC, provide *inter alia,* for the prior approval of assignments to the statutory auditor, not specifically relating to the audit activity, as well as transmission to the Committee for control and audit of the additional report issued pursuant to Article 11 of EU Regulation 537/2014.

Appointment, self-assessment and activities of the Board of Statutory Auditors

The Board of Statutory Auditors in charge on the date of this Report, was appointed by resolution of the Shareholders' Meeting of April 12th, 2018, and his office will expire with the Shareholders' Meeting approving the financial statements as of December 31st, 2020.
The Board of Statutory Auditors in charge, as appointed, is composed of the

2

following n. 3 (three) members:

- Mr. Massimo Laconca, standing member to whom the chairmanship of the Board of Statutory Auditors has been attributed;
- Mrs. Milena Livio, standing auditor;
- Mr. Marco Lori, standing auditor .

The Board of Statutory Auditors, also for the 2020 financial year, assessed the suitability of its members and the adequate composition of the board - with reference to the requirements of professionalism, competence, integrity and independence required by law - as well as the availability of time and adequate resources to the complexity of the assignment and the proper functioning, taking into account the size, complexity and activities carried out by the intermediary. The members of the Board of Statutory Auditors have respected the limit of the accumulation of offices set out in art.144-terdecies of the Issuers Regulation .

The self-assessment, which was carried out also taking into account the provisions of the Articles of Association, as well as the best practices disseminated from time to time, provided a positive view on the composition and functioning of the Board of Statutory Auditors.

The Board of Statutory Auditors also verified the correct application of the criteria and procedures for ascertaining the independence requirements of the members of the Board of Directors with this qualification, as well as, in its capacity as Committee for Internal Control and Auditing [also "CCIRC"], the independence requirements of the auditing firm.

The Board of Statutory Auditors, in order to regulate the composition, operating methods and powers of the supervisory body, in accordance with the principles established by the applicable laws and regulations, as well as by the Corporate Governance Code to which the Company has adhered, has adopted a its own Regulations, which will be updated from time to time in

relation to the evolution of the legislation.
The Board of Statutory Auditors, therefore, also in accordance with its own Regulations, and for the aspects within its competence, supervised compliance with the law and the Articles of Association, compliance with the principles of correct administration, the adequacy of the organizational structure, the control system of the administrative-accounting system and on the reliability of the latter in correctly representing management events.

The Board of Statutory Auditors, as part of the supervisory activity carried out, with the frequency of which specific indication will be given in point 10 of this Report, takes note, in particular, of the following:

- with limited absences of some of its members, we attended at all meetings of the Board of Directors held during the year and obtained periodically from the Directors, information on the activity carried out and on the most important operations performed by the Company. The Board of Statutory Auditors also participated in the periodic meetings of the internal Board Committees, established pursuant to the Corporate Governance Code, and in particular to n. 8 meetings of the Control and Risks Committee, also in its capacity as Committee for transactions with related parties, and at no. 5 meetings of the Remuneration Committee ;
- to supervise 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 ;
- to 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 ;

- to 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 Control Functions and with the manager 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 .

Thanks to the meeting with the internal control functions, we have received adequate information on the internal control system and risk management.

The contacts with the Manager responsible for preparing Company's financial reports allowed a feedback on the activities carried out to verify the adequacy and effectiveness of the control procedures relating to the administrative and accounting system, on which it is confirmed that no such critical issues have emerged to be brought to the attention of the Board of Directors .

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 have 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 managers of the Functions concerned, exchanges of data and information with auditing firm ;

- to have supervised the operation of internal control and accounts administration system, 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 managers of the Functions concerned, analysis of the results of the work carried out by the auditing firm .

The implications deriving from the Covid-19 epidemic - The impact on the organizational structure and the disclosure provided in the financial statements

The year 2020 was characterized, as known, by a situation of deep uncertainty in relation to the imposition and development, in different phases, of the Covid-19 pandemic. The indications and government measures issued throughout the year, in declaring a state of emergency, have imposed particularly stringent measures to limit the spread of the pandemic throughout the country, such as situations of total or partial lockdown.

In relation to the implications deriving from the serious pandemic emergency from Covid-19, the Board of Statutory Auditors was able to take note of the following:

i) *The impact on the organizational structure* . While respecting the special legislation, the Company's activity has not stopped and is normally continued in ways that have favoured the performance of the various activities "remotely". The activities of the Board of Statutory Auditors also continued in these ways, through the acquisition of data and information in electronic format and the holding of its meetings via video / audio conference. Taking into account the degree of reliability that the

Company has demonstrated to possess during the year, with regard to having to ensure the proper conduct of meetings and an adequate system for transmitting information flows, the Board of Statutory Auditors believes that the adoption of these methods has not diminished or impaired the degree of reliability of the information received and the effectiveness of both its activity and, overall, the activity of the Board of Directors and of the entire structure.

ii) *The information provided in the financial statements.* With the "Recall of attention n. 1/21 of 16-2-2021"Consob recommended how, when preparing the 2020 financial statements, issuers must consider the provisions of the ESMA document on common European supervisory priorities 2020 as of October 28th, 2020 ("*European common enforcement priorities for 2020 annual reports*"). In this document, in light of the consequences of the COVID-19 pandemic, the thematic areas of particular importance are highlighted, especially in relation to the critical issues related to the existence of the going concern assumption, the causes of uncertainty on accounting estimates, as well as to the representation of the items impacted by COVID-19, with consequent specific reflections on the methods of application of the accounting principles established on the subject of valuation of tangible and intangible assets, as well as the assessment of risks associated with financial assets and liabilities, with particular attention to the risk of liquidity and the measurement of expected credit losses.

It is also recommended to pay particular attention to the planning process taking into account the possible impacts on the objectives and business risks deriving from the pandemic, providing information in management reports.

With regard to these aspects, the Board of Statutory Auditors maintained constant dialogue with management and in particular with the administrative body in charge of drafting the financial statements, intensifying, on this point, its dialogue with the auditors.
The Board of Statutory Auditors was also able to ascertain that, during the year, the Board of Directors constantly examined the performance of its business model in the light of the pandemic in progress and its possible effects, finding that they did not occur over the year, significant impacts on financial results. The composition of its portfolio, characterized by high quality properties and with diversified tenants and mainly consisting of multinational companies of high reputational standing, has, in fact, allowed to Coima RES to maintain its solidity unchanged with rental income levels in line with the previous year .
Finally, the Board of Statutory Auditors noted that the Company has made adequate disclosure in the financial statements on the various aspects and main items in the financial statements, the assessments of which could have been influenced by factors linked to the pandemic and the risks connected to it.

§ § §

In compliance with the recommendations provided by Consob regarding the contents of the Board of Statutory Auditors' Report, we report the following:

1. Considerations on the events and transactions carried out by the Company that had significant impact on assets, financing and operating result, and their compliance with By-laws and regulations

8

The Separate Financial Statement of COIMA RES S.p.A. SIIQ for the year 2020 recorded a profit of Euro 10,933,612, whose formation is described in detail by the Board of Directors in its report, to which we refer you .
In particular, among the significant events of the year and in relation to their relevance, as set out in the directors' report, the Board of Statutory Auditors reports the following.

a) *Investment and disinvestment transactions*

- As of June 11th, 2020 COIMA RES has concluded a binding agreement for the purchase of a stake between 10% and 25% in the Porta Nuova Gioia real estate fund, managed by COIMA SGR, owner of the building under renovation called Gioia 22, located in Milan, in Via Melchiorre Gioia 22. The closing of the transaction is expected by the end of 2021 or at the beginning of 2022 and is subject to the occurrence of certain conditions precedent, including the rental of 75% of the surfaces. The participation fee that will be acquired by COIMA RES in the Porta Nuova Gioia real estate fund will be determined by the Company, at its discretion within the above interval, close to closing. At the date, the estimated purchase price is included between Euro 22 million and Euro 56 million.
- From the investment held in the COIMA CORE FUND IV Fund, as of January 15th, 2020 it was concluded the sale of the first tranche of bank branches relating to the announced operation on November 8th 2019 (sale of 11 bank branches for a total value of Euro 23.5 million). In particular, on that date the sale of a portfolio of 8 bank branches located in Milan, Verona, Como, Trezzano sul Naviglio and in Liguria was completed for a total value of Euro 13.1 million (56% of the total value of the selling portfolio). As of July 13th, 2020 the sale of the ninth bank branch located in Verona, in Corso Porta Nuova ,was completed for a total amount of Euro 4.1 million. The sale of the residual part of

the portfolio, consisting of two branches located in Milan for a total value of Euro 6.3 million, was concluded in part in October 2020 with the sale of the branch in Piazza De Angeli, while the sale of the branch located in via dei Martinitt was concluded as of January 15th, 2021.

- From the shareholding held in COIMA CORE FUND VI, as of December 15th, 2020 the sale of the Telecom Portfolio was completed to APWireless, subsidiary of Radius Global Infrastructure, consisting of five properties located in northern and central Italy leased with a long-term contract to TIM (Telecom Italia). The sale price, amounting to Euro 57.0 million, is in line with the latest assessment made by the independent expert as of June 30th, 2020. COIMA RES had indirectly acquired a minority stake (equal to 13.7%, on a pro-quota basis) in the Telecom portfolio during 2019, in conjunction with the purchase of di Microsoft and Philips headquarters. The net proceeds for COIMA RES deriving from the sale of Telecom portfolio amounts of about 33 million (on a consolidated basis).
- Regarding the investment held in the Porta Nuova Bonnet Fund (which owns a real estate complex called " Corso Como Place"), the Board of Directors informs how, in relation to the serious pandemic emergency from COVID-19, the activity on the construction site of the development Corso Como Place project has been suspended from March 13th, 2020 to May 3rd, 2020, also in order to allow its safety with precautionary measures aimed at ensuring the health of workers in relation to the COVID-19 risk. The project was subsequently completed in the fourth quarter of 2020, with costs in line with the estimates made in the budget phase . The spaces have been handed over to Accenture and Bending Spoons tenants at the beginning of 2021 based on the preliminary lease agreements signed in 2019.

b) *Financing operations*

The Board of Statutory Auditors represents how the directors give adequate information in the financial statements on the financial and debt situation of the Company . In this regard, it should be noted that, during the financial year Coima Res has repaid part of the outstanding loans for a total amount of about Euro 17.7 million (of which about Euro 10.1 million related to financing of Tocqueville and Monte Rosa real estates and about Euro 7.6 million related to financing of Deutsche Bank). This repayment was made using cash deriving from the sale of the related Deutsche Bank branches.

c) *Transactions with related parties*

In addition to what will be referred to in point 2) of this Report, the Board of Statutory Auditors deems it appropriate to report the following main transactions involving parties related to the Company.

i) as of March 19th, 2020, the Board of Directors approved the signing of a new one Asset Management Agreement [also called "AMA"] between COIMA RES and COIMA SGR containing some changes compared to the previous agreement in place, including the extension of the first period and an improvement in the economic terms in favour of the Company. In particular, the Board of Directors of COIMA RES has approved the following changes:
    - reduction of the management fee to: (i) 80 bps, in face of the 110 bps previously provided , up to an amount of the total net value of real estate assets of Euro 1 billion; (ii) to 60 bps, in face of the 85 bps, over Euro 1 billion and (iii) up to Euro 1.5 billion and 55 bps in face of the 50 bps over the amount of Euro 1.5 billion;
    - extension of the deadline to January 1st, 2025 which will be renewed for a further five years, unless terminated by one of

the parties to be communicated to the other with a notice of at least 12 months, for the period from January 1st, 2020 to January 1st, 2025 ("First Period") and to subsequent five-year period ("Second Period"), or at least 18 months, as regards the five-year periods subsequent to the First Period and the Second Period;

- elimination of the *termination penalty* in the event of withdrawal by the Company from the expiry of the Second Period (i.e., from January 1st, 2030) and on condition that the withdrawal is communicated by the Company with 18 months notice, with the simultaneous termination of the exclusivity clause starting from the receipt of the notice of withdrawal;

ii) During December 2020 the Company, as provided by the master agreement with COIMA S.r.l., completed the annual review of the economic conditions of the contracts of *property* and *development management*. This process involved only the modification of the contractual duration of the master agreement, which was aligned with the expiry of the existing Asset Management contract with COIMA SGR, i.e., January 1st, 2025.

§ § §

These transactions, constituting transactions with related parties of greater significance pursuant to Consob Regulation 17221/2010 and the Procedure for transactions with related parties of the Company, were approved by the Board of Directors with the favourable opinion of the Control and Risks Committee, in the capacity of Related Parties, on the interest of the Company as well as on the convenience and substantial correctness of the conditions of the transaction.

The Board of Statutory Auditors, for the profiles within its competence, followed the process that marked the process both for the redefinition with Coima SGR of the AMA and the relationship with Coima s.r.l., considering it adequate.

d) Governance

Regarding to Governance, the shareholders' meeting held on June 11th, 2020 stated that it had approved the appointment of the corporate bodies whose mandate had expired.

The following have been appointed for the Board of Directors until the approval of the financial statements for the year ended December 31st, 2020: Feras Abdulaziz Al Naama, Manfredi Catella, Caio Massimo Capuano, Olivier Elamine, Luciano Gabriel, Alessandra Stabilini, Ariela Caglio, Antonella Centra and Paola Bruno, in compliance with the current legislation on gender balance.

The Shareholders' Meeting in his ordinary session he confirmed Caio Massimo Capuano as Chairman of the Board of Directors and the Board of Directors of June 11th, 2020, has confirmed Manfredi Catella as CEO.

The Board of Directors is composed, at the date of preparation of this report, of seven independent directors, in addition to the Chairman Massimo Caio Capuano, and a single executive director, in the person of the CEO Manfredi Catella.

At the meeting of June 11th, 2020, the Board of Directors established the Remuneration Committee, the Control and Risks Committee, which also functions as a Related Parties Committee and the Investment Committee and appointed :

- as members of the Remuneration Committee: Alessandra Stabilini, Independent Director, as Chairman, Olivier Elamine, Independent Director, and Caio Massimo Capuano, Non-Executive Director ;

- as members of the Control and Risk Committee, with functions also as committee for transactions with related parties, Alessandra Stabilini, Independent Director, as Chairman, and the Independent Directors Paola Bruno and Luciano Gabriel;
- as members of the Manfredi Catella Investment Committee, as Chairman, Feras Abdulaziz Al-Naama and Luciano Gabriel, Independent Directors, as well as Gabriele Bonfiglioli as head of the Investment Management Area, Matteo Ravà as Head of the Asset Management Area and Michel Vauclair as a Real Estate expert external to the Company. The Board reports that, as reported in the Corporate Governance report, pursuant to the Asset Management Agreement, the SGR and the Company agreed on the partial secondment of some employees of the SGR, among whom Ravà and Bonfiglioli, to the Company to respectively carry out the position of Coordinator of the Markets and Investments Area, and the position of Coordinator of the Portfolio Area, both reporting directly to the CEO, Mr. Manfredi Catella. The Investment Committee is a partially internal board body of an advisory nature, with functions of support for investment and divestment decisions by the Board of Directors of the Company.

e) 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 profit .

§ § §

The Board of Statutory Auditors, on the based on 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 party transactions

During our supervisory activities, we do not encounter atypical or unusual transactions carried out between your Company and third parties .

2.1 Atypical and unusual related party transactions

During our supervisory activities we did not notice atypical or unusual transactions carried out with related parties .

2.2 Atypical and unusual third- and related-party transactions

During our supervisory activities we did not notice atypical or unusual transactions carried out with third and related parties .

2.3 Ordinary intercompany and related party transactions

The Company, in compliance with the Related Parties Regulation No. 17221 approved by Consob with a resolution dated March 12nd, 2010, as amended, as well as taking the indications and guidelines set forth in Consob Communication no. DEM / 10078683 of September 24th, 2010, adopted on May 13rd, 2016, with subsequent revisions during 2018, the "Related parties procedure" for the examination, management, approval and disclosure to the market of transactions with related parties. The Directors, in their report and in the notes to the financial statements, have provided adequate information about the

transactions carried out with related parties, to which reference is made.
We report that these transactions are mainly related to ordinary business operations relating to the purchase of services included in the asset management agreement with COIMA SGR S.p.A. and in the agreement with COIMA S.r.l. for the supply by the latter of *development & project management* services, as well as *property and facility management*.
We also report that have been entered into transactions with related parties that have generated interest income relating to dividends paid by funds invested by the Company during the year 2020.

The Board of Statutory Auditors considers the procedures in compliance with the principles set out in the Consob Regulation and has attended, during the year 2020, all control and risk Committees' meeting in which the operations were reviewed, ensuring compliance with the procedure adopted by the Company.
Still on the subject of Related Party Transactions, the Board of Statutory Auditors reports that in implementation of the delegation contained in art. 2391-bis of the Italian Civil Code, CONSOB amended Regulation no. 17221 of March 12th, 2010 on related party transactions, which will come into force on July 1st, 2021.
For the profiles within its competence and in agreement with the Control and Risks Committee, in its capacity as Committee for transactions with related parties, the Board will monitor the implementation of the procedural corpus by the Company.

3. Comments about any emphasis matter of Independent Auditors

On March 19th, 2021, the auditing firm EY S.p.A. has issued its Opinion Reports on the separate and consolidated financial statements , pursuant to Art. 14 and 16 of Legislative Decree n.39/2010, without remarks or information references .

At the same date, EY has also released its own report on the limited examination of the data and information contained in the Sustainability Section of the 2020 Annual Report, without remarks or requests for information.

4. Complaints ex art. 2408 of the Civil Code.

During the year 2020, 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 2020, and up to the date of the Report, no exposed to be reported to Shareholders' meeting are occurred.

6. Supervisory and control activities performed by the Board of Statutory Auditors in relation to the tasks assigned to it as "Internal Control and Auditing Committee"

Pursuant to art. 19, 1st paragraph, of Legislative Decree 39/2010 as amended by Legislative Decree 135/2016, as well as Regulation (EU) No. 537, the Board of Statutory Auditors, in its role of "Internal Control Committee and for the audit" [also "CCIRC"] conducted independent assessments of the organizational arrangements aimed at fully implementing the regulatory provisions aimed, in particular, at strengthening the quality of the audit and the independence of the statutory auditors and auditing firms, to improve market and investor confidence in financial information.

During the year, the CCIRC maintained a continuous interaction with the auditors, giving particular emphasis to maintaining the independence requirement, also through constant monitoring of the activities carried out by the auditor, with reference to both audit services (Audit Service) that other services (Non Audit Service), previously subjected to the assessments and the expression of an opinion by the CCIRC, in order to exclude, among these, the presence of the services considered prohibited by art. 5 of the aforementioned Regulation.

During the 2020 financial year, in relation to the adequacy of the provision of services other than auditing to the audited entity, in accordance with Article 5 of the EU Regulation, the Board of Statutory Auditors has constantly verified and monitored independence of the Auditor, reserving the right to issue specific and specific opinions for any task entrusted and falling under the Non-Audit Service.

In this regard, it should be noted that, also during 2020, the only assignment comparable to different office from audit was the preparation of a limited review on the accounting statements and on the Directors' report as of September 30th, 2020 in order to be able to submit the distribution of an interim dividend to the Board of Directors for approval and the limited examination of the "sustainability" section of the annual report, according to the criteria established by the international auditing standard ISAE 3000 (Revised).

Please note that for the limited review of the accounting statements and the Directors' report as of September 30th, 2020, however not included among those services other than auditing expressly prohibited by art. 5, paragraph 1, of EU Regulation 537/2014, the Board of Statutory Auditors, in its capacity as CCIRC, had already expressed its favourable opinion on June 13th, 2018 for the periods starting from September 30th, 2018 to September 30th, 2024, in accordance with the procedures provided by Consob with resolution no. 10867 of July 31, 1997 for the half-yearly report.

Furthermore, on November 2nd, 2020, the Board of Statutory Auditors expressed its favourable opinion on the compatibility of the performance of a *limited review* of the "sustainability" section, for the years 2020-2024, contained in the annual report of Coima Res by EY S.p.A. with compliance with the independence requirements applicable to the auditing firm.

With regard, however, to the auditing activity, the Board, during the numerous meetings held with the Auditor EY:

a) has acquired information on the audits carried out by the auditing firm, on the regular keeping of the company accounts and on the correct reporting of operating events in the accounting record;

b) received from the Independent Auditor, pursuant to art. 11 of EU Regulation no. 537/2014, the additional report for the Internal Control and Auditing Committee, from which: i) there are no significant deficiencies in the internal control system in relation to the financial reporting process and / or accounting system, such as to be considered sufficiently relevant to deserve to be brought to the attention of the CCIRC; ii) no significant issues have been identified regarding situations of actual or presumed non-compliance with laws and regulations or with statutory provisions; iii) there has been no limitation to the process of obtaining audit evidence; iv) no significant aspects related to transactions with the related parties of the company have emerged, such as to be communicated to the heads of governance activities.

c) received from the same company, pursuant to art. 6, paragraph 2, letter a) of EU Regulation 537/2014 and pursuant to paragraph 17 of ISA Italia 260, its independence confirmation .

Furthermore, the Board of Statutory Auditors examined the reports prepared by the Independent auditor EY S.p.A. and issued on March 19th, 2021 whose activity integrates the general framework of the control functions established by the law regarding the financial reporting process.

With regard to the opinions and certifications, the Independent Auditors, in the Report on the financial statements, have:

- issued an opinion stating that the financial statements of COIMA RES give a true and fair view of the financial position of the Company as at December 31st, 2020, of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union, as well as with the provisions issued pursuant to art. 9 of Legislative Decree no. 38/05;
- issued an opinion on the consistency, which shows that the Business Reports attached to the financial statements for the year ended December 31st, 2020 and some specific information given in the "Corporate Governance and the Company's Ownership Structures Report" provided for by art. 123-bis, paragraph 4 of the TUF, which is the responsibility of the directors of the Company, are prepared in compliance with the law ;
- declared, as for any significant mistakes in the Directors' Report, based on the knowledge and understanding of the company and

the relative context acquired during the audit, to have nothing to report .

The Board of Statutory Auditors has stated that the Independent Auditor, in accordance with art. 10 paragraph 2 letter c) of EU Regulation 537/2014, described the paragraph "Significant matters emerging from the audit" of its Additional Report, the most significant assessed risks of relevant errors, including the assessed risks of relevant errors due to fraud. As for the identification of the Key Matters, it is noted that the same only concern the valuation at *fair value* of the real estate portfolio. In this regard, the Board of Statutory Auditors has been able to examine the audit procedures in response to the Key Matters, agreeing with the audit aimed at mitigating any risks deriving from the aspects considered significant.

The Statutory Auditor also issued the "*Report of the independent auditing company on the data and information contained in the 2020 Annual Report referred to in the paragraph" GRI Information* "in relation to the Sustainability Section attached to the 2020 Annual Report.

In its Report, the Auditing Company stated that, on the basis of the work done, no elements have come to the attention of the auditors that suggest that the Sustainability Section of Coima Res S.p.A. SIIQ relating to the year ended as of December 31st, 2020 has not been drawn up, in all significant aspects, in accordance with the requirements of the GRI Standards as described in the "Methodological note" paragraph of the Sustainability Section.

7. Supervisory activities on the independence of external auditors

As said before, the Board of Statutory Auditors examined the report on the independence of the external auditor, issued on March 19th, 2021, pursuant to art. 6, paragraph 2, letter a) of the EU Regulation 537/2014, and pursuant to paragraph 17 of ISA Italia 260, that does not highlight situations which might have compromised the independence or causes of incompatibility, pursuant to art. 10 and 17 of Legislative Decree no. 39/2010 and art. 4 and 5 of EU Regulation 537/2014.

The table below, drawn up pursuant to art. 149-duodecies of the CONSOB Issuers Regulation (resolution No. 11971 of May 14th, 1999 and subsequent amendments and additions), shows the fees relating to 2020 for auditing and other services provided by the auditing firm and by companies belonging to its network.

(thousand Euro)	Addressee	Firm	Fee
Legal review (*)	Parent company	EY S.p.A.	188
Legal review (**)	Subsidiaries	EY S.p.A.	14
Review of sustainability report data	Parent company	EY S.p.A.	16
Total			**218**

(*) These fees refer to the statutory audit of the consolidated financial statements, the separate financial statements and the half-yearly consolidated financial statements of COIMA RES SIIQ and the limited review of the accounting prospectus as of September 30th, 2020, aimed at issuing the opinion for the distribution of the interim dividend of COIMA RES SIIQ pursuant to Article 2433 bis of the Civil Code. The amount includes the fees (expenses included) of Euro 177 thousand and the CONSOB contribution, estimated by the Company for Euro 11 thousand.

(**) These fees refer to the statutory audit of the financial statements of COIMA RES SIINQ I (expenses included).

The fees for the Parent Company's statutory audit relate to the limited review of the Consolidated Half-Year Financial Statements as of June 30th, 2020, the statutory audit of the Separate and Consolidated Annual Financial Statements as of December 31st, 2020 and the limited review of the Financial Statements as of September 30th, 2020 to issue the opinion on the distribution of interim dividends pursuant to art. 2433 bis paragraph 5 of the Civil Code .

As for the amounts paid to the auditing firm, the Board of Statutory Auditors, considering what has already been reported, notes that they are only related to auditing services, therefore it is not necessary to carry out further assessments on the potential risks of independence of the external auditor and of the safeguards applied pursuant to art. 22b of Directive 2006/43 / EC.

In view of the foregoing, as for the appointments assigned to EY and its network by COIMA RES and the companies of the Group, the Board of Statutory Auditors does not consider any critical issues regarding the independence of the Auditor.

8. Supervisory activities on the administrative accounting and financial reporting process

The art. 19 of Legislative Decree No. 39/2010, in its new formulation, establishes that the CCIRC is responsible for monitoring the financial reporting process and presenting recommendations or proposals aimed to guarantee its integrity .

Therefore, during the year the Board of Statutory Auditors monitored the activities carried out by the Function of the Manager responsible for preparing the Company's financial reports, with which he held periodic meetings.

The Board also examined the reference model and its basic assumption is the definition of a specific control framework which, in order to ensure correct mitigation of the risks of incorrect financial reporting, is based on principles and guidelines defined by the *Internal Control - Integrated Framework* issued by *the Committee of Sponsoring Organizations of the*

Treadway Commission (known as CoSO) and the *Control Objectives for Information and related Technology* (known as CobiT), considered internationally accepted reference models.

The Board of Statutory Auditors, in this regard, was able to verify the outcome of the checks carried out, from which, in the various areas, a situation in which it is supervised emerges, not recognizing any critical issues or deficiencies such as to invalidate the judgment of adequacy and effective application of the administrative accounting procedures .

Then, the Board examined the structure and content of the periodic reports, prepared by the Manager Responsible for the Half-Year Report and the Financial Statements, noting that the activities conducted to assess the adequacy and effective application of the processes and functional procedures to the financial information of COIMA RES, have enabled to support adequately the certification required to the Chief Executive Officer and the Company's Manager Responsible pursuant to art. 154 bis of Legislative Decree 58/98 (Consolidated Law on Finance, hereinafter "TUF”).

In this regard, the Board of Statutory Auditors did not find evidence of criticality or weaknesses that could undermine the adequacy and effective application of the administrative accounting procedures, and, for their part, the heads of the Independent Auditors, in the periodic meetings with the Board of Statutory Auditors, they did not report elements that could undermine the internal control system related to the same procedures .

9. Opinion issued pursuant to Law

The Board of Statutory Auditors, as mentioned above, on November 2nd, 2020, issued a favourable opinion regarding the assignment of the appointment to EY S.p.A. to prepare a limited review of the sustainability section of COIMA RES S.p.A. SIIQ for the financial year from 2020 to 2024 prepared in accordance with the procedures set out in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI Standards).

10. Frequency of Board of Directors' and Board of Statutory Auditors' meeting

During the year 2020, the Board of Statutory Auditors held no. 14 meetings of which no. 3 with the independent auditor and/or with the control functions; it also attended no. 11 Board of Directors' meeting , to no. 8 Control and Risk Committee's meeting , to no 5 Compensation Committee's meetings and the only Shareholders' meeting held during the year. During the year 2021, the Board also met the Independent Auditor in a preparatory meeting to finalize the reports attached to the financial statements .

11. Comments on compliance with principles of proper administration

The Board of Statutory Auditors monitored, for all aspects falling within its competence, compliance with the principles of proper administration. The activity of the Board of Statutory Auditors has been addressed 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 about 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 analyses and opinions prepared - if necessary - also by consultants, regarding 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.

12. Comments on the adequacy of the organizational structure

The Board of Statutory Auditors supervised, to the extent of its competence, the adequacy of the Company's organizational structure, through direct observations, hearings, gathering information from the competent corporate functions and meetings with the heads of control functions.

Considering the specific model adopted, which provides Coima SGR as outsourcer which numerous management activities are delegated, regulated by an "*Asset Management Agreement*", the Board of Statutory Auditors has monitored the suitability of the information flow structure to ensure adequate representation of business matters.

As a whole, our reliability evaluation of the organizational structure is that this is substantially adequate, needing a constant monitoring of the effectiveness of the interaction between the two companies during the year.

13. Comments on the adequacy of the internal control system

Coima Res has set up its own internal control system 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 to ensure the balance between economic, financial and capital conditions; iii) technical-operational control aimed at evaluating the various risks .

The Board of Statutory Auditors examined the adequacy of the internal control system directly through meetings with the heads of the various business areas, through an ongoing dialogue with the Control Functions 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 Manager responsible for preparing the Company's financial reports and the Independent Auditors, verifying that the system did not highlight significant problems or facts or elements that should be reported here.

The Board of Statutory Auditors, as part of the tasks 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 safeguards put in place by the Company to face the risks to which it is exposed, the Board of Statutory Auditors has acknowledged as Coima Res, also through the establishment of specific control functions, such as: the Risk Management Function, the Function Compliance and the Internal Audit Function - the latter merged with each other - have adopted adequate risk management and control organizational requirements aimed at ensuring management based on the efficiency and effectiveness of company processes, and guaranteeing

reliability, accuracy, reliability and timeliness of financial information as well as the safeguarding of corporate assets, compliance with laws and regulations, the articles of association and internal procedures.
The Company has also adopted a 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, as well as the *Compliance* function, 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, 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).

As for the organizational controls, 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 details:

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 financial statement;
b) rents from a single tenant - or tenants belonging to the same group - may not exceed 40% of the total amount of the Company's rents;
c) debt, net of cash and cash equivalents and financial receivables from

the parent company may not exceed 70% of the total assets in the last approved financial statements.

The Board of Statutory Auditors has finally taken note of the activities carried out 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.
Based on the analyses and tests carried out in relation to the areas and functions involved in internal audit activities, the Board of Statutory Auditors assesses as substantially adequate the internal control system adopted.

14. Comments on the adequacy of 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 the Company's financial reports, gathering information from the heads of the relevant corporate departments, examining company documentation and regular analysis of the outcome of the work performed by the Independent Auditors, including the Half-Year Report of the Company.
With regard to the accounting information contained in the Financial Statements and in the Consolidated Financial Statements as of December 31st, 2020, it is reported that the Chief Executive Officer and the Manager responsible for preparing the Company's financial reports have certificated, 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 a description of the risks and uncertainties faced by the Company and have also issued the prescribed certification under art. 81-ter of CONSOB Regulation no.

11971/1999 and ss.mm .

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 shown 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.

15. Comments on the adequacy of the instructions given to subsidiaries

The Board acknowledges that it has examined the instructions given by the company to its sole investee company and to the Funds in which it participates, and that it considers them adequate with respect to the financial information needs of the parent company.

16. Adherence to the Corporate Governance Code

The Company has joined the standards included in the Corporate Governance Code promoted by the Italian Stock Exchange and, on February 25th, 2021 approved the annual report on corporate governance and ownership structure.

We note 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 Corporate Governance Report;

(ii) the Board of Directors appointed Manfredi Catella, as Director in charge of supervising the internal control and risk management system;

(iii) the Company set up the Remuneration 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.

With reference to the provisions contained in the Corporate Governance Code, we believe it useful to reiterate how the Board of Statutory Auditors, during the 2020 financial year :

- had 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.
- has also assessed positively the independence of its members.
- carried out the self-assessment on to verify its adequacy in terms of powers, functioning and composition, considering the size, complexity and activities carried out by the Company, also as envisaged by the "Rules of conduct of the board of statutory auditors of listed companies" issued by the National Board of Accountants and Accounting Experts. The self-assessment provided a positive picture on the composition and functioning of the Board of Statutory Auditors and, regarding to its size and composition, the Board of Statutory Auditors believes that these are adequate in relation to the covered role.

In this regard, the Board of Statutory Auditors was also able to ascertain that the Company has already taken steps to implement the indications contained in the new Corporate Governance Code which will come into force with the next Corporate Governance Report.

17. Closing comments regarding supervisory activity

We finally certify that there are no omissions, reprehensible facts or irregularities to be reported to Shareholders and to Supervisory Authorities emerged from our supervisory activities.

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 2020 separate and consolidated financial statements, as well as the respect of Directors' duties in this matter.

The Separate and Consolidated Financial Statements of the Company concluded by the certification issued by the Chief Executive Officer and the Manager responsible for preparing Company's financial reports pursuant to art. 154 bis of the Consolidated Law of Finance and art. 81-ter of Consob Regulation n. 11971 of May 14th, 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. Since the Board of Statutory Auditors is not responsible to analyse the content of the financial statements, the activities were 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.

Based on the foregoing, no recognizing objections, we agree, for all aspects falling within its competence, with the approval of the Separate Financial Statements for the year 2020, together with the Directors' Report as presented by the Board of Directors.

Furthermore, we do not have objections on the proposal of the Board of Directors regarding the allocation of the net profit of Euro 10,933,612.
Finally, we remind you that with this Report our mandate will expire and the Assembly will be called to take the consequent resolutions.

Milan, March 19th, 2021

The Board of Statutory Auditors

The Chairman
Mr. Massimo Laconca

Members

Mrs Milena Livio

Mr. Marco Lori

This report has been translated into the English language only for the convenience of International readers.

EPRA PERFORMANCE MEASURES – EPM

The summary table below shows the principal EPRA Performance Measures with reference to FY 2020.

EPRA Performance Measures - EPM	Reference	December 31st, 2020 (in €/000)	December 31st, 2020 (in €/share)	December 31st, 2020 (in %)
IAS/IFRS Income statements	Chap.1 The Company Consolidated statements of profit / (loss) for the year	15,627	0.43	
EPRA Earnings	Chap.5 Financial review Chap.5 Financial review (EPRA Performance Measures)	17,549	0.49	
EPRA Net Reinstatement Value	Chap.5 Financial review Chap.5 Financial review (EPRA Performance Measures)	466,878	12.93	
EPRA Net Tangible Assets	Chap.5 Financial review Chap.5 Financial review (EPRA Performance Measures)	448,295	12.42	
EPRA Net Disposal Value	Chap.5 Financial review Chap.5 Financial review (EPRA Performance Measures)	442,839	12.26	
EPRA Net Initial Yield	Chap.5 Financial review Chap.5 Financial review (EPRA Performance Measures)			5.1%
EPRA "topped-up" NIY	Chap.5 Financial review Chap.5 Financial review (EPRA Performance Measures)			5.3%
EPRA vacancy rate	Chap.5 Financial review Chap.5 Financial review (EPRA Performance Measures)			2.5%
EPRA cost ratio (including direct vacancy costs)	Chap.5 Financial review Chap.5 Financial review (EPRA Performance Measures)			30.5%
EPRA cost ratio (excluding direct vacancy costs)	Chap.5 Financial review Chap.5 Financial review (EPRA Performance Measures)			28.2%
Like for like rents	Chap.5 Financial review (EPRA Performance Measures)			1.8%
Top 10 real estate investments	Chap.5 Financial review (EPRA Performance Measures)			
Top 10 tenants	Chap.5 Financial review (EPRA Performance Measures)			
Term lease contracts	Chap.5 Financial review (EPRA Performance Measures)			
Real estate portfolio: other information	Chap.1 The Company			
Other information	Chap.5 Financial review (EPRA Performance Measures)			

The EPRA Performance Measures related to FY 2019 are shown in the section "Overview of the Consolidated Financial Results" and in chapter 5 "Financial Review".

EPRA Earnings & Earnings per Share (EPS)

EPRA Earnings & EPRA Earnings per Share (EPS)	**(in thousands Euro)**
Earnings per IFRS income statement	15,627
Adjustments to calculate EPRA Earnings, exclude:	
(i) Changes in value of investment properties, development properties held for investment and other interests	11,001
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	104
(iii) Profit or losses on sales of trading properties including impairment charges in respect of trading properties	73
(iv) Tax on profits or losses on disposals	-
(v) Negative goodwill/goodwill impairment	-
(vi) Changes in fair value of financial instruments and associated close-out costs	394
(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)	(8,225)
(x) Non-controlling interests in respect of the above	(1,423)
EPRA Earnings	**17,549**
Basic number of shares	36,107
EPRA Earnings per Share (EPS) - (in Euro)	**0.49**

Details:

- (i) Net movement in fair value of real estate investment properties;
- (ii) Losses from disposal of Deutsche Bank branches;
- (iii) Net depreciations of trading properties;
- (vi) Anticipated closing costs of derivatives and financial debts;
- (ix) Value adjustment of the joint ventures;
- (x) Value adjustment of third parties.

E-MARKET SDIR CERTIFIED

EPRA NAV (Net Asset Value)
(EPRA NRV – EPRA NTA – EPRA NDV)

EPRA NET ASSET VALUE METRICS	EPRA Net Reinstatement Value	EPRA Net Tangible Assets	EPRA Net Disposal Value
NAV on the basis of the Balance Sheet formats	**445,453**	**445,453**	**445,453**
i) hybrid instruments	-	-	-
Diluted NAV	**445,453**	**445,453**	**445,453**
Include:			
ii.a) Revaluations in investment properties (if IAS 40 cost option is used)	-	-	-
ii.b) Real estate revaluations under construction (IPUC) (if IAS 40 cost option is used)	-	-	-
ii.c) Revaluations of other non-recurring investments	-	-	-
iii) Revaluations of lease contracts held as finance leases	-	-	-
iv) Revaluations trading properties	-	-	-
Diluted NAV	**445,453**	**445,453**	**445,453**
Esclude:			
v) Deferred taxes in relation to Profits from FV on property investments	-	-	
vi) Fair value of financial instruments	3,099	3,099	
vii) Goodwill resulting from deferred taxes	-	-	-
viii.a) Goodwill as per IFRS financial statements		-	-
viii.b) Intangible assets as per IFRS financial statements		(257)	
Includes:			
ix) Fair value of the fixed rate debt			(2,614)
x) Revaluations of intangible fixed assets at FV	-		
xi) Tax on real estate transfers	18,326	-	
NAV	**466,878**	**448,295**	**442,839**
Number of shares fully diluted	36,107	36,107	36,107
NAV per share	**12.93**	**12.42**	**12.26**

(vi) Value of the financial instrument issued by the Company to the CEO and key managers, net of the change in the fair value of derivatives;
(viii) Value of intangible fixed assets;
(ix) Change in the fair value of financial payables recognized at amortized cost;
(xi) Adjustment for use of the gross value of the assets as provided by the Independent Expert (value before any deduction of the costs of the buyers).

EPRA NAV reconciliation 2020 – Old and new guidelines

EPRA NET ASSET VALUE (Old Guidlines)	EPRA NAV
NAV per the financial statements	**445,453**
Effect of exercise of options, convertibles and other equity interests (diluted basis)	-
Diluted NAV, after the exercise of options, convertibles and other equity interests	**445,453**
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	3,013
(v.a) Deferred tax	-
(v.b) Goodwill as a result of deferred tax	-
Include/exclude:	
Adjustments (i) to (v) above in respect of joint venture interests	86
EPRA NAV	**448,552**
EPRA NAV per share	**12.42**
EPRA NAV	**448,552**
Include:	
(i) Fair value of financial instruments	(2,223)
(ii) Fair value of debt	(2,614)
(iii) Deferred tax	
EPRA NNNAV	**443,715**
EPRA NNNAV per share	**12.29**

EPRA NET ASSET VALUE METRICS (New Guidelines)	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**445,453**	**445,453**	**445,453**
i) Hybrid instruments	-	-	-
Diluted NAV	**445,453**	**445,453**	**445,453**
Include:			
ii.a) Revaluation of IP (if IAS 40 cost option is used)	-	-	-
ii.b) Revaluation of IPUC1 (if IAS 40 cost option is used)	-	-	-
ii.c) Revaluation of other non-current investments	-	-	-
iii) Revaluation of tenant leases held as finance leases	-	-	-
iv) Revaluation of trading properties	-	-	-
Diluted NAV at Fair Value	**445,453**	**445,453**	**445,453**
Exclude:			
v) Deferred tax in relation to fair value gains of IP	-	-	
vi) Fair value of financial instruments	3,099	3,099	
vii) Goodwill as a result of deferred tax	-	-	-
viii.a) Goodwill as per the IFRS balance sheet		-	-
viii.b) Intangibles as per the IFRS balance sheet		(257)	
Include:			
ix) Fair value of fixed interest rate debt			(2,614)
x) Revaluation of intangibles to fair value	-		
xi) Real estate transfer tax	18,326	-	
NAV	**466,878**	**448,295**	**442,839**
Fully diluted number of shares	36,107	36,107	36,107
NAV per share	**12.93**	**12.42**	**12.26**

Reconciliation:

- (green box) Reclassification of values in a corresponding entry in the new table
- (blue box) New items, not provided for in the previous calculation of the EPRA NAV
- (yellow box) Adjustment required by the Guidelines in the calculation of the EPRA NNNAV on changes in fair value of hedging derivatives

EPRA NAV reconciliation 2019 – Old and new guidelines

EPRA NET ASSET VALUE (Old Guidlines)	EPRA NAV
NAV per the financial statements	**440,111**
Effect of exercise of options, convertibles and other equity interests (diluted basis)	-
Diluted NAV, after the exercise of options, convertibles and other equity interests	**440,111**
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	3,636
(v.a) Deferred tax	-
(v.b) Goodwill as a result of deferred tax	-
Include/exclude:	
Adjustments (i) to (v) above in respect of joint venture interests	117
EPRA NAV	**443,863**
EPRA NAV per share	**12.29**
EPRA NAV	**443,863**
Include:	
(i) Fair value of financial instruments	(2,755)
(ii) Fair value of debt	(2,353)
(iii) Deferred tax	-
EPRA NNNAV	**438,756**
EPRA NNNAV per share	**12.15**

EPRA NET ASSET VALUE METRICS (New Guidelines)	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**440,111**	**440,111**	**440,111**
i) Hybrid instruments	-	-	-
Diluted NAV	**440,111**	**440,111**	**440,111**
Include:			
ii.a) Revaluation of IP (if IAS 40 cost option is used)	-	-	-
ii.b) Revaluation of IPUC1 (if IAS 40 cost option is used)	-	-	-
ii.c) Revaluation of other non-current investments	-	-	-
iii) Revaluation of tenant leases held as finance leases	-	-	-
iv) Revaluation of trading properties	-	-	-
Diluted NAV at Fair Value	**440,111**	**440,111**	**440,111**
Exclude:			
v) Deferred tax in relation to fair value gains of IP	-	-	
vi) Fair value of financial instruments	3,753	3,753	
vii) Goodwill as a result of deferred tax	-	-	-
viii.a) Goodwill as per the IFRS balance sheet		-	-
viii.b) Intangibles as per the IFRS balance sheet		(188)	
Include:			
ix) Fair value of fixed interest rate debt			(2,353)
x) Revaluation of intangibles to fair value	-		
xi) Real estate transfer tax	19,187	-	
NAV	**463,051**	**443,675**	**437,758**
Fully diluted number of shares	36,107	36,107	36,107
NAV per share	**12.82**	**12.29**	**12.12**

Reconciliation:

Reclassification of values in a corresponding entry in the new table

New items, not provided for in the previous calculation of the EPRA NAV

Adjustment required by the Guidelines in the calculation of the EPRA NNNAV on changes in fair value of hedging derivatives

EPRA NIY and EPRA topped-up NIY

EPRA Net Initial Yield (NYI) and "Topped-up"	(in thousands Euro)
Investment property – wholly owned	303,779
Investment property (share of JVs/Funds)	384,526
Trading property (including those partially owned)	-
Developments	(75,250)
Total market value of the properties in portfolio	**613,055**
Allowance for estimated purchasers' costs	-
Gross up completed property portfolio valuation (B)	**613,055**
Annualised cash passing rental income	34,927
Property outgoings	(3,767)
Annualised net rents (A)	**31,161**
Notional rent expiration of free rent periods or other lease incentives	1,613
Topped-up net annualized rent (C)	**32,774**
EPRA Net Initial Yield (NYI) (A/B)	**5.1%**
EPRA "Topped-up" Net Initial Yield (NYI) (C/B)	**5.3%**

The investment property and the gross and net annualized rents are calculated on the percentage of ownership for each property.

EPRA vacancy rate

EPRA Vacancy rate	(in thousands Euro)
Estimated Rental Value of vacant space **(A)**	907
Estimated rental value of the whole portfolio **(B)**	37,011
EPRA Vacancy Rate (A/B)	**2.5%**

EPRA Vacancy Rate is mainly related to the vacant portion of Deutsche Bank portfolio (3 branches) and Monte Rosa. The estimated rents are calculated on a pro quota basis.

Like-for-like rents

(in thousands Euro)	Offices	Bank Branches	Hotel	Assets bought in 2019	Total amount
Rents 2019	**29,362**	**5,088**	**1,619**	**1,271**	**37,340**
Rents related to assets bought in 2019	-	-	-	(1,271)	(1,271)
Rents related to assets sold in 2020	-	(1,135)	-	-	(1,135)
Like-for-like rents 2019 (B)	**29,362**	**3,953**	**1,619**	**-**	**34,934**
New leasing in 2020	597	47	-	-	644
Withdraw in 2020	(304)	-	-	-	(304)
Renegotiations	237	-	(141)	-	96
Inflation	102	2	2	-	106
Others	318	-	(218)	-	100
Like-for-like rents 2020 (A)	**30,312**	**4,002**	**1,262**	**-**	**35,576**
Rents related to assets bought in 2019	-	-	-	8,624	8,624
Rents related to assets sold in 2020	-	218	-	-	218
Rents 2020	**30,312**	**4,220**	**1,262**	**8,624**	**44,418**
Like-for-like (A) - (B)	950	49	(357)	-	642
Like-for-like (%)	**3.2%**	**1.2%**	**(22.1%)**	**-**	**1.8%**

(in thousands Euro)	Milan	Rome	Others	Assets bought in 2019	Total amount
Rents 2019	**31,554**	**401**	**4,114**	**1,271**	**37,340**
Rents related to assets bought in 2019	-	-	-	(1,271)	(1,271)
Rents related to assets sold in 2020	(154)	-	(981)	-	(1,135)
Like-for-like rents 2019 (B)	**31,400**	**401**	**3,133**	**-**	**34,934**
New leasing in 2020	597	-	47	-	644
Withdraw in 2020	(304)	-	-	-	(304)
Renegotiations	96	-	-	-	96
Inflation	104	-	2	-	106
Others	100	-	-	-	100
Like-for-like rents 2020 (A)	**31,993**	**401**	**3,182**	**-**	**35,576**
Rents related to assets bought in 2019	104	-	114	-	218
Rents related to assets sold in 2020	-	-	-	8,624	8,624
Rents 2020	**32,097**	**401**	**3,296**	**8,624**	**44,418**
Like-for-like (A) - (B)	593	-	49	-	642
Like-for-like (%)	**1.9%**	**0.0%**	**1.5%**	**-**	**1.8%**

The table shows the reconciliation of the rents recorded in 2020 and 2019 with the rents calculated on a like-for-like basis on the portfolio[12], excluding Sarca, Microsoft and the bank branches sold.
The increase in rents is mainly characterized:

- from the annual contribution of the lease agreement with IBM, effective from February 1st, 2019;
- the amendment to the Sisal lease contract which postpones the expiry to December 31st, 2021 against an increase in the gross rent from January 1st, 2021;
- new lease agreements on Gioiaotto, Monte Rosa and the Deutsche Bank Turin branch.

The increase in rents on a like-for-like basis is partially offset:

- from the release of the Bluvacanze tenant's spaces from January 1st, 2020;
- by the agreement signed with NH Hotel for the granting of a period of free use.

[12] The real estate investment portfolio includes Vodafone (Euro 211 million), Monte Rosa, Tocqueville and Pavilion (Euro 192.8 million), Deruta (Euro 44.4 million), Gioiaotto (Euro 82 million) and the Deutsche Bank branches (Euro 63.9 million).

EPRA Cost ratios

EPRA Cost ratios	(in thousands Euro)
Include:	
(i) Administrative/operating expense line per IFRS income statement	
General and administration expenses	12,461
Personnel costs	1,737
Other costs	4,106
(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	(5,620)
(v) Share of Joint Ventures expenses	1,059
Exclude:	
(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)	**13,774**
(ix) Direct vacancy costs	(1,040)
EPRA Costs (excluding direct vacancy costs) (B)	**12,703**
(x) Gross rental income less ground rent costs	44,418
(xi) Service fee and service charge costs components of gross rental income (if relevant)	-
(xii) Share of Joint Ventures (Gross Rental Income less ground rent costs)	588
Gross Rental Income (C)	**45,006**
EPRA Cost Ratio (including direct vacancy costs) (A/C)	**30.5%**
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**28.2%**

Details:

- (i) Administrative and operating expenses;
- (iv) Re-charges revenues;
- (v) Portion of the real estate costs of the Porta Nuova Bonnet Fund, recognized under associated equity investments valued using the equity method;
- (ix) Direct costs on the part of the Deutsche Bank and Bonnet portfolio not leased;
- (x) Rental income;
- (xii) Portion of the real estate income of the Porta Nuova Bonnet Fund, recognized under associated equity investments valued using the equity method.

The costs incurred 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. As of December 31st, 2020, there are no capitalised operating expenses and overheads on the value of property.

Top 10 real estate investments

#	City	Address	Type of asset	Legal title to availability	Surfaces	Portfolio	% owned	Acquisition date	Year of redevelop. / refurbish. completion activities	EPRA Vacancy rate
1	Milan	Via Lorenteggio 240	Office	Fully owned	42,039	Vodafone complex	50%	Jun-16	n.a.	0%
2	Milan	Viale Pasubio 21	Office	Fully owned	10,773	Microsoft	84%	Sep-19	n.a.	0%
3	Milan	Via Bonnet 6A-8A-10A	Office/ Retail	Fully owned	23,574	Corso Como Place	36%	Dec-16	In redevel.	n.m.
4	Milan	Piazza Gae Aulenti 10	Office	Fully owned	3,576	Pavilion	100%	Nov-18	n.a.	0%
5	Milan	Via Melchiorre Gioia 6-8	Office	Fully owned	14,545	Gioia 6-8	88%	Jul -16	n.a.	0%
6	Milan	Via Monte Rosa 93	Office	Fully owned	19,539	Monte Rosa	100%	Oct-17	n.a.	15%
7	Milan	Via Tocqueville 13	Office	Fully owned	9,604	Tocqueville	100%	Jul-18	n.a.	0%
8	Milan	Viale Sarca 235	Office	Fully owned	17,773	Sarca	78%	Sep-19	n.a.	0%
9	Milan	Via Deruta 19	Office	Fully owned	26,012	Deruta	100%	Jan-17	n.a.	0%
10	Rome	Piazza Ss. Apostoli 70	Bank branch	Fully owned	826	DB Portfolio	100%	May-16	n.a.	0%

Top 10 tenants [13]

#	Rank top 10 tenant	%
1	Vodafone	19%
2	Deutsche Bank	10%
3	Microsoft	10%
4	BNL	10%
5	IBM	9%
6	Sisal	9%
7	Techint	5%
8	PwC	5%
9	NH Hotels	4%
10	Philips	3%

[13] Calculated on stabilized rents on pro-quota basis. Pre-lets relating to Corso Como Place (Accenture and Bending Spoons) are excluded.

Real estate portfolio: term lease contracts [14]

Properties	WALT	Maturity bands in the first contractual deadline (% on the amount of annualized rent stabilized)				Total %	Total €/000
		1 year	1-2 year	3-5 year	> 5 year		
DB portfolio	6.2	0%	0%	0%	100%	100%	4,296
Vodafone	6.1	0%	0%	0%	100%	100%	7,052
Gioia 6-8	4.8	0%	19%	13%	68%	100%	3,945
Corso Como Place	1.6	74%	12%	4%	10%	100%	529
Deruta	1.0	0%	100%	0%	0%	100%	3,632
Monte Rosa	2.9	51%	0%	0%	49%	100%	3,692
Tocqueville	1.3	93%	0%	1%	6%	100%	3,449
Pavilion	7.1	0%	0%	0%	100%	100%	3,518
Sarca	5.2	12%	0%	21%	67%	100%	3,160
Microsoft	2.9	7%	0%	93%	0%	100%	3,830
Total amount	**4.3**	**26%**	**2%**	**13%**	**59%**	**100%**	**37,102**

Real estate portfolio: other information [15]

Properties	Acquisition date	NRA	Market Value (€/000)	Initial gross rent (€/000)	Initial gross rent (€/mq) [16]	Gross stabilized rent (€/000)	ERV	Reversion (%)
DB portfolio	May 16	26,776	66,579	3,876	145	4,296	3,483	(19%)
Vodafone	Jun-16	42,039	105,500	7,052	336	7,052	6,054	(14%)
Gioia 6-8	Jul-16	14,545	72,303	3,372	294	3,945	4,020	2%
Corso Como Place	Dec-16	23,574	75,250	508	n.m.	529	3,693	n.m.
Deruta	Jan-17	26,012	44,400	3,632	140	3,632	3,555	(2%)
Monte Rosa	Oct-17	19,539	60,600	3,692	189	3,692	4,786	30%
Tocqueville	Jul-18	9,604	59,500	2,449	255	3,449	4,409	28%
Pavilion	Nov-18	3,576	72,700	3,518	984	3,518	3,584	2%
Sarca	Sept-19	17,611	48,594	3,107	225	3,160	3,325	5%
Microsoft	Sept-19	10,773	82,879	3,830	426	3,830	3,794	(1%)
Total		**194,049**	**688,305**	**35,036**	**235**	**37,104**	**40,704**	**1.2%**[17]

[14] Calculated on pro-quota basis.
[15] Values of appraisal, rents and ERV calculated on pro-quota basis.
[16] Rents and surfaces considered 100%.
[17] Not including Corso Como Place in the calculation as it is a property subject to redevelopment.

E-MARKET SDIR CERTIFIED

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
Corso Como Place	Milan	23,579	35.7%	33,036	~59,700	~11,300	100% Milan	Offices: ca. 95%	January 2021	Capex completing

As of the date of this report, the property located in Milan, in the Porta Nuova district, is in the planning phase and the expected completion date is in January 2021. For this reason, the development part amounts to approximately 99% of the total project.

The table below shows the data related to Corso Como Place asset on pro-quota basis (35.7%) from Porta Nuova Bonnet Fund's Annual Report as of December 31st, 2020.

Development / refurbishment assets	Net book value as of the report date	Methods of accounting	Fair value as of the report date	Last evaluation report ' date
Corso Como Place	75,250	Fair value	75,250	December 31st, 2020

Please note that the associated in Porta Nuova Bonnet Fund (35.7%), for Euro 45,675 thousand, is recognised in the Company's financial statements using the equity method.

Capital expenditure

	2020			2019		
	Group (excluding Joint ventures)	Joint Ventures (pro-rate)	Total Group	Group (excluding Joint ventures)	Joint Ventures (pro-rate)	Total Group
Acquisitions	-	-	-	128,976	-	128,976
Development	-	7,366	7,366	-	9,129	9,129
Real estate investment	1,459	-	1,459	90	-	90
Rental area increase	-	-	-	-	-	-
Rental area non-increase	*1,459*	-	*1,459*	*90*	-	*90*
Tenant incentives	-	-	-	-	-	-
Other types of unallocated expenses	-	-	-	-	-	-
Capitalized interest (if applicable)	-	526	526	-	439	439
Total Capex	**1,459**	**7,892**	**9,351**	**129,066**	**9,568**	**138,634**
Conversion from competence to cash	-	-	-	-	-	-
Total Capex cash	**1,459**	**7,892**	**9,351**	**129,066**	**9,568**	**138,634**

The acquisitions in 2020 are amounting to Euro 0, in 2019 were amounted to Euro 128,976 thousand, in particular:
- Microsoft, amounting to Euro 81,468 thousand;
- Philips, amounting to Euro 47,508 thousand.

The value shown in the Joint Ventures column is referred to the Corso Como Place property's capex, which in 2020 amounts to Euro 7,892 thousand, inclusive of the portion of capitalized interest.
The value of the capex that are among the Real Estate Investments mainly includes the Microsoft costs for Euro 1,165 thousand and Sarca costs for Euro 186 thousand.

The values inserted in "Real Estate Investment" and "Development" are located in Milan.

ANNEXES

FFO RECONCILIATION

	(Thousand Euro)	December 31st, 2020	December 31st, 2019
+	Rent income	44,418	37,340
-	Property expenses not recharged to tenants	(4,074)	(4,032)
	Net rents after incentives	**40,344**	**33,308**
+	Other income	(100)	10
-	Other costs for raw materials and services (G&A)	(6,934)	(7,596)
-	Personnel costs	(1,737)	(2,071)
-	Other operating expenses	(165)	(197)
+/-	Adjustments	122	0
	EBITDA	**31,530**	**23,454**
+	Interest income	1,236	291
-	Interest expenses	(8,304)	(9,677)
	FFO	**24,462**	**14,069**
+	Non-recurring general expenses	957	3,874
-	Non-recurring income	(1,234)	(309)
	Recurring FFO	**24,185**	**17,633**

General expenses and non-recurring revenues mainly relate to the costs incurred for the early closure of deductions and loans and revenues deriving from sales made during the period.

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.
Bad Leaver	The revocation of the director in the presence of a serious, wilful or negligent non-fulfilment by the director himself of legal or statutory obligations which is also capable of irreparably compromising the relationship of trust between the director and the Company and which does not therefore allow the continuation, even provisionally, of the administrative relationship.
Bonnet or Corso Como Place	The property located in Milan, in via Bonnet, held through the Porta Nuova Bonnet investment (35.7%).
Break Option	The right of the tenant to withdraw from the lease agreement.
CBD	Central Business District, which is the area where the prime office market is mainly located.
CBRE	CBRE Valuation S.p.A., with registered office in Milan, Via del Lauro, 5/6.
CO - Investment 2SCS	A subsidiary owned indirectly via MHREC Real Estate S.à.r.l., which owns 33.33% of the units.
COIMA CORE FUND IV	Fund in which the Company owns 100% of the shares.
COIMA CORE FUND VI (ex "MHREC")	Fund of which the Company owns about 88.2% of the shares.
COIMA CORE FUND VIII	COIMA CORE FUND VIII, set up in May 29th, 2019, of which the company owns 50% of the capital stock.
COIMA OPPORTUNITY FUND I or COF I	Fund of which COIMA CORE FUND VI acquired 88.8% of the shares on September 30th, 2019.
COIMA RES SIINQ I	COIMA RES S.p.A. SIINQ I, Unlisted Real Estate Investment Company, of which COIMA RES owns 100% of the capital stock.
COIMA RES SPA SIIQ	COIMA RES S.p.A. SIIQ with registered office in Milan, Piazza Gae Aulenti n. 12, Milan Company Register and VAT no. 09126500967.
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.
Consortium Lorenteggio Village	Consortium Lorenteggio Village, established on January 25th, 2018, of which the Company owns 34.6% of the shares.
Consortium Porta Nuova Garibaldi	Consortium Porta Nuova Garibaldi, of which the Company owns about 4%.
Core	The *core* assets are characterized mainly by high liquidity and low risk. This type of property is located in strategic areas and is intended to be held in the portfolio on a long-term basis so as to fortify the company's risk-return profile.
Core plus	The *core plus* assets are similar to the *core* category, except that some investments may exhibit enhancement potential (such as partially vacant areas or tenancies with short term expiries). For this type of risk, the profile is considered medium-low.
Coupon	The value accrued on the Financial Instrument.
Deruta 19 or Deruta	Deruta is the property complex located in Milan, Via Deruta 19, acquired on January 16th, 2017, by COIMA RES SIINQ I.
Deutsche Bank portfolio	The bank branches within the COIMA CORE FUND IV Fund, leased to Deutsche Bank
Earning per share	Earnings per share is calculated as the ratio of earnings to the number of shares.
EBITDA	Earnings before Interest, Taxes, Depreciation & Amortisation, is the most widely used measure of a company's operating performance as it isolates operating earnings, excluding the effects of capital structure, taxes or depreciation regime. EBITDA is a proxy for the operating cash flow that the company is able to generate.

EPRA Cost Ratio	Calculated as administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.
EPRA Earnings	Recurring earnings from core operational activities. EPRA Earnings is a key measure of a company's operational performance and represents the net income generated from the operational activities.
EPRA Net Initial Yield	Calculated as Net Initial Rent divided by the gross market value of the property.
EPRA Net Disposal Value	Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, including tax exposure not reflected in the balance sheet, net of any resulting tax.
EPRA Net Reinstatement Value	The objective of this measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes should be included
EPRA Net Tangible Asset	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.
EPRA topped up Net Initial Yield	Calculated as Net Stabilised Rent divided by the gross market value of the property.
EPRA Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.
Feltrinelli Porta Volta	Fund in which the Company indirectly owns about 83.5% of the shares.
FFO	Funds From Operations calculated as Core Business EBITDA less net interest expense. The FFO is the most used indicator to evaluate the performance of a REIT
Gioia 22	This refers to the property located in Via Melchiorre Gioia 22 in Milan, in the Porta Nuova district, owned by the Porta Nuova Gioia Fund.
Gioiaotto	Gioiaotto is the property located in Milan, in Melchiorre Gioia 6-8, held by the Fund CCFVI (ex MHREC Fund).
Good Leaver	This refers to the hypotheses of: (i) failure to appoint the Director within the terms and conditions all provided for in the agreement stipulated and / or failure to confirm / ratify the same after the start of the negotiation of the Shares on the MTA; or (ii) termination of the office of Director on the occurrence of one of the hypotheses of termination of the Asset Management Agreement indicated in art. 5.3, points (i), (iii) and (iv) of this Asset Management Agreement; or (iii) failure to renew the office of Director for a further three years at the natural expiry of the first three-year term and, subsequently, at the natural expiry of the second three-year term; or (iv) non-acceptance by the Director of the proposal for the renewal of the appointment under conditions that are worse than those applied in the previous three years; or (v) revocation of the Director in the absence of a bad leaver hypothesis; (vi) resignation from office by the Director in the presence of a just cause for resignation; or (vii) death of the Director (in which case the compensation will be paid to the entitled persons).
Good Secondary location	High quality properties located in central or peripheral areas of primary cities.
Gross Expected Stabilised Yield	Calculated as Expected Gross Stabilised Rent divided by the gross market value of the property.
Gross Expected Stabilised Rent	The index is equal to the stabilized gross rent adjusted for incentives related to active management actions.
Gross Initial Rent	Annualised rents being received as at a certain date considering lease incentives such as rent-free periods, discounted rent periods and step rents.
Gross Initial Yield	Calculated as Gross Initial Rent divided by the gross market value of the property.
Gross Stabilised Rent	Annualised rents being received as at a certain date adjusted for unexpired lease incentives. The adjustment includes the annualised cash rent that will apply at the expiry of the lease incentive.
Gross Stabilised Yield	Calculated as Gross Stabilised Rent divided by the gross market value of the property.
Infrastrutture Garibaldi - Repubblica	Infrastrutture Garibaldi – Repubblica, of which the Company owns about 2%.
Interest Coverage Ratios	Ratio between the NOI and interest expense.
Italian Copper Fund	Fund in which COF I owns about 17% of the shares.
Key managers	Manfredi Catella, Matteo Ravà and Gabriele Bonfiglioli

LEED Certification	Building efficiency certification issued by the U.S. Green Building Council.
MHREC S.à.r.l.	MHREC Real Estate S.à.r.l., subsidiary of COIMA CORE FUND VI (ex "MHREC").
Microsoft	Microsoft is the building located in Milan, Viale Pasubio 21 owned by Feltrinelli Porta Volta.
Monte Rosa	Monte Rosa is the property complex located in Milan, Via Monte Rosa 93, acquired on October 24th, 2017 by COIMA RES.
Net Expected Stabilised Rent	Corresponds to Expected Gross Stabilised Rent for the period less, service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Net Expected Stabilised Yield	Calculated as Expected Net Stabilised Rent divided by the gross market value of the property.
Net Initial Rent	Corresponds to gross initial rent for the period less service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Net Liquidity	Net Liquidity or Net Financial Position is the effective Net Debt of the Company.
Net Stabilised Rent	Corresponds to Gross Stabilised Rent for the period less service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Pavilion	Pavilion is the property complex located in Milan, Piazza Gae Aulenti 10, acquired on November 23rd, 2018 by COIMA RES.
Porta Nuova Bonnet	Fund established on October 20th, 2016, of which COIMA RES owns 35.7%.
Pro-quota	The information presented on a "pro-quota" basis is calculated considering the effective ownership by COIMA RES of the different real estate assets, an approach similar to the proportional consolidation.
Promote Fee	Performance fee payable by COIMA RES to SGR, related to the Asset Management Agreement.
Qatar Holding	Qatar Holding LLC, with headquarters in Doha, Qatar, Q-Tel Tower, PO Box 23224, authorized by the QFC Authority with license no. 00004, wholly owned by Qatar Investment Authority, a sovereign fund of the State of Qatar. Qatar Holding LLC carries out, in particular, support activities to the Qatar Investment Authority with regard to the development, investment and management of the funds of the State of Qatar, though, in particular, the evaluation, sale and management of forms of investment of any kind nature, carrying out any functional activity for this purpose.
Recurring FFO	Calculated as FFO adjusted to exclude non-recurring income and include non-recurring expenses.
Sarca (or Philips)	Sarca is the building located in Milan, Viale Sarca 235 owned by COF I.
Shareholder Return	Shareholder Return means, in respect of each Accounting Period, the sum of (a) the change in the EPRA NAV of the Company during such year less the net proceeds of any issues of ordinary shares during such year; and (b) the total dividends (or any other form of remuneration or distribution to the shareholders) that are paid in such year.
Shareholder Return Outperformance	The amount in euros for which the Shareholders Return is higher than a level that would have produced a specific 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.
Telecom portfolio	This refers to the portfolio of five properties for technical use owned by the Italian Copper Fund.
Tocqueville	Tocqueville is the property located in Milan, Via A. Tocqueville, acquired on July 27th, 2018, by COIMA RES.
Weighted Average Debt Maturity	It is the length of time the principal of a debt issue is expected to be outstanding. The average life is an average period before a debt is repaid through amortisation or sinking fund payments.
Value-add	This type of investment includes properties undergoing complete redevelopment and renovation, usually vacant or with a high vacancy rate. Compared to the *core* category, *value added* properties are characterized by a medium-high risk profile and generate returns by relying on the growth in value of properties over time.

INDEPENDENT APPRAISERS' REPORTS

CERTIFICATE FOR FINANCIAL STATEMENT

In respect of:

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

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

On behalf of:

COIMA RES S.p.A. SIIQ

Piazza Gae Aulenti, 12

20124 - Milano

Date of Valuation: 31 December 2020

CBRE

Legal Notice and Disclaimer

This valuation report (the "Report") has been prepared by CBRE Valuation S.p.A. ("CBRE") exclusively for COIMA RES SPA SIIQ (the "Client") in accordance with the terms of engagement entered into between CBRE and the client dated 11 June 2020 ("the Instruction"). The Report is confidential to the Client and any other Addressees named herein and the Client and the Addressees may not disclose the Report unless expressly permitted to do so under the Instruction.

Where CBRE has expressly agreed (by way of a reliance letter) that persons other than the Client or the Addressees can rely upon the Report (a "Relying Party" or "Relying Parties") then CBRE shall have no greater liability to any Relying Party than it would have if such party had been named as a joint client under the Instruction.

CBRE's maximum aggregate liability to the Client, Addressees and to any Relying Parties howsoever arising under, in connection with or pursuant to this Report and/or the Instruction together, whether in contract, tort, negligence or otherwise shall not exceed the lower of:

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

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

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

If you are neither the Client, an Addressee nor a Relying Party then you are viewing this Report on a non-reliance basis and for informational purposes only. You may not rely on the Report for any purpose whatsoever and CBRE shall not be liable for any loss or damage you may suffer (whether direct, indirect or consequential) as a result of unauthorised use of or reliance on this Report. CBRE gives no undertaking to provide any additional information or correct any inaccuracies in the Report.

If another CBRE Group entity contributes to the preparation of the Report, that entity may co-sign the Report purely to confirm its role as contributor. The Client, Relying Party or any other Addressees named herein acknowledge that no duty of care, whether existing under the Instruction or under the Report, shall extend to such CBRE Group entity and the Client, Relying Party or any other Addressees named herein hereby waive any right or recourse against such CBRE Group entity whether arising in contract, tort, negligence or otherwise. CBRE shall remain solely liable to the client in accordance with the terms of the Instruction.

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

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

CBRE

CONTENTS

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

PART I

CERTIFICATE FOR FINANCIAL STATEMENT

CBRE

CERTIFICATE FOR FINANCIAL STATEMENT

Report Date	29 January 2021
Addressee (or Client)	**COIMA RES S.p.A. SIIQ** Piazza Gae Aulenti, 12 20124 Milano (MI) – Italy For the attention of: **Mr Emiliano Mancuso**
The Properties	No. 3 real estate properties owned by COIMA RES S.p.A. SIIQ, as reported in the attached schedule.
Property Description	The portfolio includes 2 office properties and a building used as auditorium/event space; the assets are located in the central and semi-central area of Milano. For the details see the attached table.
Ownership Purpose	Investment
Instruction	To value the unencumbered Freehold interest in the Properties on the basis of Fair Value (corresponding to the Market Value in accordance with IFRS 13) as at the valuation date in accordance with the terms of engagement entered into between CBRE and the addressee dated 28 April 2020 (ref. Of. n.100/20) and accepted on 11 June 2020.
Valuation Date	31 December 2020
Capacity of Valuer	External Valuer, as defined in the current RICS Valuation.
Purpose	Financial document [to be included in the balance sheet of the company].
Fair Value	Fair Value as at 31 December 2020: **€ 192,800,000.00 (Euro One Hundred Ninety-Two Million Eight Hundred Thousand/00) exclusive of V.A.T.**
Service Agreement	Our opinion of value is based upon the Scope of Work and Valuation Assumptions attached.
Market Conditions	The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, “lockdowns” have been applied – in varying degrees – to reflect further ‘waves’ of COVID-19. While these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date, property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly – and for the avoidance of doubt – our valuation is not reported as being subject to 'material valuation uncertainty', as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.

In Italy since the 23rd February 2020, the Government took immediate actions (ref. DPCM 23rd February 2020 and subsequent) to tackle the spread of Coronavirus, including home quarantine and other restrictions. The activities against the Italian Government's Coronavirus are resumed with new ordinances starting from the Prime Ministerial Decree (DPCM) dated October 18, 2020 (and subsequent).

Special Assumptions

None

Compliance with Valuation Standards

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

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

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

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

Assumptions

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

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

Variation from Standard Assumptions	None.
Valuer	The Properties have been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book.
Independence	The total fees, including the fee for this assignment, earned by CBRE Valuation S.p.A. [or other companies forming part of the same group of companies in Italy] from the Addressee [or other companies forming part of the same group of companies] is less than 5.0% of the total Italy revenues.
Previous Involvement & Conflict of Interests	We confirm that we have previously valued on your behalf, until 31/12/2019, all properties on a half-yearly basis and that the present Instruction is a renewal of the previous engagement with you. We confirm that other CBRE business lines have not had any previous, nor current, material involvement with the Properties or the parties involved (the Client or the current Owner) and have no personal interest in the outcome of the valuation – nor are we aware of any conflicts of interest that would prevent us from exercising the required levels of independency and objectivity.
Disclosure	CBRE Valuation S.p.A. has carried out Valuation services only on behalf of the addressee for under 5 years.
Reliance	This report is for the use only of the following parties: (i) the addressee of the Report; and (ii) the Parties which have received the written consent by CBRE through a reliance letter; for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.

Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval.

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

Yours faithfully

Davide Cattarin
Managing Director

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

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

Yours faithfully

Laura Mauri MRICS
Executive Director
RICS Registered Valuer

For and on behalf of
CBRE Valuation S.p.A.
+39 02 9974 6928
laura.mauri@cbre.com

CBRE Valuation S.p.A.
Valuation Advisory Services
Piazza degli Affari 2
20123 Milan
Project reference: 20-64VAL-0437

SCHEDULE OF VALUES

TOWN	ADDRESS	USE	FAIR VALUE 31.12.2020
Milano	Via Monte Rosa, 93	Office	60.600.000 €
Milano	Via Tocqueville, 13	Office	59.500.000 €
Milano	Piazza Gae Aulenti, 10	Auditorium	72.700.000 €
TOTAL			192.800.000 €

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

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

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

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

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

Stamp Duty (% of the Fair Value)

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

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

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

Agent Fees (Broker)

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

Registration tax (sometimes considered, but negligible)

- €200 (one-off).

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

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

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

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

TOWN	ADDRESS	USE	ASSUMED TRANSACTION PRICE ("asset deal")
Milano	Via Monte Rosa, 93	Office	62.721.000 €
Milano	Via Tocqueville, 13	Office	61.583.000 €
Milano	Piazza Gae Aulenti, 10	Auditorium	75.245.000 €
TOTAL			199.549.000 €

SOURCES OF INFORMATION AND SCOPE OF WORKS

Sources of Information

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

- Updated Rent roll;
- Expected capex;
- Costs to be paid by the Owner.

The Property

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

Inspection

The Properties are subject to internal re-inspection on an annual basis. A schedule of the most recent inspection dates is maintained within our working papers and can be made available if required. Where the Properties have not been subject to re-inspection, you have confirmed that you are not aware of any material changes to the physical attributes of the Property, or the nature of its location, since the last inspection. We have assumed this advice to be correct.

Areas

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

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

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

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

Environmental Matters

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

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

Services and Amenities

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

Repair and Condition

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

Town Planning

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

Titles, Tenures and Lettings

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

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

VALUATION ASSUMPTIONS

Capital Values

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

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

"Fair Value", for the purpose of financial reporting under IFRS 13, is effectively the same as "Market Value", which is defined as:

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

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

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

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

Rental Values

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

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

The Property

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

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

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

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

Environmental Matters

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

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

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

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

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

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

Repair and Condition

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

VALUATION REPORT

In respect of:

Fair Value in accordance with IFRS of the Office building located in Milan, Via Privata Deruta, 19, including two units called "Building A" and "Building B"

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

On behalf of:

COIMA RES S.p.A. SIINQ I | CBRE Project Reference *20-64VAL-0436*

Piazza Gae Aulenti, 12
20123 Milano

Date of Valuation: 31 December 2020

Legal Notice and Disclaimer

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

Where CBRE has expressly agreed (by way of a reliance letter) that persons other than the Client or the Addressees can rely upon the Report (a "Relying Party" or "Relying Parties") then CBRE shall have no greater liability to any Relying Party than it would have if such party had been named as a joint client under the Instruction.

CBRE's maximum aggregate liability to the Client, Addressees and to any Relying Parties howsoever arising under, in connection with or pursuant to this Report and/or the Instruction together, whether in contract, tort, negligence or otherwise shall not exceed the lower of:

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

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

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

If you are neither the Client, an Addressee nor a Relying Party then you are viewing this Report on a non-reliance basis and for informational purposes only. You may not rely on the Report for any purpose whatsoever and CBRE shall not be liable for any loss or damage you may suffer (whether direct, indirect or consequential) as a result of unauthorised use of or reliance on this Report. CBRE gives no undertaking to provide any additional information or correct any inaccuracies in the Report.

If another CBRE Group entity contributes to the preparation of the Report, that entity may co-sign the Report purely to confirm its role as contributor. The Client, Relying Party or any other Addressees named herein acknowledge that no duty of care, whether existing under the Instruction or under the Report, shall extend to such CBRE Group entity and the Client, Relying Party or any other Addressees named herein hereby waive any right or recourse against such CBRE Group entity whether arising in contract, tort, negligence or otherwise. CBRE shall remain solely liable to the client in accordance with the terms of the Instruction.

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

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

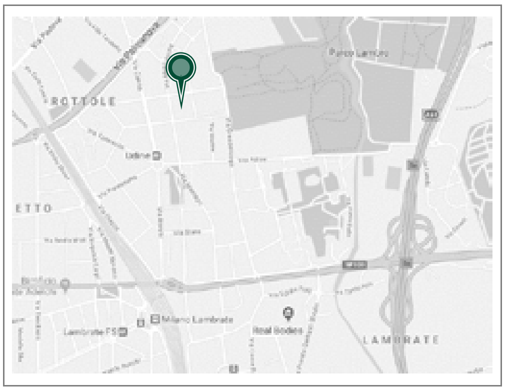
CONTENTS

CBRE

PART I

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY



THE PROPERTY

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

Main use: Office

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

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

TENURE

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

TENANCIES

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

FAIR VALUE AS AT 31.12.2020

€44,400,000.00 (EURO FOURTY FOUR MILLION FOUR HUNDRED THOUSAND/00 EUROS) exclusive of VAT.

Split ups as follows:

Building A: € 20,300,000.00 (Euro Twenty Million Three Hundred Thousand/00) exclusive of VAT

Building B: € 24,100,000.00 (Euro Twenty-Four Million One Hundred Thousand/00) exclusive of VAT.

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

Fair Value

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

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

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

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

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

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

Stamp Duty (% of the Fair Value)

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

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

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

Agent Fees (Broker)

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

Registration tax (sometimes considered, but negligible)

- €200 (one-off).

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

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

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

In conclusion, assuming an 'asset deal' for the subject property, a transaction price would be equal to some €45,954,000.00.

Yield Profile

Discounted rate 1 (Building A and B) (in the period of the in force lease contracts)	5.50%
Discounted rate 2 (Building A and B) (in the period of re-lease and disposal)	7.70%
Net Cap rate (Building A and B)	5.40%
Gross Initial Yield (Building A)	8.40%
Net Initial Yield (Building A)	7.35%
Gross Exit Yield (Building A)	6.16%
Gross Initial Yield (Building B)	8.09%
Net Initial Yield (Building B)	7.06%
Gross Exit yield (Building B)	6.15%

Key Issues

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

Strengths

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

Weakness and Mitigating Factors

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

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

PART II

VALUATION REPORT

VALUATION REPORT

Report Date	29 January 2021
Addressee (or Client)	**20123 Milano SIINQ I** Piazza Gae Aulenti, 12 20154 Milano (MI) – Italy For the attention of: **Mr Emiliano Mancuso**
The Property	Office property including two buildings, A and B.
Property Description	Property including two separate Class A buildings called "Building A" and "Building B" recently constructed (2007), located in the north/eastern area of Milan, near Piazza Udine. Building A is arranged over ground floor, 6 floors above ground and 2 basement levels. Building B is arranged over ground floor, 7 floors above ground and 2 basement levels. The basement levels house 200 parking spaces, the external area at ground floor counts some 90 uncovered parking spaces.
Ownership Purpose	Investment
Instruction	To value the unencumbered Freehold interest in the Property on the basis of Fair Value (corresponding to the Market Value in accordance with IFRS 13) as at the valuation date in accordance with the terms of engagement entered into between CBRE and the addressee dated 28 April 2020 (ref. no. 103/20) and accepted on 5 June 2020.
Valuation Date	31 December 2020
Capacity of Valuer	External Valuer, as defined in the current version of the RICS Valuation – Global Standards.
Purpose	Financial information (to be included in the financial report of the company).
Fair Value in accordance with IFRS 13	Fair Value in accordance with IFRS 13 as at 31 December 2020: €44,400,000.00 (EURO FOURTY FOUR MILLION FOUR HUNDRED THOUSAND /00) exclusive of V.A.T, split up as follows: Building A: € 20,300,000.00 (Euro Twenty Million Three Hundred Thousand/00) exclusive of V.A.T. Building B: 24,100,000.00 (Euro Twenty Four Million One Hundred Thousand/00) exclusive of V.A.T
Service Agreement	Our opinion of value is based upon the Scope of Work and Valuation Assumptions attached.
Market Conditions	The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity.

Travel, movement and operational restrictions have been implemented by many countries. In some cases, "lockdowns" have been applied – in varying degrees – to reflect further 'waves' of COVID-19. While these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date, property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly – and for the avoidance of doubt – our valuation is not reported as being subject to 'material valuation uncertainty', as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.

In Italy since the 23rd February 2020, the Government took immediate actions (ref. DPCM 23rd February 2020 and subsequent) to tackle the spread of Coronavirus, including home quarantine and other restrictions. The activities against the Italian Government's Coronavirus are resumed with new ordinances starting from the Prime Ministerial Decree (DPCM) dated October 18, 2020 (and subsequent).

Special Assumptions

None

Compliance with Valuation Standards

The Valuation has been prepared in accordance with the version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) (the Red Book) current as at the valuation date.

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

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

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

Assumptions

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

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

Variation from Standard Assumptions

None

Valuer

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

Independence

The total fees, including the fee for this assignment, earned by CBRE Valuation S.p.A. from the Addressee is less than 5.0% of the total Italy revenues.

Previous Involvement & Conflict of Interests

We confirm that on your behalf we have valued all properties until 31.12.2019, on a half-yearly basis and that this instruction is a renewal of the previous agreement with you.

We confirm, as you are aware, that CBRE Capital Markets, part of CBRE S.p.A., has previously assisted you for the potential disposal of the complex owned by Coima Res SIINQ.

We have disclosed the relevant facts concerning a conflict of interest to you and the other clients involved, and have received everyone's written, informed consent that it is in order for us to carry out your valuation instruction and that the conflict can be resolved and managed as the companies CBRE S.p.A. and CBRE Valuation S.p.A. adopt a system of Information Barriers based on the user's profile by reason of the belonging business line (and so of the company) in order to guarantee data protection and confidentiality ("Chinese Wall").

Copies of our conflict of interest checks have been retained within the working papers.

Reliance

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

(i) the addressee of the Report; and

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

for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.

Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval.

Yours faithfully

Davide Cattarin
Managing Director

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

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

Yours faithfully

Laura Mauri MRICS
Executive Director
RICS Registered Valuer

For and on behalf of
CBRE Valuation S.p.A.
+39 02 9974 6928
laura.mauri@cbre.com

CBRE Valuation S.p.A.
Valuation & Advisory Services
Piazza degli Affari 2
20123 Milan
Project reference: 20-64VAL-0436

SCHEDULE OF VALUES

Address	TOTAL Market Value
Building A, Milano, Via Privata Deruta, 19	20,300,000.00
Building A, Milano, Via Privata Deruta, 19	24,100,000.00
TOTAL	**44,400,000.00**

SOURCES OF INFORMATION AND SCOPE OF WORKS

Sources of Information

The present report is an update of the valuation carried out by CBRE VALUATION S.p.A. as at 30/06/2020 based upon information received and the new documentation supplied to us by the Client as set out within this report, which we have assumed to be correct and comprehensive.

- Updated Rent roll;
- Property Taxes;
- Buildings' insurance.

The Property

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

Inspection

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

For the present half-yearly update, the Client has confirmed that he is not aware of any material changes to the physical attributes of the Property, or the nature of its location, since the last inspection. We have assumed this advice to be correct.

Areas

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

Environmental Matters

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

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

Services and Amenities

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

Repair and Condition

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

Town Planning

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

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

Titles, Tenures and Lettings

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

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

VALUATION ASSUMPTIONS

Capital Values

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

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

"Fair Value", for the purpose of financial reporting under IFRS 13, is effectively the same as "Market Value", which is defined as:

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

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

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

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

Rental Values

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

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

The Property

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

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

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

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

Environmental Matters

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

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

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

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

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

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

Repair and Condition

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PRAXI S.p.A. - ORGANIZZAZIONE e CONSULENZA
Cap. Soc. Euro 6.000.000 int. vers.
20145 MILANO - Via Mario Pagano, 69/A - Tel. +39 02 43 002
milano@praxi.praxi - www.praxi.praxi
ORGANIZZAZIONE - INFORMATICA - VALUTAZIONI e ADVISORY - RISORSE UMANE

Esteemed

COIMA SGR

Piazza Gae Aulenti, 12,

20154 MILANO

Milan, 31st December 2020

Our Ref. SV/val 20.5842

Following the assignment entrusted to us, on 15 November 2018, by COIMA SGR**,** which manages the Real Estate Fund **"Fondo Feltrinelli Porta Volta",** and in accordance with the provisions of the Bank of Italy Regulation of 19/1/2015, as amended, Title V - Chapter IV - Section II - Paragraph 2.5 (Real estate) and 4 (Independent Valuer), the Ministerial Decree 30 of 5/3/2015 (Art. 16, as provided by the 2019 Budget Law)), Praxi S.p.A. performed, as the Independent Valuer, the assessment of the Market Value of real estate assets of **"Fondo Feltrinelli Porta Volta"** for budgetary purposes, with the reference date of **December 31st, 2020**.

Our assessment activities and this appraisal report comply with the IVS – International Valuation Standards –2020 edition and RICS Valuation – Global Standards 2020 ("Red Book"). PRAXI Real Estate is a Valuation Firm "regulated by RICS" [Firm n° 838959].

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

REAL ESTATE PORTFOLIO

The fund's portfolio consists of the following property:

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

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

BASIS OF VALUE AND APPRAISAL CRITERIA

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

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

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

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

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

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

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

SOURCE OF THE DATA USED IN THE APPRAISAL

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

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

Ns. Rif.: SV/val 20.5842 of 31/12/2020

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

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

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

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

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

VALUATION APPROACHES

DISCOUNTED CASH FLOW (DCF) METHOD

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

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

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

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

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

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

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

PRAXI

Ns. Rif.: SV/val 20.5842 of 31/12/2020

MACROECONOMIC AND REAL ESTATE VARIABLES

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

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

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

Italy

* % change over previous year	Historical					Consensus Forecasts					
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026-30[1]
Gross Domestic Product*	1.3	1.7	0.9	0.3	-9.9	5.3	2.8	1.8	1.5	1.3	0.6
Household Consumption*	1.2	1.5	0.9	0.4	-9.7	5.6	2.0	1.4	1.0	0.9	0.5
Gross Fixed Investment*	4.0	3.2	3.1	1.6	-14.4	7.9	4.4	3.7	2.8	2.4	1.1
Industrial Production*	1.9	3.6	0.7	-1.1	-12.6	9.3	2.9	2.4	2.1	1.9	1.1
Consumer Prices*	-0.1	1.2	1.2	0.6	-0.1	0.4	1.0	1.3	1.6	1.7	1.7
Current Account Balance (Euro bn)	44.0	44.7	44.0	52.9	41.1	42.9	43.1	40.5	43.5	43.7	41.1
10 Year Treasury Bond Yield, %[2]	1.7	1.9	2.8	1.4	1.0 [3]	1.1 [4]	1.7	2.1	2.6	2.9	3.3

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

Trend inflazione 1^ semestre	0,20%		
Trend inflazione 2^ semestre	0,20%		
Trend inflazione 3^ semestre	0,50%		
Trend inflazione 4^ semestre	0,50%		
Trend inflazione dal 5^ semestre in poi	0,825%	**1,65%**	**annuo**

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

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

PRAXI

Ns. Rif.: SV/val 20.5842 of 31/12/2020

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

The return on 10-year government bonds was also derived from Consensus Forecast, and is 1.10% for 2021 (October 2020 forecast).

Italy

* % change over previous year	Historical					Consensus Forecasts					
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026-30
Gross Domestic Product*	1.3	1.7	0.9	0.3	-9.9	5.3	2.8	1.8	1.5	1.3	0.6
Household Consumption*	1.2	1.5	0.9	0.4	-9.7	5.6	2.0	1.4	1.0	0.9	0.5
Gross Fixed Investment*	4.0	3.2	3.1	1.6	-14.4	7.9	4.4	3.7	2.8	2.4	1.1
Industrial Production*	1.9	3.6	0.7	-1.1	-12.6	9.3	2.9	2.4	2.1	1.9	1.1
Consumer Prices*	-0.1	1.2	1.2	0.6	-0.1	0.4	1.0	1.3	1.6	1.7	1.7
Current Account Balance (Euro bn)	44.0	44.7	44.0	52.9	41.1	42.9	43.1	40.5	43.5	43.7	41.1
10 Year Treasury Bond Yield, %[2]	1.7	1.9	2.8	1.4	1.0 [3]	$\boxed{1.1}$ [4]	1.7	2.1	2.6	2.9	3.3

The trend of the EurIRS has been assumed equivalent to the average of the values of the last twelve months, recorded by the specialized press, and is equal to 0.13% per year:

Trend EurIRS ultimi 12 mesi

nov-19	0,35
dic-19	0,39
gen-20	0,35
feb-20	0,17
mar-20	0,08
apr-20	0,17
mag-20	0,03
giu-20	0,07
lug-20	-0,01
ago-20	0,00
set-20	-0,02
ott-20	-0,05

media EurIRS
0,13

CAPITALISATION AND DISCOUNT RATES

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

General considerations regarding rates

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

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

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

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

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

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

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

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

The differentiation factors are essentially two:

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

Market Returns

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

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

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

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

	Cap rate
Office	4,41%
(office, urban retail store)	7,80%

TROPHY ASSET	3,60%
(office, primary standing store)	5,88%

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

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

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

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

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

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

Investor profit

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

DCF's Length

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

Indicators

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

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

SPECIFICATIONS AND ASSUMPTIONS

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

It is highlighted that in the DCF model we adopted some assumptions to take into account the inflation trend and the market trend in an analytical way and referring to the entire period (15 years). Therefore, the slight gap that can be observed with a more punctual analysis on the half-year period has to be considered as an intrinsic approximation of the model, with no significant effect on the valuation of the asset.

Ns. Rif.: SV/val 20.5842 of 31/12/2020

WORKING METHODOLOGY

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

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

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

LIMITATION OF SURVEY AND LIABILITY

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

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

CHANGES COMPARED TO THE PREVIOUS VALUATION

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

Changes in the subject of the estimate

At 31/12/2020 compared to 30/9/2020, there were no changes in the subject of the estimate. Minor extraordinary maintenance work or internal changes of little relevance to the valuation were carried out.

Changes of a legal, regulatory and contractual nature

During the half year 30/09/2020 - 31/012/2020 there were no contractual changes that changed the rental status of the assets. Microsoft has announced that it will release the retail portion currently leased on the ground floor during the coming year, so we have considered a new lease at market condition.

Changes of an estimative nature

The costs for the completion of the urbanization works outside the complex have been updated and communicated by SGR in € 1,640,000. Please also refer to the evidences in the following paragraph.

Ns. Rif.: SV/val 20.5842 of 31/12/2020

NON-ORDINARY FACTORS OF UNCERTAINTY IN THE VALUATION

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets.

Real estate market activity is being strongly impacted, albeit to varying degrees depending on the sector. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. On our side, we assure you we have given special care and attention to the analysis of the data and the documentation used for the valuation.

Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the Fund’s portfolio under frequent review

WORKING TEAM

This appraisal was coordinated and supervised by:

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

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

Ns. Rif.: SV/val 20.5842 of 31/12/2020

CONCLUSIONS

Based on what has been set out above, it is our opinion that the Market Value of the properties held by the FELTRINELLI FUND, in the current conditions of use and availability, at the reference date of 31st December 2020, is equal to:

€ 99.240.000,00 (ninetyninemilliontwohundredfortythousand euro/00)

In accordance with valuation international standards, the final Value are expressed net of cost (including tax) related to the eventual sale and purchase of the estimated property. As an indication, we evaluate the incidence of these costs at around 3% on net market values. Therefore, the gross value of these costs is equal to € 102,220,000.

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

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

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

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

E-MARKET SDIR CERTIFIED

PRAXI S.p.A. - ORGANIZZAZIONE e CONSULENZA
Cap. Soc. Euro 6.000.000 int. vers.
20145 MILANO - Via Mario Pagano, 69/A - Tel. +39 02 43 002
milano@praxi.praxi - www.praxi.praxi
ORGANIZZAZIONE - INFORMATICA - VALUTAZIONI e ADVISORY - RISORSE UMANE

Esteemed

COIMA SGR
Piazza Gae Aulenti, 12,

20154 MILANO

Milan, 31st December 2020

Our Ref. SV/val 20.5841

Following the assignment entrusted to us, on 15 November 2018, by COIMA SGR**,** which manages the Real Estate Fund **"Fondo Feltrinelli Porta Volta",** and in accordance with the provisions of the Bank of Italy Regulation of 19/1/2015, as amended, Title V - Chapter IV - Section II - Paragraph 2.5 (Real estate) and 4 (Independent Valuer), the Ministerial Decree 30 of 5/3/2015 (Art. 16, as provided by the 2019 Budget Law)), Praxi S.p.A. performed, as the Independent Valuer, the assessment of the Market Value of real estate assets of **"Fondo Feltrinelli Porta Volta"** for budgetary purposes, with the reference date of **Decembre 31st, 2020**.

Our assessment activities and this appraisal report comply with the IVS – International Valuation Standards –2020 edition and RICS Valuation – Global Standards 2020 ("Red Book"). PRAXI Real Estate is a Valuation Firm "regulated by RICS" [Firm n° 838959].

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

REAL ESTATE PORTFOLIO

The fund's portfolio consists of the following property:

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

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

BOLOGNA - FIRENZE - GENOVA - MILANO - NAPOLI - PADOVA - ROMA - TORINO - VERONA
Sede Legale ed Amministrativa: 10125 TORINO - Corso Vittorio Emanuele, 3 - Tel. +39 011 65 60 - Fax +39 011 650 21 82
Aut. MLPS 13/1/0003868/03.04 e 39/0006096/MA004.A003 - Registro Imprese Torino, Codice Fiscale e Partita IVA IT 01132750017

Ns. Rif.: SV/val 20.5841 del 31/12/2020

BASIS OF VALUE AND APPRAISAL CRITERIA

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

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

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

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

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

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

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

SOURCE OF THE DATA USED IN THE APPRAISAL

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

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

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

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

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

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

VALUATION APPROACHES

DISCOUNTED CASH FLOW (DCF) METHOD

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

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

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

For vacant units, and all units whose leases will expire during the term of the cash-flow investment, the time needed to set up the same income was taken into account; at market conditions (commercialization, periods of "vacancy" and "step-up" at the start of contracts, related to time restyling, etc.).
The **landlord costs:** (IMU – municipal tax on real estate properties, insurance, property management, allowance for extraordinary maintenance work, stamp duty, commissions on sales and lease contracts) were given directly by the Client or determined by an analytical method based on the information provided by the owner, or independently deduced by ourselves; with reference to market standards and our experience with similar properties.

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

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

PRAXI

Ns. Rif.: SV/val 20.5841 del 31/12/2020

MACROECONOMIC AND REAL ESTATE VARIABLES

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

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

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

Italy

* % change over previous year	Historical					Consensus Forecasts					
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026-30[5]
Gross Domestic Product*	1.3	1.7	0.9	0.3	-9.9	5.3	2.8	1.8	1.5	1.3	0.6
Household Consumption*	1.2	1.5	0.9	0.4	-9.7	5.6	2.0	1.4	1.0	0.9	0.5
Gross Fixed Investment*	4.0	3.2	3.1	1.6	-14.4	7.9	4.4	3.7	2.8	2.4	1.1
Industrial Production*	1.9	3.6	0.7	-1.1	-12.6	9.3	2.9	2.4	2.1	1.9	1.1
Consumer Prices*	-0.1	1.2	1.2	0.6	-0.1	0.4	1.0	1.3	1.6	1.7	1.7
Current Account Balance (Euro bn)	44.0	44.7	44.0	52.9	41.1	42.9	43.1	40.5	43.5	43.7	41.1
10 Year Treasury Bond Yield, %[2]	1.7	1.9	2.8	1.4	1.0 [3]	1.1 [4]	1.7	2.1	2.6	2.9	3.3

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

Trend inflazione 1^ semestre	0,20%		
Trend inflazione 2^ semestre	0,20%		
Trend inflazione 3^ semestre	0,50%		
Trend inflazione 4^ semestre	0,50%		
Trend inflazione dal 5^ semestre in poi	0,825%	**1,65%**	**annuo**

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

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

Ns. Rif.: SV/val 20.5841 del 31/12/2020

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

The return on 10-year government bonds was also derived from Consensus Forecast, and is 1.10% for 2021 (October 2020 forecast).

Italy											
	Historical					Consensus Forecasts					
* % change over previous year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026-30
Gross Domestic Product*	1.3	1.7	0.9	0.3	-9.9	5.3	2.8	1.8	1.5	1.3	0.6
Household Consumption*	1.2	1.5	0.9	0.4	-9.7	5.6	2.0	1.4	1.0	0.9	0.5
Gross Fixed Investment*	4.0	3.2	3.1	1.6	-14.4	7.9	4.4	3.7	2.8	2.4	1.1
Industrial Production*	1.9	3.6	0.7	-1.1	-12.6	9.3	2.9	2.4	2.1	1.9	1.1
Consumer Prices*	-0.1	1.2	1.2	0.6	-0.1	0.4	1.0	1.3	1.6	1.7	1.7
Current Account Balance (Euro bn)	44.0	44.7	44.0	52.9	41.1	42.9	43.1	40.5	43.5	43.7	41.1
10 Year Treasury Bond Yield, %[2]	1.7	1.9	2.8	1.4	1.0 [3]	$\boxed{1.1}$ [4]	1.7	2.1	2.6	2.9	3.3

The EurIRS trend was assumed equal to the average of the values of the last twelve months, calculated from the press, and is equal to 0.13% per year:

Trend EurIRS ultimi 12 mesi

nov-19	0,35
dic-19	0,39
gen-20	0,35
feb-20	0,17
mar-20	0,08
apr-20	0,17
mag-20	0,03
giu-20	0,07
lug-20	-0,01
ago-20	0,00
set-20	-0,02
ott-20	-0,05

media EurIRS
0,13

Ns. Rif.: SV/val 20.5841 del 31/12/2020

CAPITALISATION AND DISCOUNT RATES

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

General considerations regarding rates

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

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

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

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

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

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

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

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

The differentiation factors are essentially two:

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

Market Returns

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

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

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

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

	Cap rate
OFFICE	4,41%
(office, urban retail store))	7,80%

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

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

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

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

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

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

Investor profit

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

DCF's Length

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

Indicators

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

- Current rent, which corresponds to the annual rent generated by the amount of leases in place;

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

SPECIFICATIONS AND ASSUMPTIONS

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

It is highlighted that in the DCF model we adopted some assumptions to take into account the inflation trend and the market trend in an analytical way and referring to the entire period (15 years). Therefore, the slight gap that can be observed with a more punctual analysis on the half-year period has to be considered as an intrinsic approximation of the model, with no significant effect on the valuation of the asset.

WORKING METHODOLOGY

The real estate portfolio was covered by specific site inspections (13/11/2019), with the aim to observe the general characteristics and understand the urban context in which the assets are located. At the same time we carried out specific market research in the areas concerned and for the concerned building typologies, involving brokers and real estate operators with any confidentiality and verifying, when possible, even cases of recent transactions (such information integrated and updated the database on real estate market already held by our Company).

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

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

LIMITATION OF SURVEY AND LIABILITY

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

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

CHANGES COMPARED TO THE PREVIOUS VALUATION

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

Changes in the subject of the estimate

At 31/10/2020 compared to 31/12/2020, there were no changes in the subject of the estimate. Minor extraordinary maintenance work or internal changes of little relevance to the valuation were carried out.

Changes of a legal, regulatory and contractual nature

During the period between 31/10/2020 - 31/12/2020 there were no substantial contractual changes that changed the rental status of the assets. Nonetheless, it is highlighted the anticipated termination of the lease contract by the tenant Tupperwar with the release of the rented spaces in August 2021, the termination of the lease contract by Signify for the portion at seventh floor and some car parkings, with the release of the rented space on November 13th 2021; for the tenant Kelly Services it is take into account a lump-sum extra-rent equal to € 24.347 for the first half of 2021, as a recovery of the discounts conceded in 2020.

Changes of an estimative nature

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

Ns. Rif.: SV/val 20.5841 del 31/12/2020

NON-ORDINARY VALUATION UNCERTAINTY FACTORS

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets.

Real estate market activity is being strongly impacted, albeit to varying degrees depending on the sector. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation(s) is / are therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. On our side, we assure you we have given special care and attention to the analysis of the data and the documentation used for the valuation.

Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the Fund’s portofolio under frequent review

WORKING TEAM

This appraisal was coordinated and supervised by:

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

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

PRAXI

Ns. Rif.: SV/val 20.5841 del 31/12/2020

CONCLUSIONS

Based on what has been set out above, it is our opinion that the Market Value of the properties held by the **COIMA OPPORTUNITY FUND I**, in the current conditions of use and availability, at the reference date of 31st December 2020, is equal to:

€ 62.070.000,00 (sixtytwomillionseventythousand euro /00).

In accordance with valuation international standards, the final Value are expressed net of cost (including tax) related to the eventual sale and purchase of the estimated property. As an indication, we evaluate the incidence of these costs at around 3% on net market values. Therefore, the gross value of these costs is equal to € 63.890.000,00..

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

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

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

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

DUFF & PHELPS
Real Estate Advisory Group

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

DECEMBER 31st, 2020

Institutional Closed-end Alternative Investment Fund

"COIMA CORE FUND VI"

EXECUTIVE SUMMARY

Market Value

DUFF & PHELPS
Real Estate Advisory Group

Agrate B.za, December 31st,2020
Rif. n. 21926.05

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

To the kind attention of Mr Antonio Del Buono

Object: **Determination of the Fair Market Value of Real Estate Properties included in Institutional Closed-end Alternative Investment Fund, called "COIMA CORE FUND VI", as of December 31st,2020 – EXECUTIVE SUMMARY**

Dear Sirs,
in compliance with Your request, Duff & Phelps REAG S.p.A. (hereinafter REAG) carried out the valuation of the real estate assets in which the patrimony of the Institutional Closed-end Alternative Investment Fund called "COIMA CORE FUND VI" is invested, in order to determine the Market Value as of December 31st,2020.

The valuation will be used for a patrimonial verification, in compliance with the Italian law governing the Asset Management companies (Decree of Ministry of Economic Affairs and Finance no. 30 dated 5 March 2015 and the Provision of Banca d'Italia dated 19 January 2015 "Regolamento sulla gestione collettiva del Risparmio", Item V, Article IV, Section II, as well as the Assogestioni guidelines of May 2010 and joint communication of Consob and Banca d'Italia dated 29 July 2010 and subseq. amend. and suppl.

Duff & Phelps REAG SpA a socio unico
Direzione Generale
Centro Direzionale Colleoni
Palazzo Cassiopea 3
20864 Agrate Brianza MB – Italy
Tel. +39 039 6423.1
Fax +39 039 6058427

Sede Legale
Via Boccaccio, 4 20123 Milano - Italy
Capitale Sociale € 1.000.000,00 i.v
R.E.A. Milano 1047058.
C.F. / Reg. Imprese / P. IVA 05881660152
REAGinfo@duffandphelps.com

ASSET UNDER ANALYSIS

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

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

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

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

DUFF & PHELPS
Real Estate Advisory Group

Definitions

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

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

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

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

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

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

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

DUFF & PHELPS
Real Estate Advisory Group

Valuation criteria

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

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

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

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

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

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

In addition, REAG:

- according with the Client, carried out a site inspection on the Property on 10th December 2020;
- conducted the valuations basing on the data provided by the Client;
- analysed the conditions of the local real estate market, taking the economic data related thereto into consideration and adapting it to the specific features of the properties by means of appropriate statistical work-ups;
- considered the building areas relating to the properties (gross area divided by intended use) provided by the Client and not verified by REAG;
- verified the city-planning situation of the properties, based on the documentation supplied by the Client and by conducting specific checks on the Milano and Rome Municipality websites (city-planning section);
- did not investigate the title to or any liabilities against the real estate property but shall rely on the infor-mation provided by the Client. REAG neither investigated nor assumed any responsibility with regards to any right or encumbrance of the property under appraisal.
- did not verify permits, building licenses or assessments, but considered the property as conforming to existing regulations;
- did not be consider Environmental liabilities are the costs which may be incurred to avoid environmental damages or to modify situations which do not comply with ongoing regulations.

Real Estate Advisory Group

Contents of the Report

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

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

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

Conclusions

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

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

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

DUFF & PHELPS
Real Estate Advisory Group

Based on the investigation and the premises outlined

Based on the investigation, and the premises outlined, it is our opinion that as of December 31st, 2020, the Market Value of the Real Estate Property constituting the Institutional Closed-end Alternative Investment Fund called "COIMA CORE FUND VI" can be reasonably expressed as follows:

Counter	ASSET	MARKET VALUE (Euro) 31/12/2020
1	MILANO VIA M. GIOIA 6/8 OFFICE	**53.700.000,00**
2	MILANO VIA M. GIOIA 6/8 NH HOTEL VERDI	**28.300.000,00**
	TOTAL	**82.000.000,00**

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

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries and confirmed due to the second wave of COVID-19, with subsequent partial or total lockdown measures, between summer and autumn 2020.

Please note that the markets have demonstrated to be highly sensitive to the news spread by several pharmaceutical companies and international research centers regarding the imminent release of the anti COVID-19 vaccine, with extremely positive results.

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

Our valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global.

Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of [this property] under frequent review.

.

Duff & Phelps REAG S.p.A.

Performed by:
Christian Cavenaghi
Director, Valuation & Investment

Supervision and control:
Marco Ugolini
Director, Valuation & Investment

Simone Spreafico
Managing Director, Advisory & Valuation Dept.

Paola Ricciardi
Country Managing Director

Mauro Corrada
Chief Executive Officer

The results of our findings can be understood only by reading the whole report, consisting of:

- *Statement of Value including valuation criteria, assumptions and limiting conditions, general service conditions;*
- *Description reports and attachments, including in Volume 1.*

Duff & Phelps
Real Estate Advisory Group

<u>Work Team:</u>

The performance of the valuation and drafting of the Report was managed by:

Simone Spreafico – *Managing Director, Advisory & Valuation Dept.*

with the supervision of and control by:

Marco Ugolini – *Senior Director, Valuation & Investment*

Federica Minnella – *Director, Hospitality&Leisure Division*

and collaboration of:

Christian Cavenaghi – *Director, Valuation & Investment*

Davide Vergani – *Associate Director, Hospitality&Leisure Division*

R&D Office – *Market Analysis*

Micaela Beretta – *Editing*

Site inspection was carried out by Susanna Merzagora on 10th December 2020.

DUFF & PHELPS
Real Estate Advisory Group

ASSUMPTIONS AND LIMITING CONDITIONS

REAG has expressly indicated the date to which the opinions and conclusions of value refer. The value opinion presented therein is based on the status of the economy and on the purchasing power of the currency stated in the report as of the date of the valuation.

REAG didn't carry out verifications of the area or boundaries of the property subject to analysis. All indications regarding the area and boundaries of the property are supplied by REAG only with the purpose of identifying the property subject to analysis. These identifications cannot be included in property transfer deeds or any other legal document, without the accurate verification on the part of a notary or legal advisor. Any plans, should they be present, are intended to be used solely as aids to represent the property and the area in which it is located. Although these materials were prepared using the most accurate data available, they should not be considered as a survey or as a plan to scale.

No environmental impact study has been ordered or made.
Full compliance with all applicable laws and governmental regulations was assumed unless otherwise stated in this report. We have also assumed responsible ownership and that all required licenses, permits, or other legislative or administrative authority from any applicable government or private entity organization either have been or can be obtained or renewed for any use that is relevant to this analysis (except for what was expressly analysed during the Due Diligence activity).

The value estimate contained within the final report specifically excludes the impact of substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials or of structural damage or environmental contamination resulting from earthquakes or other causes, unless stated to the contrary in this report. It is recommended that the reader of the report consult a qualified structural engineer and/or industrial hygienist for the evaluation of possible structural or environmental defects, the existence of which could have a material impact on value (except for what was expressly analysed during the Due Diligence activity).

REAG did not make specific compliance survey and analysis of the property to determine whether or not it is compliant with the various detailed requirements of the law, concerning the possibility for disabled people to enter work places, unless stated to the contrary in this report.

No soil analysis or geological studies were provided by REAG, nor were any water, oil, gas, or other subsurface minerals nor were the rights of use and conditions were investigated.

REAG assumed that all applicable zoning and use regulations and restrictions have been complied with unless stated to the contrary in this report. Furthermore, REAG assumed that the utilization of the land and improvements is within the boundaries of the property described and that no encroachment or trespassing exists (except for what was expressly analysed during the Due Diligence activity).

We did not consider costs (fiscal costs included) potentially emerging from sale or purchase of the property.

VAT (Value Added Tax) is not included in the values expressed.

The site inspection on the properties, if carried out, has been carried out by staff who are experts in the real estate division.

Nevertheless REAG, unless otherwise provided for by this report, did not express any opinion and will not be responsible for the structural integrity of the property, including its conformity to specific governmental code requirements such as fire prevention, earthquake resistance, workers' safety or for physical defects not evident to the appraiser.

DUFF & PHELPS
Real Estate Advisory Group

GENERAL SERVICE CONDITIONS

Agreement

The Contract governing this engagement, including these General Service Conditions, represents the entire agreement between REAG and the Client. It supersedes any prior oral or written agreement and may not be altered except by the mutual agreements of all parties thereto.

Non-Assignment

None of the Parties can transfer the contract to Third Parties, neither in whole nor in part, without prior written agreement of the other Party, as provided for by art. 1406 c.c, except for the case of conveyance of the firm.
The Client may not delegate Third Parties to make the whole payment of the compensation in favour of REAG, without the written agreement of REAG.
The Client acknowledges to have been informed by Reag about the possibility of the Assignment of Credit (hereinafter the "Assignment") to any legal person appointed by Reag (hereinafter the "Cessionary"). The Client agrees from now on and without reserve to such Assignment and commits himself to signing any document which may be necessary for legal and administrative regularization on Reag request. The Client may possibly be notified of the Assignment by means of either registered letter with acknowledgement of delivery or extrajudicial act. With effect from the invoice factoring, the Client shall be bound to pay any amount due according to this agreement and to keep to any contractual obligation.

Client of Record

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

Communication

Electronic media including e-mail and faxes are acceptable vehicles to communicate all materials unless such communication forms are expressly prohibited in the Contract. The Client is expected to communicate and to give

DUFF & PHELPS
Real Estate Advisory Group

information to the Client Service Team assigned by REAG to this engagement. The Client shall not assume nor enlist the Client Service Team assigned by REAG to any work contemplated by the Contract to have knowledge of information provided to others not part of the team.

Contingent Fees

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

Confidentiality of data and information.

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

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

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

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

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

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

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

DUFF & PHELPS
Real Estate Advisory Group

those organizations) shall be disseminated to third parties through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of REAG.
REAG has the right to include the name of the Customer in his list of references.

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

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

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

Indemnity and limitation of compensation
Client shall hold harmless and indemnify REAG against and from any harmful consequence which REAG may become subject to in connection with this

DUFF & PHELPS
Real Estate Advisory Group

engagement, except to the extent finally judicially determined to have resulted from the negligence or intentional misconduct of REAG.
REAG shall hold harmless and indemnify the Client against and from any harmful consequence deriving from the nonfulfillment or breach of the engagement. Without prejudice to indemnification for bodily injury or material property damage as stated below, REAG's liability to Client and to any recipient of any Reliance letter and Re-Addressing shall in no event exceed the fees it receives as a result of the engagement, except to the extent determined to have resulted from major negligence or intentional misconduct of REAG Moreover REAG's liability extent is to be understood as limit in the aggregate for all claims for indemnification/compensation that may be issued by all recipients of the Report and of Reliance letters and/or Re-addressing.
REAG shall hold harmless and indemnify Client against and from any harmful consequence for bodily injury or material property damage caused by REAG personnel or representatives during the performance of the engagement, except to the extent of Client's negligence.
The extent of indemnification and compensation is however strictly consequent and proportional to REAG employees or representatives' behavior and actions.
While on Client's premises, REAG staff in charge with any work related to the engagement shall comply with all posted safety instructions or safety procedures requested by Client.

Independent Contractor

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

Subcontract

Reag has reserved the right to appoint subcontractors to perform all or part of the services offered herein, provided that, by having signed the proposal, the Client consented to subcontracting as provided for by Art. 1656 of the Italian Civil Code.
Should a subcontractor be appointed by Reag, the liability undertaken by Reag towards the Client shall remain unaltered, within the limits outlined

DUFF & PHELPS
Real Estate Advisory Group

herein, and include the services provided to the Client through the subcontractor.

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

Limits on the Use of the Work

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

Matters legal in nature

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

Reliance on Information Provided by the Client

REAG is entitled to rely without independent verification on the accuracy and completeness of all of the information, data, documents or technical analyses provided by the Client or its advisors. Although gathered from sources that we believe are reliable, no guarantee is made, nor liability assumed for the truth or accuracy of any data, opinions, or estimates furnished by others, unless stated to the contrary in this report.

Retention

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

Standards of Performance

REAG performed the engagement in accordance with applicable professional standards. However, professional services usually involve judgements made

DUFF & PHELPS
Real Estate Advisory Group

in uncertain environments and based on an analysis of data that may be unverified or subject to change over time. The Client and other parties to whom the Client provides access to the results of REAG's work, shall evaluate the performance of REAG based on the specifications of the Contract as well as on the applicable professional standards.

Scope of the work

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

Testimony

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

Ethical code – Model 231

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

DUFF & PHELPS
Real Estate Advisory Group

Requirements for the position of Independent Expert

REAG declares and guarantees the conformity and compliance of its structure with the requirements prescribed pursuant to art. 16, paragraphs 7.8 and 9 of Ministerial Decree no. 30 of 5 March 2015; it also guarantees that it is not in one of the situations of impediment to the assumption of the assignment indicated in paragraph 11 of the aforementioned article.

REAG, furthermore, undertakes:

- -to promptly notify the Customer of the possible occurrence of one of the aforementioned impediment situations;
- -to abstain from the evaluation in case of conflict of interest in relation to the goods to be evaluated, giving timely notice to the Customer.

Clash of interests

Six –months after delivery of the final report REAG shall be able to submit to Third Parties proposals concerning the real estate assets which are the subject of this report.

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

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

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

Duff & Phelps

Real Estate Advisory Group

Duff & Phelps REAG S.p.A.
Centro Direzionale Colleoni
Palazzo Cassiopea 3- Via Paracelso, 26
20864 Agrate Brianza (MB) Italy

T + 39 039 6423 1

www.duffandphelps.it
www.duffandphelps.com

Duff & Phelps is a premier independent advisor with expertise in the areas of valuation, corporate finance, disputes and investigations, compliance and regulatory matters and other governance-related issues. From offices around the world, the firm's nearly 2,500 employees help clients address their most pressing business challenges.

M&A advisory, capital raising and secondary market advisory services in the United States are provided by Duff & Phelps Securities, LLC. Member FINRA/SIPC. Pagemill Partners is a Division of Duff & Phelps Securities, LLC. M&A advisory and capital raising services in Canada are provided by Duff & Phelps Securities Canada Ltd., a registered Exempt Market Dealer. M&A advisory and capital raising services in the United Kingdom and across Europe are provided by Duff & Phelps Securities Ltd. (DPSL), which is authorized and regulated by the Financial Conduct Authority. In Germany M&A advisory and capital raising services are also provided by Duff & Phelps GmbH, which is a Tied Agent of DPSL. Valuation Advisory Services in India are provided by Duff & Phelps India Private Limited under a category 1 merchant banker license issued by the Securities and Exchange Board of India.

RICS

DNV·GL

DUFF & PHELPS
Real Estate Advisory Group

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

DECEMBER 31st, 2020

Institutional Closed-end Alternative Investment Fund

"COIMA CORE FUND VIII"

EXECUTIVE SUMMARY

Market Value

E-MARKET SDIR CERTIFIED

DUFF & PHELPS
Real Estate Advisory Group

Agrate B.za, December 31st,2020
Rif. n. 23119,02

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

To the kind attention of Mr Antonio Del Buono

Object: **Determination of the Fair Market Value of Real Estate Properties included in Institutional Closed-end Alternative Investment Fund, called "COIMA CORE FUND VIII", as of December 31st, 2020 – EXECUTIVE SUMMARY**

Dear Sirs,
in compliance with Your request, Duff & Phelps REAG S.p.A. (hereinafter REAG) carried out the valuation of the real estate assets in which the patrimony of the Institutional Closed-end Alternative Investment Fund called "COIMA CORE FUND VIII" is invested, in order to determine the Market Value as of December 30th, 2020.

The valuation will be used for a patrimonial verification, in compliance with the Italian law governing the Asset Management companies (Decree of Ministry of Economic Affairs and Finance no. 30 dated 5 March 2015 and the Provision of Banca d'Italia dated 19 January 2015 "Regolamento sulla gestione collettiva del Risparmio", Item V, Article IV, Section II, as well as the Assogestioni guidelines of May 2010 and joint communication of Consob and Banca d'Italia dated 29 July 2010 and subseq. amend. and suppl.

Duff & Phelps REAG SpA a socio unico
Direzione Generale
Centro Direzionale Colleoni
Palazzo Cassiopea 3
20864 Agrate Brianza MB – Italy
Tel. +39 039 6423.1
Fax +39 039 6058427

Sede Legale
Via Boccaccio, 4 20123 Milano - Italy
Capitale Sociale € 1.000.000,00 i.v
R.E.A. Milano 1047058.
C.F. / Reg. Imprese / P. IVA 05881660152
REAGinfo@duffandphelps.com

DUFF & PHELPS
Real Estate Advisory Group

ASSET UNDER ANALYSIS

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

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

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

DUFF & PHELPS
Real Estate Advisory Group

Definitions

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

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

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

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

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

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

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

Valuation criteria

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

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

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

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

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

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

In addition, REAG:

- according with the Client, carried out a site inspection on the Property on 21st December 2020;
- conducted the valuation basing on the data provided by the Client;
- analysed the conditions of the local real estate market, taking the economic data related thereto into consideration and adapting it to the specific features of the properties by means of appropriate statistical workups;
- considered the building areas relating to the property (gross area divided by intended use) provided by the Client and not verified by REAG;
- verified the city-planning situation of the property, based on the documentation supplied by the Client and by conducting specific checks on the Milano Municipality websites (city-planning section);
- did not investigate the title to or any liabilities against the real estate property but shall rely on the infor-mation provided by the Client. REAG neither investigated nor assumed any responsibility with regards to any right or encumbrance of the property under appraisal.
- did not verify permits, building licenses or assessments, but considered the property as conforming to existing regulations;
- did not be consider Environmental liabilities are the costs which may be incurred to avoid environmental damages or to modify situations which do not comply with ongoing regulations.

DUFF & PHELPS
Real Estate Advisory Group

Contents of the Report

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

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

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

Conclusions

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

- collection, selection, analysis and valuation of the data and documents pertaining to the Property;
- site inspection on the property;
- carrying out appropriate market surveys;
- technical-financial workups;
- collection, selection, analysis of the "Market / Rent Comparables"

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

DUFF & PHELPS
Real Estate Advisory Group

<u>*Based on the investigation and the premises outlined*</u>

Based on the investigation, and the premises outlined, it is our opinion that as of December 31st, 2020, the Market Value of the Real Estate Property constituting the Institutional Closed-end Alternative Investment Fund called "COIMA CORE FUND VIII" can be reasonably expressed as follows:

Market Value:
Euro 211.000.000,00
(Euro Two Hundred and Eleven million/00)

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

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries and confirmed due to the second wave of COVID-19, with subsequent partial or total lockdown measures, between summer and autumn 2020.

Please note that the markets have demonstrated to be highly sensitive to the news spread by several pharmaceutical companies and international research centers regarding the imminent release of the anti COVID-19 vaccine, with extremely positive results.

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

Our valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global.

Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of [this property] under frequent review.

Duff & Phelps REAG S.p.A.

Performed by:
Christian Cavenaghi
Director, Valuation & Investment

Supervision and control:
Marco Ugolini
Director, Valuation & Investment

Simone Spreafico
Managing Director, Advisory & Valuation Dept.

Paola Ricciardi
Country Managing Director

Mauro Corrada
Chief Executive Officer

The results of our findings can be understood only by reading the whole report, consisting of:
- *Statement of Value including valuation criteria, assumptions and limiting conditions, general service conditions;*
- *Description reports and attachments, including in Volume 1.*

DUFF & PHELPS
Real Estate Advisory Group

Work Team:

The performance of the valuation and drafting of the Report was managed by:

Simone Spreafico – *Managing Director, Advisory & Valuation Dept*.

with the supervision of and control by:

Marco Ugolini – *Director, Valuation & Investment*

and collaboration of:

Christian Cavenaghi – *Director, Valuation & Investment*

R&D Office – *Market Analysis*

Micaela Beretta – *Editing*

Site Inspection was carried out by Raffaella Ferrara, on 21st December 2020.

DUFF & PHELPS
Real Estate Advisory Group

ASSUMPTIONS AND LIMITING CONDITIONS

REAG has expressly indicated the date to which the opinions and conclusions of value refer. The value opinion presented therein is based on the status of the economy and on the purchasing power of the currency stated in the report as of the date of the valuation.

REAG didn't carry out verifications of the area or boundaries of the property subject to analysis. All indications regarding the area and boundaries of the property are supplied by REAG only with the purpose of identifying the property subject to analysis. These identifications cannot be included in property transfer deeds or any other legal document, without the accurate verification on the part of a notary or legal advisor. Any plans, should they be present, are intended to be used solely as aids to represent the property and the area in which it is located. Although these materials were prepared using the most accurate data available, they should not be considered as a survey or as a plan to scale.

No environmental impact study has been ordered or made.
Full compliance with all applicable laws and governmental regulations was assumed unless otherwise stated in this report. We have also assumed responsible ownership and that all required licenses, permits, or other legislative or administrative authority from any applicable government or private entity organization either have been or can be obtained or renewed for any use that is relevant to this analysis (except for what was expressly analysed during the Due Diligence activity).

The value estimate contained within the final report specifically excludes the impact of substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials or of structural damage or environmental contamination resulting from earthquakes or other causes, unless stated to the contrary in this report. It is recommended that the reader of the report consult a qualified structural engineer and/or industrial hygienist for the evaluation of possible structural or environmental defects, the existence of which could have a material impact on value (except for what was expressly analysed during the Due Diligence activity).

REAG did not make specific compliance survey and analysis of the property to determine whether or not it is compliant with the various detailed requirements of the law, concerning the possibility for disabled people to enter work places, unless stated to the contrary in this report.

No soil analysis or geological studies were provided by REAG, nor were any water, oil, gas, or other subsurface minerals nor were the rights of use and conditions were investigated.

REAG assumed that all applicable zoning and use regulations and restrictions have been complied with unless stated to the contrary in this report. Furthermore, REAG assumed that the utilization of the land and improvements is within the boundaries of the property described and that no encroachment or trespassing exists (except for what was expressly analysed during the Due Diligence activity).

We did not consider costs (fiscal costs included) potentially emerging from sale or purchase of the property.

VAT (Value Added Tax) is not included in the values expressed.

The site inspection on the property, if carried out, has been carried out by staff who are experts in the real estate division.

Nevertheless REAG, unless otherwise provided for by this report, did not express any opinion and will not be responsible for the structural integrity of the property, including its conformity to specific governmental code requirements such as fire prevention, earthquake resistance, workers' safety or for physical defects not evident to the appraiser.

DUFF & PHELPS
Real Estate Advisory Group

GENERAL SERVICE CONDITIONS

Agreement

The Contract governing this engagement, including these General Service Conditions, represents the entire agreement between REAG and the Client. It supersedes any prior oral or written agreement and may not be altered except by the mutual agreements of all parties thereto.

Non-Assignment

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

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

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

Client of Record

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

DUFF & PHELPS
Real Estate Advisory Group

Communication

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

Contingent Fees

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

Confidentiality of data and information.

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

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

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

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

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

DUFF & PHELPS
Real Estate Advisory Group

Unless mandated by applicable laws or governmental regulations, Client shall not disclose any part REAG's work product, its confidential materials, or its role in the engagement to anyone not stipulated in the Contract, without the prior written consent of REAG.
Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report (especially any conclusion, the identity of any individuals signing or associated with this report or the firms with which they are connected, or any reference to the professional associations or organizations with which they are affiliated or the designations awarded by those organizations) shall be disseminated to third parties through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of REAG.
REAG has the right to include the name of the Customer in his list of references.

Data Protection

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

Duff & Phelps
Real Estate Advisory Group

Force Majeure

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

Governing Law, Jurisdiction and Venue

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

Indemnity and limitation of compensation

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

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

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

The extent of indemnification and compensation is however strictly consequent and proportional to REAG employees or representatives' behavior and actions.
While on Client's premises, REAG staff in charge with any work related to the engagement shall comply with all posted safety instructions or safety procedures requested by Client.

Independent Contractor

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

Subcontract

Reag has reserved the right to appoint subcontractors to perform all or part of the services offered herein, provided that, by having signed the proposal, the Client consented to subcontracting as provided for by Art. 1656 of the Italian Civil Code.
Should a subcontractor be appointed by Reag, the liability undertaken by Reag towards the Client shall remain unaltered, within the limits outlined herein, and include the services provided to the Client through the subcontractor.
A subcontractor appointed by Reag shall observe the same confidentiality obligations undertaken by Reag and set forth herein.

Limits on the Use of the Work

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

DUFF & PHELPS
Real Estate Advisory Group

Matters legal in nature

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

Reliance on Information Provided by the Client

REAG is entitled to rely without independent verification on the accuracy and completeness of all of the information, data, documents or technical analyses provided by the Client or its advisors. Although gathered from sources that we believe are reliable, no guarantee is made, nor liability assumed for the truth or accuracy of any data, opinions, or estimates furnished by others, unless stated to the contrary in this report.

Retention

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

Standards of Performance

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

DUFF & PHELPS
Real Estate Advisory Group

REAG's work, shall evaluate the performance of REAG based on the specifications of the Contract as well as on the applicable professional standards.

Scope of the work

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

Testimony

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

Ethical code – Model 231

The Client takes note that REAG has adopted its own ethical code (hereinafter "Ethical code") and its organization, management and control model according to principles and guidelines of Decreto Legislativo n. 231/2001 (hereinafter "Model 231"). The adoption of Model 231 is intended to prevent any crimes which Decreto Legislativo n. 231/2001 refers to and to avoid any related sanction. Copy of the Ethical code in force is available upon specific request.

The Client declares that they and any of their direct and/or indirect parent companies and subsidiaries: - do not deal (do not have offices, business, investments, transactions) with sensitive countries and/or countries subject to sanctions and embargos imposed by the UN, USA, EU and local

DUFF & PHELPS
Real Estate Advisory Group

governments; - do not do business with individuals or entities based/operating in said countries; - are not subject to said sanctions.

Clash of interests

Six –months after delivery of the final report REAG shall be able to submit to Third Parties proposals concerning the real estate assets which are the subject of this report.

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

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

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

Duff & Phelps
Real Estate Advisory Group

Duff & Phelps REAG S.p.A.
Centro Direzionale Colleoni
Palazzo Cassiopea 3- Via Paracelso, 26
20864 Agrate Brianza (MB) Italy

T + 39 039 6423 1

www.duffandphelps.it
www.duffandphelps.com

Duff & Phelps is a premier independent advisor with expertise in the areas of valuation, corporate finance, disputes and investigations, compliance and regulatory matters and other governance-related issues. From offices around the world, the firm's nearly 2,500 employees help clients address their most pressing business challenges.

M&A advisory, capital raising and secondary market advisory services in the United States are provided by Duff & Phelps Securities, LLC. Member FINRA/SIPC. Pagemill Partners is a Division of Duff & Phelps Securities, LLC. M&A advisory and capital raising services in Canada are provided by Duff & Phelps Securities Canada Ltd., a registered Exempt Market Dealer. M&A advisory and capital raising services in the United Kingdom and across Europe are provided by Duff & Phelps Securities Ltd. (DPSL), which is authorized and regulated by the Financial Conduct Authority. In Germany M&A advisory and capital raising services are also provided by Duff & Phelps GmbH, which is a Tied Agent of DPSL. Valuation Advisory Services in India are provided by Duff & Phelps India Private Limited under a category 1 merchant banker license issued by the Securities and Exchange Board of India.

RICS

E-MARKET SDIR CERTIFIED

AXIA.RE

Reliability Transparency Independence

APPRAISAL REPORT

Market Value Determination as of 31 December 2020
regarding the Real Estate Assets belonging to the "CORE FUND IV"

EXECUTIVE SUMMARY

Perimeter of Valuation

The Real Estate Portfolio object of the present Valuation is formed by 59 properties located all over italian territory, mainly in the North of Italy.

Main Intended Use

The main intended use of the Portfolio in object is retail.

Valuation Method Employed

Discounted Cash Flow (DCF)

Date of Drafting of the Present Document

The present report was drafted on **18 January 2020**.

Date of Valuation

The present Valuation is referred to the date of **31 December 2020**.

Market Value (MV)

Based on the analyses carried out for the present Appraisal, and on the assumptions indicated in the present Appraisal Report, the overall Market Value of the Assets forming the Real Estate Portfolio in object is estimated as follows:

Id	Municipality	Province	Address	Main use	Weighted Area mq	MV 31/12/2020 €
1 - MI	Milano	MI	Via Larga 16	RETAIL	**298**	
3 - MI	Milano	MI	Corso Sempione 77	RETAIL	**269**	
4 - MI	Milano	MI	Via Pierluigi Da Palestrina 2	RETAIL	**220**	
6 - MI	*Milano (MI)*	*MI*	*Via Dei Martinitt, 3*	*OFFICE*	***936***	
7 - MI	Melzo	MI	Largo Gramsci 1	RETAIL	**286**	
9 - BG	Capriate San Gervasio	BG	Sangervasio Via Vittorio Veneto 28	RETAIL	**243**	
11 - CO	Asso	CO	Piazza Mons. Ratti 5	RETAIL	**250**	
12 - CO	Canzo	CO	Via Mazzini 12	RETAIL	**167**	
13 - CO	Civenna	CO	Via Provinciale 52	RETAIL	**84**	
14 - CO	Erba	CO	Viavolta 2	RETAIL	**318**	
15 - CO	Grandate	CO	Via Statale Dei Giovi 11	RETAIL	**323**	
17 - CO 2	Lipomo	CO	Via Belvedere 11	RETAIL	**447**	
17 - CO	Lipomo	CO	Via Belvedere 12	OFFICE	**650**	
18 - CO	Lurago d'erba	CO	Via Roma 18	RETAIL	**467**	
19 - CO	Novedrate	CO	Via Prov. Novedratese 82	RETAIL	**452**	
19 - CO 2	Novedrate	CO	Via Prov. Novedratese 81	OFFICE	**618**	
20 - CO	Valbrona	CO	Via Vittorio Veneto 9	RETAIL	**136**	
21 - LC	Lecco	LC	Via Belfiore 15	RETAIL	**243**	
22 - LC	Lecco	LC	Piazza G. Carducci 8	RETAIL	**334**	
23 - LC	Lecco	LC	Corso E. Filiberto 108	RETAIL	**201**	
25 - LC	Lecco	LC	Viale Turati 48	RETAIL	**385**	
26 - LC	Abbadia Lariana	LC	Via Nazionale 42	RETAIL	**131**	
27 - LC	Barzio	LC	Via Roma 47	RETAIL	**200**	
28 - LC	Brivio	LC	Piazza Della Vittoria 3	RETAIL	**210**	
30 - LC	Casatenovo	LC	Via Cavour 10	RETAIL	**416**	
31 - LC	Cassago Brianza	LC	Piazza Visconti 10	RETAIL	**254**	
32 - LC	Civate	LC	Via Manzoni 1	RETAIL	**223**	

Id	Municipality	Province	Address	Main use	Weighted Area mq	MV 31/12/2020 €
33 - LC	Colico	LC	Via Nazionale 126	RETAIL	**480**	
34 - LC	Dervio	LC	Via Diaz 62	RETAIL	**146**	
35 - LC	Galbiate	LC	Piazza Don Gnocchi 12	RETAIL	**276**	
36 - LC	Introbio	LC	Piazza del Sagrato 9	RETAIL	**233**	
37 - LC	Lierna	LC	Via Roma 124	RETAIL	**255**	
38 - LC	Malgrate	LC	Via San Leonardo 14	RETAIL	**183**	
39 - LC	Mandello del Lario	LC	Dellario Via Manzoni 21	RETAIL	**425**	
40 - LC	Merate	LC	Via Baslini 6	RETAIL	**502**	
41 - LC	Oggiono	LC	Via Marco D'Oggiono 15	RETAIL	**406**	
42 - LC	Olgiate molgora	LC	Via Canova 39	RETAIL	**316**	
43 - LC	Olginate	LC	Via Redaelli 24	RETAIL	**278**	
44 - LC	Paderno d'adda	LC	Via Volta 10	RETAIL	**370**	
45 - LC	Rovagnate	LC	Via Vittorio Veneto 8	RETAIL	**248**	
46 - LC	Valmadrera	LC	Via Stoppani 2	RETAIL	**292**	
48 - LC	Vercurago	LC	Via Roma 66	RETAIL	**206**	
49 - MB	Brugherio	MB	Viale Lombardia 179	RETAIL	**629**	
51 - MB	Vedano al lambro	MB	Viale C. Battisti 42	RETAIL	**775**	
52 - VA	Castellanza	VA	Corso Matteotti 19	RETAIL	**469**	
53 - TO	Torino	TO	Via Arcivescovado 7	RETAIL	**2.834**	
54 - BI	Biella	BI	Via Losana 22	RETAIL	**527**	
55 - GE	Genova	GE	Via Garibaldi 5	RETAIL	**1.661**	
61 - VE	Mestre	VE	Riviera Xx Settembre 13	RETAIL	**925**	
62 - PD	Padova	PD	Piazza Alcide De Gasperi 34A	OFFICE	**549**	
62 - PD 2	Padova	PD	Piazza Alcide De Gasperi 34B	RETAIL	**844**	
63 - VI	Thiene	VI	Piazza Cesare Battisti 5	RETAIL	**439**	
64 - BO	Bologna	BO	Via Emilia Levante 113	RETAIL	**234**	
65 - LU	Barga	LU	Via Pascoli 23	RETAIL	**105**	
66 - LI	Livorno	LI	Via Carabinieri 30	RETAIL	**1.288**	
67 - PO	Prato	PO	Via F. Ferrucci 41	RETAIL	**1.743**	
68 - PO	Montemurlo	PO	Via Provinciale 413	RETAIL	**533**	
70 - FI	Sesto Fiorentino	FI	Via Lucchese 2	RETAIL	**175**	
71 - RM	Roma	RM	Piazza Ss. Apostoli 70	RETAIL	**607**	
TOT					**27.712**	**70.879.000**

€ 70.879.000,00

(€ Seventymillioneighthundredseventyninethousand,00)

The Market Value is calculated net of transaction costs, whose incidence for the future Buyer can range between 2.5% and 3% of Market Value, as indicated by the Client on the basis of similar transactions.

Project Team

The present Appraisal Report was processed and drafted by:

- Arch. Piercarlo Rolando, MRICS Registered Valuer
  Chief Executive Officer and natural person appointed with the practical execution of the assignment RINA Prime Value Services S.p.A.

- Ing. Silvano Boatto, MRICS Registered Valuer
  Managing Director B.U. AxiA.RE - RINA Prime Value Services S.p.A.

- Arch. Daniela di Perna
  Director Rome B.U. AxiA.RE - RINA Prime Value Services S.p.A.

- Dott. Raffaele Sannino
  Project Manager B.U. AxiA.RE - RINA Prime Value Services S.p.A.

- Dott. Daniele Storri
  Analyst B.U. AxiA.RE - RINA Prime Value Services S.p.A.

- Gabetti S.p.A. Studies Centre
  Market Research and Analysis

Data confidentiality

The present Report was drafted and is to be intended as strictly confidential, reserved and drafted for the exclusive benefit of the Client, within the scope of the Assignment conducted in compliance with Ministerial Decree n. 30 dated 5 March 2015. As such, the author declines any responsibility deriving therefrom in regard to any third-parties.
The sharing of the information contained in the present report with third parties is permitted only if provided with a written authorization on behalf of RINA Prime Value Services S.p.A., with the exception of any legal and statutory uses.

Piercarlo Rolando
Amministratore Delegato

Iscritto all'Ordine degli Architetti
della Provincia di Cuneo
al Numero 437

RINA Prime Value Services S.p.A. - Business Unit AxiA.RE
Sede legale: Via Lentasio, 7 - 20122 Milano
REA MI-2100185 Registro delle imprese di Milano Monza Brianza Lodi
P.I./CF – 09587170961- Cap. Soc. € 250.000,00 i.v.
info@axiare.it - www.axiare.it - +39 02 36 68 28 96

COIMA RES S.P.A. SIIQ
Piazza Gae Aulenti, 12
20154 - Milan
www.coima.com

PUBLICATION BY:
Corporate and Social Affairs Function
Finance Function
Marketing & Investor Relations Function

PHOTO CREDITS
Andrea Martiradonna
The photographs show the architecture and interiors of the COIMA RES real estate portfolio properties.

Carlo Perazzolo
The reportage images have been created in the interiors and exteriors of the properties that are part of the COIMA RES portfolio.

Donato Di Bello

Andrea Cherchi

CONCEPT, CREATIVE COORDINATION AND GRAPHICS
Network Comunicazione
www.ntkc.it


Milan, COIMA Headquarters, façade

E-MARKET
SDIR
CERTIFIED

2020
ANNUAL REPORT

COIMARES

www.coima.com