

Real Estate SIIQ



COIMA RES
Interim financial statements
for the period ending
September 30th, 2020

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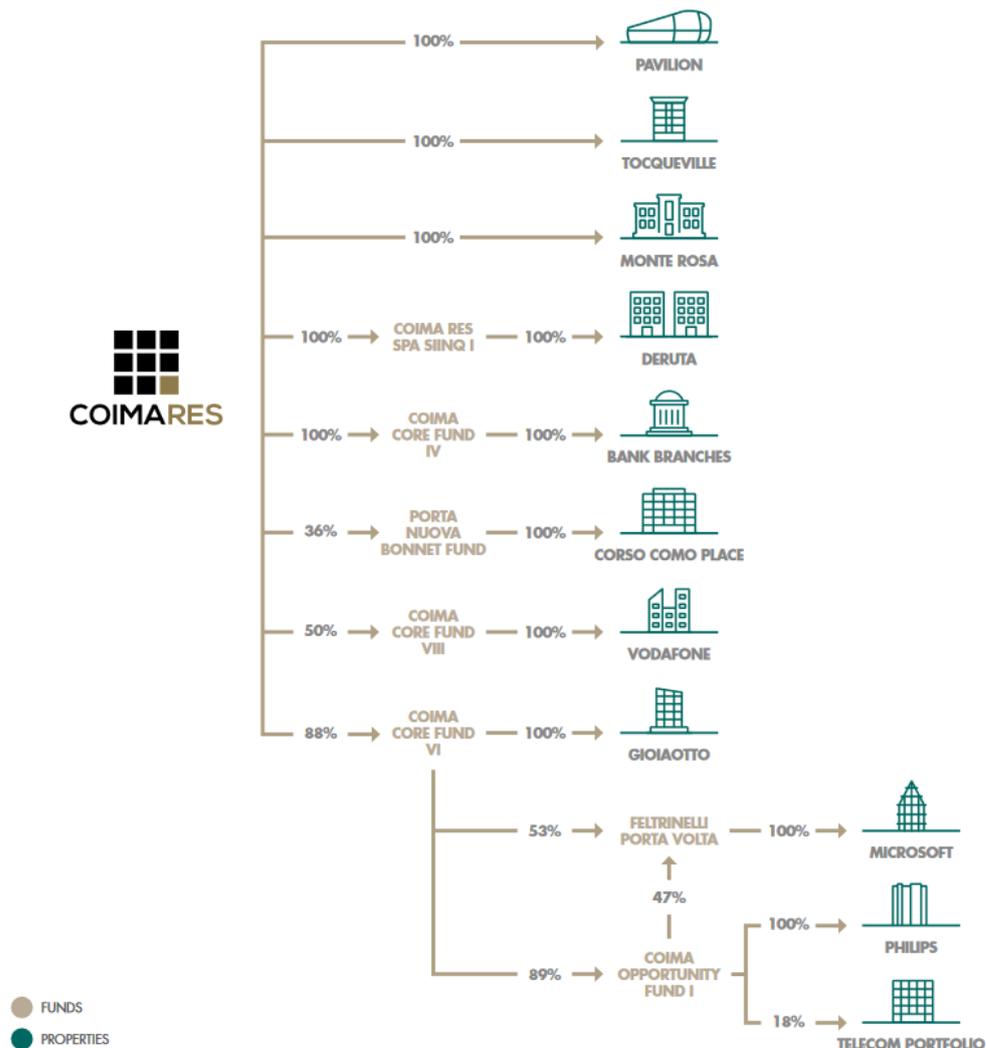
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CORPORATE INFORMATION

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 Trust (REIT) founded in 2015 and listed on the Italian Stock Exchange since 2016. COIMA RES’ strategy is focussed on the development and active management of a high-quality real estate portfolio with a high sustainability content that is positioned to meet the current and future demand from tenants. At present, COIMA RES owns and manages a real estate portfolio mainly concentrated on the Milan office segment. COIMA RES aims to offer to its shareholders a balanced risk-return profile characterized by a stable and sustainable dividend and by the potential for appreciation of the real estate portfolio 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, COIMA RES is listed on the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A..



GOVERNANCE

Board of Directors ¹

Caio Massimo Capuano	Chairman, Non-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	Statutory Auditor
Marco Lori	Statutory Auditor
Emilio Aguzzi De Villeneuve	Alternate Auditor
Maria Stella Brena	Alternate Auditor
Maria Catalano	Alternate Auditor

Compensation Committee

Alessandra Stabilini	Chairman
Caio Massimo Capuano	Member
Olivier Elamine	Member

Investment Committee

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

Control and Risk Committee

Alessandra Stabilini	Chairman
Luciano Gabriel	Member
Paola Bruno	Member

Internal Audit and Compliance

The Internal Audit and Compliance functions are outsourced to a specialized company named Consilia Regulatory S.r.l., which has designated Mr. Gianmarco Maffioli as responsible for the Internal Audit function and Mr. Giacomo del Soldà for the 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 called Macfin Management Consultants S.r.l., which has designated Mr. Emerico Amari di Sant'Adriano as responsible for such function.

External Auditors

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

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

Fulvio Di Gilio

Chief Financial Officer

BOARD OF DIRECTORS' REPORT

The financials as of September 30th, 2020 are summarized in the table below.

(in million Euro)	September 30 th , 2020	per share	December 31 st , 2019	per share	Δ	Δ%
Total property value	761.3		767.7		(6.4)	(0.8%)
EPRA Net Reinstatement Value	462.9	12.82	463.1	12.82	(0.2)	0.0%
EPRA Net Tangible Assets	444.2	12.30	443.7	12.29	0.5	0.1%
EPRA Net Disposal Value	437.9	12.13	437.8	12.12	0.1	0.0%
NAV IAS/IFRS	440.9	12.21	440.1	12.19	0.8	0.2%
Debt position	346.0		356.4		(10.4)	(2.9%)
Cash position	50.9		42.7		8.2	19.3%
Net Loan to Value	37.9%		38.8%		(0.9) 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	2.1%		2.0%		0.1 p.p.	n.m.

(in million Euro)	September 30 th , 2020	per share	September 30 th , 2019	per share	Δ	Δ%
Rents	33.2		26.9		6.3	23.4%
NOI	30.2		24.1		6.1	25.3%
EBITDA	23.2		16.9		6.3	37.4%
EBIT	15.0		22.5		(7.5)	(33.4%)
Recurring FFO	17.9	0.49	12.3	0.34	5.6	44.9%
Net profit	7.7	0.21	16.2	0.45	(8.5)	(52.8%)
EPRA Earnings	13.0	0.36	10.1	0.28	2.9	28.4%
EPRA cost ratio (including direct vacancy costs)	31.1%		37.9%		(6.8) p.p.	n.m.
EPRA cost ratio (excluding direct vacancy costs)	29.1%		37.4%		(8.3) p.p.	n.m.
Like for like rental growth ³	2.1%		1.8%		(0.3) p.p.	n.m.
WALT (years)	4.7		5.7		n.m.	n.m.

As of September 30th, 2020, the NAV IFRS was Euro 440.9 million, an increase of 0.2% compared with the amount of December 31st, 2019.

The key factors affecting the NAV increase in the first nine months of 2020 are:

- EPRA Earnings for the period of Euro 13 million;
- negative *fair value* adjustment related to the real estate portfolio, net of minorities, of Euro 4.8 million;
- dividend payment for Euro 7.2 million;

The EPRA Cost Ratio shows a decrease of 6.8 percentage points on an annual basis, mainly due to the reduction in asset management fee.

³ The like for like rental growth is calculated on rents accounted in line with the accounting principle IFRS 16.

■ INTERIM FINANCIAL STATEMENT FOR THE PERIOD ENDING SEPTEMBER 30th, 2020

For the nine months ended September 30th, 2020 the EPRA Earnings of the Group amounted to Euro 13 million, as shown in table below.

(in million Euro)	September 30 th , 2020	September 30 th , 2019	Δ	Δ%
Rents	33.2	26.9	6.3	23.4%
Net real estate operating expenses	(3.0)	(2.8)	(0.2)	6.9%
NOI	30.2	24.1	6.1	25.3%
Other revenues	(0.1)	0.0	(0.1)	-100.0%
G&A	(6.3)	(6.6)	0.3	-4.8%
Other expenses	(0.2)	(0.1)	(0.2)	100.0%
Non-recurring general expenses	(0.4)	(0.5)	0.2	-34.0%
EBITDA	23.2	16.9	6.3	37.4%
Net depreciation	(0.5)	(0.2)	(0.3)	150.0%
Net movement in <i>fair value</i>	(7.7)	5.8	(13.5)	-232.9%
EBIT	15.0	22.5	(7.5)	-33.4%
Financial income	0.2	0.0	0.2	100.0%
Income from investments	1.7	1.8	(0.1)	-6.1%
Recurring financial expenses	(5.9)	(5.1)	(0.8)	15.4%
Non-recurring financial expenses	(0.3)	(2.7)	2.4	-88.2%
Profit before taxation	10.7	16.5	(5.8)	35.0%
Income tax	0.0	0.0	0.0	0.0%
Profit	10.7	16.5	(5.8)	35.0%
Minorities	(3.1)	(0.3)	(2.8)	>100.0%
Profit attributable to COIMA RES	7.7	16.2	(8.6)	-52.8%
EPRA Adjustments ⁴	5.3	(6.1)	11.4	-187.7%
EPRA Earnings	13.0	10.1	2.9	28.4%
EPRA Earnings per share	0.36	0.28	0.08	28.4%
FFO	17.3	9.1	8.2	90.6%
FFO Adjustments ⁵	0.5	3.2	(2.7)	-83.4%
Recurring FFO	17.9	12.3	5.5	44.9%
Recurring FFO per share	0.49	0.34	0.15	44.9%

The NOI margin includes rents generated by the assets in portfolio, net of direct real estate operating costs (such as property taxes, property management, utilities and maintenance expenses).

Ate September 30th, 2020 the NOI margin is 90.9% and the current in-place NOI yield is 5.1%.

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

It should be noted that, on March 31st, 2020, the new Asset Management agreement was signed which resulted in a saving of approximately 30% on the fees to be paid to COIMA SGR S.p.A.. For more information, please refer to the paragraph *Significant Events*.

⁴ Include the adjustment in fair value related to investment properties and the income from disposals.

⁵ Include mainly non-recurring costs.

■ INTERIM FINANCIAL STATEMENT FOR THE PERIOD ENDING SEPTEMBER 30th, 2020

Net depreciation, amounting to Euro 0.5 million, mainly includes the write-downs of the other tangible and intangible assets for the period, the value adjustment of inventories, financial assets at *fair value* and receivables.

The negative net movement in *fair value*, amounting to Euro 7.7 million, is related to the valuations made by independent experts as of June 30th, 2020.

Financial income, equal to Euro 0.2 million, mainly relates to dividends distributed by the Italian Copper Fund, classified in the item financial assets at fair value.

Income from investments, amounting to Euro 1.7 million, refers to the result of the equity investment in Porta Nuova Bonnet, accounted for according to the equity method, including the effects deriving from the fair value measurement of the properties in the portfolio.

The financial expenses are mainly related to existing loans. The amount classified in the item *non-recurring financial expenses* of 2020 relates to the economic effects deriving from the repayment of the loans and the partial closure of the related derivative contracts related to the sales of the Deutsche Bank branches, finalized in January 2020.

The Group profit for share amounts to Euro 0.21 and is calculated according to the international accounting standard (IAS/IFRS), considering the average number of shares outstanding during the period.

■ INTERIM FINANCIAL STATEMENT FOR THE PERIOD ENDING SEPTEMBER 30th, 2020

The following table summarizes the Company's reclassified balance sheet including the reclassification of the investment in Porta Nuova Bonnet on proportional consolidation basis, to obtain the total value of the property investments of the Group as of September 30th, 2020.

(in million Euro)	September 30 th , 2020	December 31 st , 2019	Δ	Δ%	September 30 th , 2020 Look-Through adjusted
Investment properties	761.3	767.7	(6.4)	(0.8%)	829.3
Other assets	5.5	8.1	(2.6)	(32.2%)	5.5
Investments accounted for using the equity method	38.8	33.7	5.2	15.3%	1.5
Total LT assets	805.7	809.5	(3.9)	(0.5%)	836.4
Trade receivables	12.4	10.0	2.5	25.0%	13.0
Other assets	1.6	0.0	1.6	100.0%	1.6
Cash	50.9	42.7	8.2	19.3%	52.7
Total current assets	65.0	52.7	12.4	23.5%	67.3
Held for sale assets	6.3	23.5	(17.2)	(73.2%)	6.3
Total assets	877.0	885.7	(8.7)	(1.0%)	909.9
Debt	316.7	340.2	(23.5)	(6.9%)	345.3
Provisions	0.5	0.4	0.0	9.8%	0.5
Other liabilities	4.2	4.2	(0.0)	(0.7%)	4.2
Trade payables	14.5	13.4	1.2	8.7%	18.9
Current Financial Debt	29.3	16.1	13.1	81.3%	29.3
Total liabilities	365.2	374.4	(9.2)	(2.5%)	398.1
Minorities	70.9	71.2	(0.2)	(0.3%)	70.9
NAV	440.9	440.1	0.7	0.2%	440.9
NAV per share	12.21	12.19	0.02	0.2%	12.21
Net Loan to Value	37.9%	38.8%			38.0%

The column entitled “*adjusted look-through*” for management purposes only includes the 35.7% investment in the Porta Nuova Bonnet Fund consolidated with the proportional method rather than consolidated with the equity method.

Investment properties, amounting to Euro 761.3 million, includes Euro 211 million related to the real estate complex Vodafone, Euro 192.4 million related to Monte Rosa, Tocqueville and Pavilion, Euro 67.8 million related to Deutsche Bank’s portfolio, Euro 45.8 million related to Deruta, Euro 82.6 million related to Gioiaotto, Euro 62.5 million related Philips and Euro 99.2 million related to Microsoft.

The other assets mainly include the value of ITALIAN COPPER FUND for Euro 3.8 million, acquired during the COIMA OPPORTUNITY FUND I transaction, derivatives for Euro 0.1 million and fixed assets for an amount of Euro 1.6 million.

In application of the IFRS 16 accounting standard, the Group has accounted in the tangible assets rights of use amounting to Euro 1.2 million, which mainly represent the right to use the assets rented by the Group at the date of this report.

Investments accounted for using the equity method increase by Euro 5.2 million compared to 2019, mainly due to the result for the period of Euro 1.7 million and the recalls made by Porta Nuova Bonnet Fund for an amount of Euro 3.5 million

Trade receivables refer to the core-business of the Company. The item includes Euro 4.1 million relating to the advance invoicing of lease payments related to the fourth quarter of 2020, Euro 4 million relating to the effects of the normalization of the rents (accounted for in accordance with the accounting standard IFRS 16), invoices to be issued for Euro 1.2 million and other receivables for Euro 1 million.

It should be noted that, at the date of this report, the Company has already been collected Euro 4.9 million.

The other current assets include the financial receivables for loans granted by MHREC Sarl to the associated company Co-Investment 2 SCS, equal to Euro 1.6 million, reclassified under current assets.

Non-current assets held for sales, amounting to Euro 6.3 million, are related to the remaining Deutsche Bank branches to be sold. On October 15th, 2020, the sale of the branch located in Milan, Piazza De Angeli was completed, while for the remaining branch the sale is expected in January 2021.

Loans, amounting to Euro 316.7 million, refer to medium / long-term payables to banks to which the Group is exposed, accounted according to the amortized cost (IFRS 9).

As of September 30th, 2020, the Group's Net Loan To Value (net LTV) was 37.9%.

The item *other liabilities* includes (i) the *fair value* of financial instruments granted to key managers, equal to approximately Euro 1.1 million, which shows a slight increase compared to December 31st, 2019 due mainly to the change in market rates, (ii) the value of hedging derivative contracts (IRS) for Euro 1.9 million and (iii) the loan related to the application of IFRS 16 for Euro 1.2 million.

Trade payables mainly include payables and invoices to be received from suppliers for an amount of Euro 4.2 million (Euro 5.1 million at December 31st, 2019), payables for buyers for Euro 1.1 million, accruals and deferred income, mainly related to prepaid invoicing rents, for an amount of Euro 6.5 million (Euro 1.6 million at December 31st, 2019), security deposits for Euro 0.9 million (Euro 0.8 million at December 31st, 2019) and payables to the tax authorities and social security institutions for Euro 0.6 million (Euro 0.1 million at December 31st, 2019).

The item *current financial debts*, equal to Euro 29.3 million, is mainly related to the loan in place on the Microsoft property for Euro 22.5 million, with maturity date December 2020, and to the amount of the debt allocated to the Deutsche Bank branches being sold, which repayment is expected to take place within 12 months, for Euro 6.5 million.

As of September 30th, 2020, the average duration of the loans is 2.6 years and the average cost of debt is approximately 2.0% (approximately 87% of the debt is covered by derivative contracts).

Implications of the COVID-19 on the interim consolidated financial statements

The sudden spread of the COVID-19 pandemic has plunged the entire world economy into a profound crisis. The restrictive measures imposed by national and international authorities have led to a slowdown in real estate investment volumes in the first nine months of 2020 as well as disruption for tenants, in particular for some asset classes (hospitality, retail and leisure), in terms of their ability to pay rents. These issues have contributed to creating uncertainty about the valuation of the properties by the Independent Experts, risks of bad debts from tenants' receivables and possible requests for concessions by the tenants themselves.

As already highlighted, the Company's portfolio is mainly composed of offices, a more resilient asset class, with a limited percentage, around 5%, of the portfolio concentrated on hospitality and retail.

As of the date of this report, COIMA RES has collected 98.8% of the rents due as of September 30th, 2020 and the remaining amount to be collected is mainly attributable to some payment extensions granted to some of the most affected tenants and which, in almost all cases, should be cash in during the current year.

As of today, it should be noted that the Company is not included in any of the initiatives put in place by the national authorities to provide help in light of the serious economic crisis. Some tenants of the Company are recipients of these measures which could allow them to have the necessary liquidity for their activities and to meet their obligations towards COIMA RES.

The Company, preparing the Q3 2020 interim financial report and, in particular, considering any economic-financial impacts following the spread of the COVID-19 epidemic, carried out an analysis on the existence of any signs of impairment on the value of the properties as of September 30th, 2020 compared to the market value of the latest appraisals prepared by the independent experts as of June 30th, 2020.

Considering that the Company's portfolio is mainly composed by offices leased to medium and large multinational companies, with reference to September 30th, 2020 the independent experts do not detect significant changes in the office sector, which remains almost unchanged compared to expectations and to the trends of June 2020.

Furthermore, regarding the hospitality asset class and in particular for the property of COIMA CORE FUND VI (Via M. Gioia 6 - NH Collection Porta Nuova), the independent experts do not believe that there are significant changes from the market values expressed in the half-year report as of June 30th, 2020, such as to justify a review of the valuations.

The correction of the real estate values did not cause any problems regarding a possible non-compliance with financial covenants. It should be noted that the calculated values of the financial covenants have high margins compared to the levels provided for in the loan agreements and this would allow for the absorption of further critical situations that should occur during the second half of the year. Furthermore, almost all loans are provided with mechanisms for the treatment of possible overruns of the covenants that would allow the Company, in consideration of the significant cash position, to avoid the loss of the benefit of the term.

In terms of liquidity, the Group has a solid financial position with an overall liquidity of over Euro 50 million and with a single loan, for an amount equal to about Euro 23 million (equal to 7% of total debt), at maturity in December 2020 for which negotiations are under way to extend the maturity.

With regard to profitability, based on the current situation, the Company is expected to be able to generate positive operating results for the next 12 months, even in the event of new restrictive measures by the Italian Government, and therefore the business continuity prerequisite continues to exist in the preparation of this report as of September 30th, 2020.

PORTFOLIO AS OF SEPTEMBER 30th, 2020

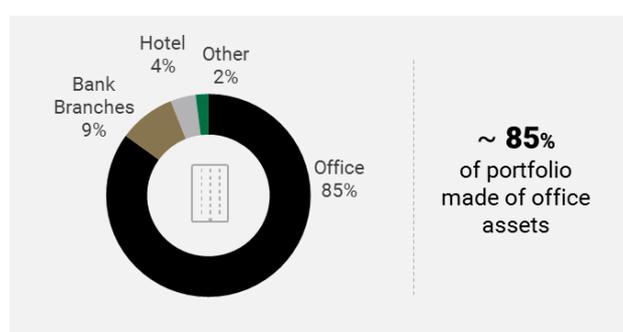
On September 30th, 2020, the portfolio of COIMA RES amounting to approximately Euro 692.0 million (market value accounted on pro-rata basis). The initial overall WALT of the portfolio is approximately 4.7 years and the EPRA net initial yield is 5.1%.

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

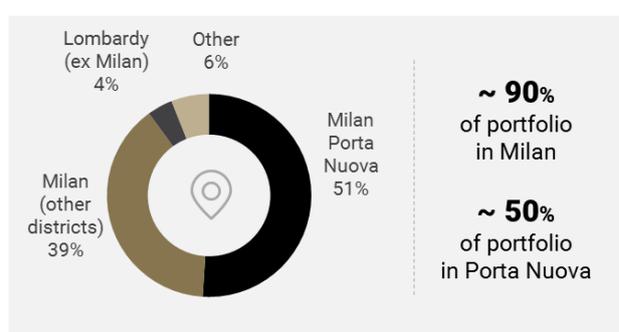
- office use.
- Italy's most attractive market (Milan ~90%).
- primarily income-producing assets.
- Grade A buildings or buildings to be converted to Grade A.

Portfolio breakdown as of September 30th, 2020

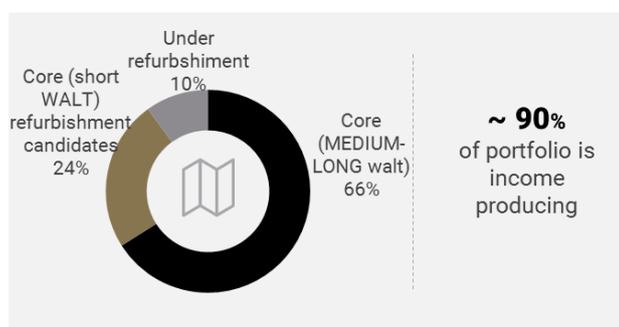
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Note: Breakdown of Gross Asset Value on a pro-quota basis

Evolution on annual gross initial rents

Gross rents increased by 23.4% to Euro 33.2 million, mainly due to the indirect acquisitions of Philips and Microsoft properties.

On a like for like basis, gross rents increased by 2.1% compared to the previous period.

■ INTERIM FINANCIAL STATEMENT FOR THE PERIOD ENDING SEPTEMBER 30th, 2020

Main figures of real estate portfolio as of September 30th, 2020.

	Milan Porta Nuova					Milan Other Districts				Non-office assets		
Data as of September 30 th , 2020	MICROSOFT	GIOIAOTTO	PAVILION	TOCQUE- VILLE	CORSO COMO PLACE	VODAFONE COMPLEX	MONTE ROSA	PHILIPS	DERUTA	DEUTSCHE BANK ¹⁾	TELECOM PORTFOLIO	TOTAL
Location	Milan P, Nuova	Milan P, Nuova	Milan P, Nuova	Milan P, Nuova	Milan P, Nuova	Milan Lorenteggi o	Milan CityLife	Milan Bicocca	Milan Lambrate	North & Centre of Italy	North & Centre of Italy	-
Asset class	Office	Office, Hotel	Office	Office	Office, Retail	Office	Office	Office	Office	Bank Branches	Telecom Assets	-
Product type	Core	Core	Core	Core + / Value-add	Value-add	Core	Core +	Core	Core +	Core	Core	-
Ownership (look-through)	83.5%	88.2%	100.0%	100.0%	35.7%	50.0%	100.0%	78.3%	100.0%	100.0%	13.7%	-
Gross Asset Value (100% of asset)	€99.2m	€82.6m	€72.7m	€59.1m	€190.4m	€211.0m	€60.6m	€62.5m	€45.8m	€67.8m	€57.2m	
Gross Asset Value (look-through ownership)	€82.8m	€72.8m	€72.7m	€59.1m	€68,0m	€105.5m	€60.6m	€48.9m	€45.8m	€67.8m	€7.9m	€692.0m
WALT (years)	3.2	4.7	7.3	1.6	n.m.	6.3	3.2	5.7	1.3	6.5	12.2	4.7
Occupancy rate	100%	100%	100%	100%	n.m.	100%	90%	100%	100%	93%	100%	97.9%
EPRA Net Initial Yield	4.2%	4.7%	4.6%	3.6%	n.m.	6.2%	5.0%	5.7%	7.2%	4.7%	6.4%	5.1%
EPRA Topped-up NIY	4.2%	4.9%	4.6%	5.2%	n.m.	6.2%	5.0%	5.8%	7.2%	5.3%	6.4%	5.3%

Notes:

1) Pro-forma for Deutsche Bank branches disposals announced in November 2019 and not yet closed as of September 30th, 2020

SIGNIFICANT EVENTS OF THE PERIOD

Contract with COIMA SGR and CEO remuneration

On March 19th, 2020, the Board of Directors approved a new asset management agreement between COIMA RES and COIMA SGR containing few modifications with respect to the previous agreement in place, amongst which an extension of the first period and an improvement of the economic conditions in favour of COIMA RES.

The end of the first period of the contract was postponed from May 13th, 2021, to January 1st, 2025, and the asset management fee was reduced by 30 bps from 1.10% of NAV to 0.80% of NAV (i.e. a 27% reduction) effective from January 1st, 2020.

In addition, Manfredi Catella, founder and CEO of COIMA RES, unless certain conditions are met, has expressed his will to forego the emoluments related to his role as Chief Executive Officer, for the first period, as extended until January the 1st, 2025, in line with the conduct held since IPO.

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.

Real estate portfolio overview

As of September 30th, 2020, the COIMA RES portfolio consists of 9 real estate properties mainly for office use located in Milan and 58 bank branches located in the North and Centre of Italy. The portfolio is valued at Euro 692.0 million (on a pro-quota basis), 90% of which is in Milan, 50% in Milan Porta Nuova and 85% is for office use. COIMA RES' portfolio has a high sustainability profile: approximately 56% of the portfolio is currently LEED certified, increasing to 65% including the Corso Como Place project where the aim is to achieve a LEED Gold certification.

COIMA RES' portfolio of tenants is mostly made of mid to large sized multinational corporations: the list of the ten largest tenants (representing 85% of the current rent roll on a pro-quota basis) includes Vodafone, Deutsche Bank, Microsoft, BNP Paribas, IBM, Sisal, PwC, Techint, NH Hotels and Philips.

Financing agreements

COIMA RES is in advanced negotiations with Banca IMI regarding the extension of the Feltrinelli Porta Volta loan, equal to Euro 22.6 million, maturing in December 2020. COIMA RES will communicate the final terms of the agreement in due course once finalized.

Leasing

Gioiaotto: in the third quarter of 2020, COIMA RES has renewed the lease agreement with QBE (a global insurance company) for an additional 6 years. The lease, which concerns 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.

Acquisitions

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 situated in Via Melchiorre Gioia 22 in the Milan Porta Nuova district. The closing of the transaction is expected by the end of 2021 or the beginning of 2022, subject to certain transaction conditions, including 75% of the property being leased. 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 will be calculated attributing a value of Euro 442.1 million to the property. The acquisition will be financed through COIMA RES' own financial resources.

Disposals

Bank branches: On January 15th, 2020, COIMA RES completed the disposal of the first tranche of bank branches related to transaction announced on November 8th, 2019 (disposal of 11 bank branches for a total value of Euro 23.5 million). The first tranche concerns the disposal a portfolio of 8 bank branches located in Milan, Verona, Como, Trezzano sul Naviglio and in Liguria for a value of Euro 13.1 million (56% of the total value of the portfolio being sold).

On July 13th, 2020, the sale of the ninth bank branch located in Verona, in Corso Porta Nuova, was completed for an amount of Euro 4.1 million.

The sale of the residual part of the portfolio, consisting of two branches located in Milan for a value of 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 Martinit will be completed in January 2021.

Development

Corso Como Place: considering the COVID-19 crisis, the construction site has been halted from March 13th, 2020, to May 3rd, 2020. Between May 4th, 2020, and May 18th, 2020, the construction site underwent an adaptation period where some of the features of the site have been rearranged to ensure the health and safety of people working on the site vis a vis the COVID-19 risk. After the adaptation period the works resumed, albeit at a marginally slower pace. Two shifts have been put in place (compared to one pre COVID-19) to de-densify the building site.

Despite the delay, the project is still on track for completion in 2020 within the overall budgeted cost of approx. Euro 169 million, including the initial Euro 89 million acquisition price, capex and other capitalised costs of approx. Euro 71 million and other costs (including tenant incentives) of approx. Euro 9 million. As of September 30th, 2020, the project advancement rate was approx. 97%.

Outlook

The COVID-19 crisis has resulted in social and economic challenges on a global scale and it will most likely remain an aspect to consider for the remainder of 2020 and beyond. The Italian economy will experience a recession in 2020 and the pace of recovery will depend, amongst other things, on how the health crisis evolves including potential further lock-down phases.

A possible slow-down in the real estate market in the coming months can be anticipated although it can be expected that high-quality office assets in Milan will prove relatively resilient in the medium to long term. In addition, the potential increase in the adoption of the “working from home” practice will influence future tenant demand for office space from both a qualitative and quantitative point of view. COIMA believes that the polarisation between qualified neighbourhoods and undifferentiated neighbourhoods will consolidate and accelerate further and that qualified neighbourhoods will continue to attract high quality office tenant demand and maintain limited level of office vacancy in the medium term.

As far as the current portfolio is concerned, COIMA RES is considering further disposals of mature, non-strategic and non-core assets as well as the refurbishment and repositioning of selected short-WALT assets from 2021-2022 onwards.

SUBSEQUENT EVENTS

On October 15th, 2020, the sale of the bank branch located in Milan, Piazza De Angeli was completed for an amount equal to Euro 2 million.

The sale of the last bank branch (part of the portfolio disposal announced in November 2019) will be carried out in January 2021 for an amount of Euro 4.3 million.

On October 27th, 2020, the Company was granted a Revolving Credit Facility ("RCF") by the banking group Banco BPM S.p.A. for an amount of Euro 10 million, with an availability of 18 months.

DIVIDENDS

The Board of Directors of COIMA RES has resolved to distribute to shareholders an interim dividend for the year 2020 of Euro 3,610,655.80 (or Euro 0.10 per share) with detachment date November 16th, 2020, accounting date November 17th, 2020 and payment date November 18th, 2020.

The COIMA RES auditors have today published their report pursuant to article 2433-bis, paragraph 5, of the Civil Code. The Board resolution on the interim dividend was made on the basis of the economic and financial situation of COIMA RES S.p.A. SIIQ as of September 30th, 2020, prepared according to IFRS.

The report of the Board of Directors on the distribution of the interim dividend for the year 2020 is available for consultation at the registered office of COIMA RES (Piazza Gae Aulenti n.12, 20154, Milan, Italy) and is available in electronic form upon request.

ITALY: ECONOMIC AND REAL ESTATE MARKET CONDITIONS

The first nine months of 2020 were characterized by the explosion of the COVID-19 pandemic in Italy and subsequently in other European countries. Italy was the first European country to be affected by the pandemic, and the Italian government immediately took extraordinary measures to counter the spread of the virus.

The "lock-down", which began in Italy on March 9th, 2020, and was relaxed with the subsequent reopening of the mobility across regions on June 3rd, 2020, enabled a progressive reduction in the growth rate of new cases which touched the lowest levels during summer 2020. The acceleration in the growth of the number of new cases in September and October has instead brought to further restrictive measures by the Italian Government and Regions.

The impact of the COVID-19 pandemic will lead to a global recession in 2020 which is likely to be followed by a recovery in 2021. According to estimates published in October 2020 by the International Monetary Fund, Italian GDP will contract by 10.6% in 2020 and then return to growth at a rate of 5.2% in 2021.

Faced with the crisis, both the European Central Bank, the various European governments and the European Union have announced strong measures to support the economic system, in order to limit the negative impacts of the "lock-down" on businesses and workers and ensure the flow of financing to businesses.

In the first nine months of 2020, the Italian real estate market saw investment volumes of Euro 5.8 billion, a decrease of 22% compared to the volumes recorded in the first nine months of 2019. In the first nine months of 2020 the office segment in Italy remained relatively resilient, with investment volumes equal to Euro 2.6 billion, a level 4% higher compared to the first nine months of 2019.

The office segment in Milan remained particularly active recording investment volumes of Euro 1.9 billion, up 25% compared to the first nine months of 2019. The prime yield for the office segment in Milan contracted by 10 bps in the third quarter of 2020 to a level equal to 3.2%.

The level of take-up by the tenants for the office segment in Milan in the first nine months of 2020 stood at 191,000 sqm, down 45% compared to the first nine months of 2019. The vacancy level remains stable at approximately 10%. The prime rent for office buildings in Milan remains stable at Euro 600 / sqm.

CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)	Notes	Nine months ended September 30 th , 2020	<i>of which related parties</i>	Nine months ended September 30 th , 2019	<i>of which related parties</i>
Income statement					
Rents	1	33,212	-	26,917	-
Net real estate operating expenses	2	(3,012)	(602)	(2,951)	(451)
Net rents		30,200	(602)	23,966	(451)
Income / (losses) from real estate disposal		(100)	-	10	-
Costs of sales		-	-	-	-
Net revenues from disposal		(100)	-	10	-
G&A expenses	3	(6,453)	(4,073)	(6,972)	(4,516)
Other operating expenses	4	(440)	(79)	(117)	-
Gross operating income		23,207	(4,754)	16,887	(4,966)
Net depreciation		(536)	(61)	(192)	-
Net movement in fair value	6	(7,680)	-	5,817	-
Net operating income		14,991	(4,815)	22,512	(4,966)
Net income attributable to non-controlling interests	8	1,701	-	1,406	-
Income / (loss)		-	-	405	-
<i>of which non-recurring</i>		-	-	405	-
Financial income	5	241	-	-	-
Financial expenses	5	(6,194)	(6)	(7,794)	(5)
Profit before tax		10,739	(4,821)	16,529	(4,971)
Income tax		-	-	-	-
Profit after tax		10,739	(4,821)	16,529	(4,971)
Minorities		(3,068)	-	(292)	-
Profit for the Group		7,671	(4,821)	16,237	(4,971)

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Below are the main items of profit and loss that have most significantly affected the profit of the Group as of September 30th, 2020.

1. Revenues

The revenues amount to Euro 33,212 thousand as of September 30th, 2020 and include rents accrued on the real estate portfolio.

(in thousands of Euro)	Investments	Nine months ended September 30 th , 2020	Nine months ended September 30 th , 2019
COIMA RES SIIQ	Vodafone	-	6,863
	Monte Rosa	2,760	2,841
	Tocqueville	2,142	2,046
	Pavilion	2,449	2,164
COIMA CORE FUND IV	Deutsche Bank branches	3,146	3,809
COIMA CORE FUND VI	Gioiaotto	2,957	2,858
COIMA RES SIINQ I	Deruta	2,724	2,711
COIMA CORE FUND VIII	Vodafone	10,573	3,625
COIMA OPPORTUNITY FUND I	Philips	3,025	-
FELTRINELLI PORTA VOLTA	Microsoft	3,436	-
Rents		33,212	26,917

The increase of Euro 6,295 thousand compared to the previous period is mainly related to the contribution of the rents of the Philips and Microsoft properties, indirectly acquired through the purchase of units of COIMA OPPORTUNITY FUND I and Feltrinelli Porta Volta, which was finalized in the fourth quarter 2019.

As of September 30th, 2020, the rents of Gioiaotto reflect the accounting impacts resulting from a possible agreement between the Company and NH Hotel, currently under negotiation, in the contest of the health emergency.

2. Net real estate operating expenses

The net real estate operating expenses amount to Euro 3,012 thousand for the nine months ended September 30th, 2020 and are detailed as follows:

(in thousands of Euro)	Vodafone Complex*	Tocqueville Monte Rosa Pavilion	Deutsche Bank branches	Gioiaotto Philips Microsoft	Deruta	Nine months ended September 30 th , 2020	Nine months ended September 30 th , 2019
Recovery of costs from tenants	1,600	1,080	34	1,331	14	4,059	3,474
Property management fee	(210)	(111)	(32)	(153)	(27)	(533)	(397)
Maintenance charges	(657)	(572)	(35)	(612)	(12)	(1,888)	(2,210)
Utilities	(722)	(332)	(5)	(408)	-	(1,467)	(1,146)
Insurance	(73)	(49)	(37)	(80)	(19)	(258)	(179)
Property taxes	(555)	(633)	(439)	(700)	(184)	(2,511)	(2,142)
Stamp duties	(106)	(70)	(38)	(95)	(27)	(336)	(252)
Other real estate costs	(2)	(71)	-	(5)	-	(78)	(99)
Net real estate expenses	(725)	(758)	(552)	(722)	(255)	(3,012)	(2,951)

* Includes the Consorzio Lorenteggio Village

■ INTERIM FINANCIAL STATEMENT FOR THE PERIOD ENDING SEPTEMBER 30th, 2020

The item *recovery of costs from tenants* refers to the reversal of ordinary property management charges to tenants.

Property management fee mainly relate to ordinary activities of the administration and maintenance of the buildings.

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

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

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

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

3. General and administration expenses

General and administration expenses amount to Euro 6,453 thousand for the nine months ended September 30th, 2020. The detailed summary table is attached below:

(in thousands of Euro)	COIMA RES	CORE IV SIHQ I	CORE VI COF I FPV	CORE VIII	Others	Nine months ended September 30 th , 2020	Nine months ended September 30 th , 2019
Asset management fee	(692)	(219)	(1,465)	(808)	-	(3,184)	(3,608)
Personnel costs	(1,352)	-	-	-	-	(1,352)	(1,291)
Consulting costs	(333)	(104)	(193)	(40)	(20)	(690)	(844)
Control functions	(249)	(23)	(12)	-	-	(284)	(268)
Audit	(152)	(34)	(69)	(12)	(7)	(274)	(218)
Marketing	(190)	-	(3)	-	-	(193)	(246)
IT service	(130)	-	-	-	-	(130)	(130)
Independent appraisers	(21)	(25)	(31)	(16)	-	(93)	(116)
Other operating expenses	(245)	-	(2)	(1)	(5)	(253)	(251)
G&A expenses	(3,364)	(405)	(1,775)	(877)	(32)	(6,453)	(6,972)

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

It should be noted that the decrease of Euro 424 thousand compared to September 30th, 2019 is related to the amendment of Asset Management agreement approved during the Board of Directors of March 19th, 2020, which included a reduction of managements fee of 30 basis points (from 1.10% to 0.80% of NAV) effective from January 1st, 2020.

Personnel costs include:

- wages, salaries and similar expenses, amounting to Euro 568 thousand, related to wages for the Company's employees;
- social security contributions, amounting to Euro 235 thousand, paid by the Company to social security funds;
- provision related to severance pay for employees, equal to Euro 46 thousand;

■ INTERIM FINANCIAL STATEMENT FOR THE PERIOD ENDING SEPTEMBER 30th, 2020

- other personnel costs, amounting to Euro 503 thousand, include mainly the Board of Directors' remuneration.

On March 16th, 2020 the Chief Executive Officer, in order to limit the corporate costs of the Company in light of the current portfolio size of the company and to be aligned with the interests of COIMA RES shareholders, has confirmed to accept the suspension of the recalculation of the fixed emolument and the payment of variable compensation, starting from 2020 financial year until January 1st, 2025.

The suspension of the recalculation of the annual fixed emolument and the variable compensation can be interrupted by Manfredi Catella only and exclusively if certain conditions are met.

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 interim financial statements as of September 30th, 2020.

The waiver of the fees for the years 2017, 2018 and 2019 remains subject to the terms and conditions set out in the communication of Manfredi Catella of February 19th, 2019.

Regarding the risk of death, considering the existing agreement with the Chief Executive Officer and the reports described above, the Company made a provision of approximately Euro 394 thousand based on the mortality tables prepared by ISTAT, according to IAS 19.

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 consulting for *corporate* services;
- technical consulting on real estate properties.

Governance and other control functions costs are mainly related to the Board of Statutory Auditors, amounting to Euro 93 thousand, Risk Management, amounting to Euro 61 thousand and other control functions, amount to Euro 130 thousand.

The *audit costs* include the fees relating to the auditing companies EY S.p.A and KPMG S.p.A., the latter in charge of the statutory audit of the real estate funds held by COIMA RES.

Marketing costs are mainly related to digital and media relations expenses, amounting to Euro 71 thousand related to website maintenance, amounting to Euro 100 thousand and other marketing costs for Euro 22 thousand.

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

The expenses related to the *independent appraisers* are due in respect of the agreement in place with CBRE Valuation, Duff & Phelps REAG and Praxi for the preparation of the evaluation reports.

Other expenses include mainly brokerage fee related to the HQ and other corporate costs (insurance, membership contributions, Borsa Italiana's services, CONSOB's contribution).

4. Other operating costs

The other operating costs, which amount to Euro 440 thousand (Euro 117 thousand at September 30th, 2019), include the change in *fair value* of the financial instrument granted to the directors and *key managers* of the Company, *corporate* taxes and fees, contingent liabilities and other charges management.

As of September 30th, 2020, this item also includes the donations made by the Company to the Luigi Sacco hospital, the Fondo di Mutuo Soccorso of Milan and the Buzzi Foundation to deal with the COVID-19 health emergency, which spread in Italy at the end of February 2020. It should be noted that the financial resources relating to the donations, equal to Euro 236 thousand, are the partial results of the waiver from Manfredi Catella

of his remuneration as a member of the Board of Directors, amounting to Euro 90 thousand, and from the waiver of the emoluments from some directors and key managers, for an amount of Euro 59 thousand.

5. Financial income and expenses

The financial income item, equal to Euro 241 thousand (zero balance as of September 30th, 2019), includes the dividends distributed by ITALIAN COPPER FUND.

Financial expenses amount to Euro 6,194 thousand (Euro 7,794 thousand as of September 30th, 2019) and essentially include interest expenses accrued on outstanding loans and non-recurring financial expenses related to the prepayment of the loans made during the period.

The decrease of Euro 1,600 thousand compared to the previous period is attributable to non-recurring costs incurred in the first half of 2019 for the partial closure of existing loans and hedging derivatives, carried out in the broader context of Vodafone transaction.

However, this reduction is partially offset by the increase in interest expenses related to the loan agreements for the Philips and Microsoft properties, acquired indirectly by the Company through the purchase and sale of the units of COIMA OPPORTUNITY FUND I and Feltrinelli Porta Volta, which was finalized in the fourth quarter 2019.

CONSOLIDATED BALANCE SHEET

(in thousands of Euro)	Notes	September 30 th , 2020	of which related parties	December 31 st , 2019	of which related parties
Assets					
Real estate investments	6	758,587	-	764,924	-
Other tangible assets	7	1,432	711	1,582	771
Intangible assets	7	210	-	188	-
Investments accounted for using the equity method	8	38,828	-	33,675	-
Financial assets at fair value	9	3,812	-	4,593	-
Non-current deferred tax assets		20	-	10	-
Derivatives	10	67	-	158	-
Non-current financial receivables		-	-	1,620	1,620
Total non - current assets		802,956	711	806,750	2,391
Inventories	11	2,730	-	2,780	-
Current financial receivables	12	1,620	1,620	-	-
Trade and other current receivables	12	12,445	151	9,958	100
Cash and cash equivalents	13	50,934	-	42,693	-
Total current assets		67,729	1,771	55,431	100
Non-current assets held for sale	6	6,300	-	23,500	
Total assets		876,985	2,482	885,681	2,491
Liabilities					
Capital stock		14,482	-	14,482	-
Share premium reserve		336,273	-	336,273	-
Valuations reserve		(1,599)	-	(1,677)	-
Interim dividend		-	-	(3,611)	-
Other reserves		84,030	-	62,670	-
Profit / (loss) for the period		7,671	-	31,973	-
Group shareholders' equity		440,857	-	440,110	-
Minorities		70,949	-	71,175	-
Shareholders' equity	14	511,806	-	511,285	-
Non-current bank borrowings	15	316,709	-	340,233	-
Non-current financial liabilities	16	1,181	723	1,301	779
Payables for post-employment benefits		93	-	71	-
Provisions for risks and charges	17	394	392	373	373
Derivatives	18	1,891	-	1,888	-
Trade payables and other non-current liabilities	19	1,969	1,077	1,833	998
Total non-current liabilities		322,237	2,194	345,699	2,150
Current bank borrowings	15	29,268	-	16,140	-
Trade payables and other current liabilities	19	13,643	1,582	12,536	1,952
Current tax payables		31	-	21	-
Total current liabilities		42,942	1,582	28,697	1,952
Total liabilities		365,179	3,776	347,396	4,102
Total liabilities and shareholders' equity		876,985	3,776	885,681	4,102

NOTES TO THE BALANCE SHEET

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

6. Real estate investments

The changes in property investments for the six months ended September 30th, 2020, are listed below:

(in thousands of Euro)	Investments	December 31 st , 2019	Capex	Revaluations/ (write-downs)	September 30 th , 2020
COIMA RES SIIQ	Monte Rosa	61,100	23	(509)	60,614
	Tocqueville	59,600	48	(548)	59,100
	Pavilion	73,200	-	(500)	72,700
COIMA CORE FUND IV	DB branches	66,204	-	(1,091)	65,113
COIMA CORE FUND VI	Gioiaotto	83,700	-	(1,100)	82,600
COIMA RES SIIQ I	Deruta	47,100	-	(1,300)	45,800
COIMA CORE FUND VIII	Vodafone	213,000	-	(2,000)	211,000
COIMA OPPORTUNITY FUND I	Philips	62,790	186	(476)	62,500
FELTRINELLI PORTA VOLTA	Microsoft	98,230	1,086	(156)	99,160
Real estate investments		764,924	1,343	(7,680)	758,587

The Company, preparing the reports for the third quarter of 2020 and, in particular, considering the economic-financial impacts following the spread of the COVID-19 epidemic, carried out an analysis on the existence of any signs of impairment on the value of properties as of September 30th, 2020 compared to the fair value of the latest appraisals prepared by independent experts as of June 30th, 2020.

With reference to September 30th, 2020 the independent experts did not detect significant changes on the value of the portfolio, which remains stable compared to what was recorded in June, except for the Microsoft property which shows an increase of Euro 930 thousand due to the capitalizations made in the period.

The column “*capex*” shows the interventions carried out on the properties in the portfolio in the period, including the construction of public spaces near the Microsoft building for Euro 1,086 thousand and improvements on the Philips property for Euro 186 thousand.

The item “*non-current assets held for sale*” equal to Euro 6,300 thousand (Euro 23,500 thousand as of December 31st, 2019) includes the remaining two bank branches to be sold, located in Milan. For the branch located in Piazza De Angeli, the sale was completed on October 15th, 2020, while for the remaining branch it is scheduled for January 2021.

7. Other tangible assets and intangible assets

Other tangible fixed assets, amounting to Euro 1,432 thousand (Euro 1,582 thousand as at December 31st, 2019), mainly include the right to use the spaces leased by the Group for the whole duration of the agreement, furniture and fixtures related to the headquarter of the Company.

As of today, the Group has three rental agreements in place, the right of use of which, net of depreciation for the period, amounts to Euro 1,163 thousand (Euro 1,293 thousand as of December 31st, 2019).

Intangible assets, amounting to Euro 210 thousand (Euro 188 thousand as of December 31st, 2019), refer to company software (administrative and accounting). The item shows an increase of Euro 22 thousand compared to last year due to the development of new implementations made during the period, net of accrued depreciation.

8. Investments accounted for using the equity method

This item, amounting to Euro 38,828 thousand (Euro 33,675 thousand at December 31st, 2019), mainly includes the investment in Porta Nuova Bonnet Fund, amounting to Euro 37,300 thousand and the investment in Co - Investment 2 SCS, owned indirectly through MHREC Sàrl, amounting to Euro 1,528 thousand.

The increase of Euro 5,153 thousand compared to the previous year is mainly related to the capital call made by Porta Nuova Bonnet Fund in the period, amounting to Euro 3,429 thousand, and to the result for the period of the fund amounting to Euro 1,701 thousand.

9. Financial assets at fair value

Financial assets at fair value, amounting to Euro 3,812 thousand (Euro 4,593 thousand as of December 31st, 2019) refer to the participation of about 13% in ITALIAN COPPER FUND, acquired in the broader context of COIMA OPPORTUNITY FUND I transaction, which was finalized in the fourth quarter of 2019.

The decrease of Euro 781 thousand compared to the previous year is due to the adjustment to the NAV of the period, which is equivalent to the fair value of the instrument.

10. Derivatives

Derivatives, amounting to Euro 67 thousand (Euro 158 thousand as of December 31st, 2019) decrease by Euro 91 thousand compared to the previous year due to the negative change in the fair value of the period and to the partial closure of the interest rate cap agreement related the loan repaid.

On June 30th, 2020 the Company, following the repayment of the outstanding loans for Euro 11,100 thousand, partially closed the related contract of *interest rate cap* in order to align the notional of the derivatives to the nominal value.

The Company has accounted for hedging transactions based on *hedge accounting*, according to IFRS 9, verifying the efficiency of the hedging relationship.

11. Inventories

Inventories, amounting to Euro 2,730 thousand (Euro 2,780 thousand as of December 31st, 2019), includes the remaining vacant Deutsche Bank branches.

The decrease of Euro 50 thousand compared to the previous year is related to the value adjustment made on the basis of the appraisal prepared by the independent expert as of June 30th, 2020.

12. Trade and other receivables

Current financial receivables, amounting to Euro 1,620 thousand, relate to loans granted by MHREC Sàrl to Co - Investment 2 SCS.

This item was originally classified under non-current financial receivables and has been reclassified under current assets because the relative amount will presumably be collected within 12 months.

Trade and other current receivables, amounting to Euro 12,445 thousand (Euro 9,958 thousand as of December 31st, 2019), include:

- rental receivables amounting to Euro 10,252 thousand;
- other VAT receivables amounting to Euro 62 thousand;
- prepayments and accrued income amounting to Euro 1,552 thousand;
- deposits, advance and other receivables amounting to Euro 579 thousand.

Receivables from tenants, amounting to Euro 5,387 thousand as of December 31st, 2019 increased by Euro 4,865 thousand mainly due to the advance invoicing of lease payments relating to the fourth quarter of 2020, amounting to Euro 4,073 thousand.

The remaining amount of the receivables from tenants mainly refers to the effects of the normalization of lease payments (accounted for in accordance with IFRS 16) for Euro 4,006 thousand, invoices to be issued for Euro 1,169 thousand and other receivables for Euro 1,003 thousand.

As of September 30th, 2020, trade receivables are shown net of any write-downs relating to uncollectible amounts or collections that are deemed unrealizable.

13. Cash and cash equivalents

Cash and cash equivalents, equal to Euro 50,934 thousand (Euro 42,693 thousand as of December 31st, 2019), show an increase of Euro 8,241 thousand compared to last year mainly due to the effect of the collections deriving from the disposals of Deutsche Bank branches, net of the reimbursements made.

14. Shareholders' equity

Shareholders' equity as of September 30th, 2020 amounts to Euro 440,857 thousand (Euro 440,110 thousand as of December 31st, 2019).

The share capital, amounting to Euro 14,482 thousand, includes no. 36,106,558 ordinary shares with no nominal value.

Reserves, amounting to Euro 418,704 thousand, include:

- share premium reserve of Euro 336,273 thousand;
- legal reserve of Euro 2,896 thousand;
- cash flow hedge valuation reserve relating to hedging derivative contracts of Euro 1,599 thousand (negative);
- the *fair value* valuation reserve relating to property investments of Euro 36,405 thousand;
- other reserves of Euro 44,729 thousand.

Minorities amounts to Euro 70,949 thousand (Euro 71,175 thousand as of December 31st, 2019), of which Euro 3,068 thousand is related to the minority interest for the period.

15. Bank borrowings and other lenders

The non-current bank borrowings amount to Euro 316,709 thousand and include the financial loans of the contracted by the Company and by the controlled entities. The changes in loans are shown below.

(in thousands of Euro)	December 31 st , 2019	Reimbursement	Amortised costs	Reclassifications	September 30 th , 2020
COIMA RES SIIQ	99,132	(1,610)	347	-	97,869
COIMA CORE FUND VI	47,640	-	142	-	47,782
COIMA RES SIINQ I	19,859	-	51	-	19,910
COIMA CORE FUND VIII	125,841	-	297	-	126,138
COIMA OPPORTUNITY FUND I	25,016	-	(6)	-	25,010
FELTRINELLI PORTA VOLTA	22,745	-	(169)	(22,576)	-
Non-current bank borrowings	340,233	(1,610)	662	(22,576)	316,709
COIMA RES SIIQ	16,140	(9,490)	(5)	-	6,645
COIMA CORE FUND VIII	-	-	14	-	14
FELTRINELLI PORTA VOLTA	-	-	33	22,576	22,609
Current bank borrowings	16,140	(9,490)	42	22,576	29,268

Current bank borrowings, amounting to Euro 29,268 thousand, mainly include:

- the amount of the Deutsche Bank loan that will be repaid, reasonably within 12 months, following the collection deriving from the sale of the three bank branches for Euro 6,537 thousand;
- the amount of the loan relating to the Feltrinelli property expiring on December 21st, 2020 for Euro 22,492 thousand, which is under renegotiation.

On June 30th, 2020, the Company repaid part of the outstanding loan for a total amount of Euro 11,100 thousand (of which Euro 6,337 thousand related to Tocqueville and Monte Rosa financing and Euro 4,763 thousand related to the Vodafone financing). This repayment was partially made using the liquidity collected from the disposal of the related Deutsche Bank branches.

16. Non-current financial liabilities

This item, amounting to Euro 1,181 thousand (Euro 1,301 thousand as of December 31st, 2019) includes the financial payables recorded related to the future payment of the rents relating to existing lease agreements, as required by the accounting standard IFRS 16. The liability is the present value of the expected future cash flows for the duration of the agreements.

17. Provision for risks and charges

This amount, amounting to Euro 394 thousand (Euro 373 thousand as of December 31st, 2019), refers to the accrual recorded to cover the risks related to the agreements in place with the CEO.

For more details, please refer to paragraph 3 – G&A expenses.

18. Derivatives

Derivatives classified as liabilities, amounting to Euro 1,891 thousand (Euro 1,888 thousand as at December 31st, 2019), increase by Euro 3 thousand compared to the previous year because of the change in the fair value of *interest rate swap* contracts entered to hedge the cash flows relating to the financing of the Monte Rosa, Tocqueville and Pavilion properties.

19. Trade payables and other liabilities

Other non-current liabilities, amounting to Euro 1,969 thousand, (Euro 1,833 thousand as of December 31st, 2019), include

- Euro 1,077 thousand related to the fair value of the financial instruments granted to the CEO and *key managers*;
- Euro 892 thousand related to cash deposits received from tenants.

The trade payables and other current liabilities, amounting to Euro 13,643 thousand (Euro 12,536 thousand as of December 31st, 2019), include:

- trade payables to suppliers and invoices to be received for Euro 4,246 thousand;
- down payments from buyers for Euro 1,104 thousand;
- accrued liabilities and deferred income for Euro 6,483 thousand;
- social security contributions, payables to the tax authorities and other liabilities for Euro 1,810 thousand.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of Euro)	September 30 th , 2020	September 30 th , 2019
Profit for the period	10,739	16,529
Adjustments to reconcile the profit to net cash flow:		
Net depreciation	407	132
Severance pay	85	50
Net movement in fair value property	7,680	(5,817)
Net income attributable to non-controlling interests	(1,701)	(1,406)
Badwill	-	(405)
Financial income	-	-
Financial expenses	1,237	1,042
Net movement in fair value financial instruments	79	-
Changes in working capital:		
(Increase) / decrease in trade and other current receivables	(2,616)	(390)
(Increase) / decrease in deferred tax assets	(10)	-
Increase / (decrease) in trade payables and other current liabilities	1,052	(1,629)
Increase / (decrease) in current tax payables	10	(25)
Increase / (decrease) in trade payables and other non-current liabilities	57	340
Other changes in working capital	-	(405)
Net cash flows generated (absorbed) from operating activities	17,019	8,016
Investment activities		
(Acquisition) / disposal of real estate property	15,587	241
(Acquisition) / disposal of other tangible and intangible assets	(61)	(144)
(Acquisition) / disposal of financial assets	612	(4,542)
Acquisition of subsidiaries net of cash	-	(62,949)
Purchase of associated companies	(3,429)	(1,786)
Net cash flow generated (absorbed) from investment activities	(12,979)	(69,180)
Financing activities		
Shareholders' contribution / (dividends paid)	(7,197)	(7,200)
Dividends paid to minorities	(3,312)	(68)
Change in equity interests in subsidiaries	-	55,104
(Acquisition) / closing of derivatives	(148)	(442)
Increase / (decrease) in bank borrowings and other non-current lenders	-	150,800
Repayment of borrowings	(11,100)	(133,747)
Net cash flows generated (absorbed) from financing activities	(21,757)	64,447
Net increase / (decrease) in cash and cash equivalents	8,241	3,283
Cash and cash equivalents at the beginning of the period	42,693	82,221
Cash and cash equivalents at the end of the period	50,934	85,504

Risks, guarantees and commitments

Risks

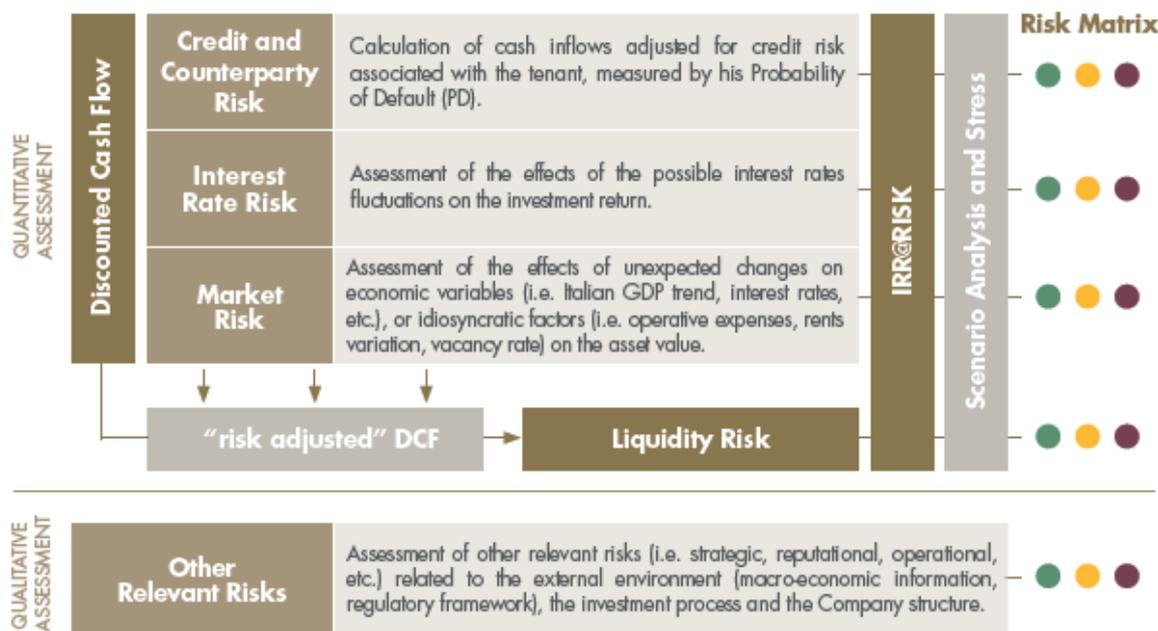
The table below summarizes the main risks and the mitigating measures of the Company:

	Risks	COIMA RES mitigation
1	<p>Market risk - the risk of losses 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, the specific characteristics of the properties owned by the Company and/or structural changes in tenant habits.</p> <p>This risk also includes the effects resulting from properties in the portfolio that are vacant (vacancy risk) and potential losses associated with investment in "value-added" projects, in particular relating to restructuring or refurbishment works of certain real estate projects.</p>	<p>The Company's investment strategy is focused on high-quality assets (real estate or fund units) in large urban areas, specifically in Milan, which have demonstrated high income capacities and good resilience during negative market cycles, partly due to a less volatile level of demand compared with smaller assets located in secondary cities.</p> <p>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.</p> <p>Considering the health emergency resulting from the spread of the Covid-19, the Company carefully assesses and monitors the impacts on property values by conducting targeted stress tests, with particular reference to the most exposed tourist-accommodation and retail assets, which however, they 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 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.</p>
2	<p>Credit and counterparty risk - the risk of losses resulting from the non-compliance of counterparties due to the deterioration of their creditworthiness, with them defaulting in extreme cases with reference to:</p> <ul style="list-style-type: none"> - tenants; - counterparties in real estate development operations (manufacturer, operator); - counterparties in real estate transactions. 	<p>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.</p> <p>In this regard, the Company's investment strategy favours reputable and well-capitalized counterparties and those belonging to large international groups.</p> <p>Considering the aforementioned high profile of tenants and the limited volume of fees 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 existing contractual safeguards.</p>
3	<p>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.</p>	<p>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.</p> <p>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.</p>
4	<p>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).</p>	<p>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.</p>
5	<p>Liquidity risk - the risk of not being able to meet one's payment obligations due to:</p> <ul style="list-style-type: none"> - 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). 	<p>he 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.</p> <p>From the perspective of optimising the financial and capital structure, the Company's objective is to achieve a stabilized leverage of less than 40% (LTV) in the medium term.</p>

■ INTERIM FINANCIAL STATEMENT FOR THE PERIOD ENDING SEPTEMBER 30th, 2020

		As part of the impact analysis of the Covid-19 emergency, the Company conducts stress tests to assess the full compliance with the financial covenants, and the ability to meet current financial commitments and those deriving from the expected capex plans. Based on the results of the sensitivity analysis, the Company prepares, where appropriate, interventions to optimize and strengthen the financial structure.
6	Other financial risks - other financial risks not associated with real estate assets such as, for example, counterparty risks and/or other market risks on any financial instruments in the portfolio.	The strategy currently adopted by the Company 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 SIIQ status to which we are subject. Exposure to any financial risks, not connected with real estate assets, is subject to periodic monitoring and is also mitigated through our use of reputable and well-capitalized banking counterparties.
7	Operating risk - the risk of suffering losses resulting from the inadequacy or malfunction of procedures 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 work environments, prepare the carrying out of activities in smart-working and raise awareness among staff on the safety measures and social distancing even outside the workplace. These interventions are aimed at limiting the risks 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 infection were introduced in the buildings managed by the Company and in the work sites, in compliance with current legislation, and interventions to implement the requests of the tenants and adapt, where appropriate and permitted, the policies property insurance.
8	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 SIIQ status are met now and, in the future, as indicated in the Articles of Association.
9	Reputational risk - the current or future risk of a fall in profits or capital, resulting from a negative perception of the Company's image by customers, counterparties, shareholders, investors, 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 high 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.
10	Strategic risk - Pure risk and business risk; this consists of the current or prospective risk of a fall in profits or capital, resulting from changes in the operating environment or from incorrect corporate decisions, inadequate implementation of decisions, poor reaction to changes in the competitive environment, customer behaviour or technological developments.	In addition to an articulated process of strategic planning and investment evaluation and analysis, Strategic Risk is governed by the level of experience and professionalism of the Company's Management, both with reference to the real estate market and operational / financial management and internal control. 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 is also in consideration of the effects of the use of smart working because of the ongoing pandemic.

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



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 CCFIV units;
- pledge on operating bank accounts linked to the loan agreement, excluding the account to which any amounts distributed as dividends will be paid.

As for the loan related to Monte Rosa and Tocqueville:

- first mortgage of Euro 140,000 thousand;
- pledge on the CCFIV units;
- pledge on operating bank accounts linked to the loan agreement, excluding the account to which any amounts distributed as dividends will be paid;
- 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, excluding the account to which any amounts distributed as dividends will be paid;
- 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.

COIMA CORE FUND VI, has granted the following guarantees to banks in relation to the loan it has taken on:

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

The mortgage on Gioiaotto is the following:

Date	Amount	Grade	Bank
June 24 th , 2016	156,000,000	I	UBI Bank / Credit Agricole / ING

Furthermore, the Fund will contribute Euro 1,400 thousand for the modernisation and redevelopment works on Gioiaotto carried out by NH Hotel, of which Euro 1,260 thousand already paid.

For the loan relating to the Vodafone building held through COIMA CORE FUND VIII:

- first degree mortgage for Euro 255,600 thousand;
- ledge 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. Please note that as of September 30th, 2020 Porta Nuova Bonnet Fund made a capital call for a total amount of Euro 22,947 thousand and therefore the Company has to pay a residual call of Euro 2,053 thousand.

In June 11th, 2020, COIMA RES has signed a binding agreement for the acquisition of a stake between 10% and 25% in the real estate fund Porta Nuova Gioia, managed by COIMA SGR, which owns the property currently being developed called “Gioia 22” situated in Via Melchiorre Gioia 22 in Milan.

The closing of the transaction is expected by the end of 2021 or the beginning of 2022, subject to certain transaction conditions, including 75% of the property being lease. 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. Today the estimate purchase price is between Euro 22 million and Euro 56 million.

Criteria for the preparation of the interim consolidated financial statements

The consolidated interim report was prepared with the same consolidation principles and measurement criteria described in the annual consolidated financial statements as of December 31st, 2019 and in the consolidated half-year report as of June 30th, 2020.

The consolidated interim report does not present all the information required for the preparation of the year-end consolidated financial statements nor all the information required by IAS 34.

The consolidation area includes:

- COIMA RES S.p.A. SIIQ as parent company,
- the COIMA CORE FUND IV, COIMA CORE FUND VI, COIMA CORE FUND VIII, COIMA OPPORTUNITY FUND I and Feltrinelli Porta Volta funds,
- the companies MHREC Sàrl and COIMA RES S.p.A. SIINQ I, and
- the Lorenteggio Village Consortium

as entities consolidated on a line-by-line basis;

- the Porta Nuova Bonnet fund,
- the companies Co - Investment 2 SCS and Infrastructure Garibaldi Repubblica, and
- the Porta Nuova Garibaldi Consortium

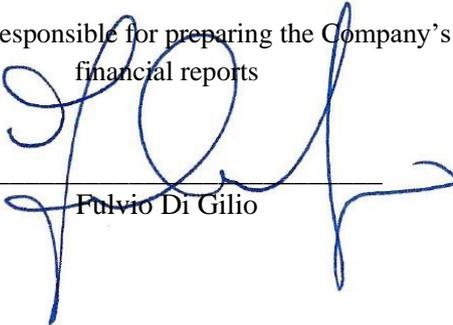
as entities and consolidated using the equity method.

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

Pursuant to art. 154-bis, subsection 2 of the Italian Consolidated Law on Finance, the Manager responsible for preparing the Company's financial reports, Fulvio Di Gilio, hereby declares that the accounting information contained in this Interim Consolidated Financial Statement as at September 30th, 2020 corresponds to corporate records, books and accounts.

Milan, November 5th, 2020

Manager responsible for preparing the Company's
financial reports



Fulvio Di Gilio

GLOSSARY

	Definition
Accounting Period	Accounting period means each successive period of 12 calendar months each of which starts on 1 January and ends at midnight on December 31 st 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 15 th , 2015, by and between COIMA RES and COIMA SGR and modified on November 15 th , 2015.
Bonnet or Corso Como Place	Bonnet is 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 29 th , 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 30 th , 2019.
COIMA RES SIINQ I	COIMA RES S.p.A. SIINQ I, of which COIMA RES owns 100% of the capital stock.
COIMA S.r.l.	COIMA S.r.l., with registered office in Milan, Piazza Gae Aulenti no.12.
COIMA SGR	COIMA SGR S.p.A., with registered office in Milan, Piazza Gae Aulenti no.12.
Company or COIMA RES	COIMA RES S.p.A. SIQ, with registered office in Milan, Piazza Gae Aulenti no.12.
Consortium Lorenteggio Village	Consortium Lorenteggio Village, established on January 25 th , 2018, of which COIMA RES owns 69.21% of the shares.
Consortium Porta Nuova Garibaldi	Consortium Porta Nuova Garibaldi, of which COIMA RES owns about 4%.
Core	The <i>core</i> 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 <i>core plus</i> assets are similar to the <i>core</i> 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 16 th , 2017, by COIMA RES SIINQ I.
Deutsche Bank Portfolio	The bank branches of COIMA CORE FUND IV, leased to Deutsche Bank
EBITDA	Earnings before Interest, Taxes, Depreciation & Amortisation, is the most widely used measure of a company’s operating performance as it isolates operating earnings, excluding the effects of capital structure, taxes or depreciation regime. EBITDA is a proxy for the operating cash flow that the company is able to generate.
EPRA Cost 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 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

■ INTERIM FINANCIAL STATEMENT FOR THE PERIOD ENDING SEPTEMBER 30th, 2020

	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 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 Initial Yield	Calculated as Net Initial Rent divided by the gross market value of the property.
EPRA topped up Net Initial Yield	Calculated as Net Stabilised Rent divided by the gross market value of the property.
EPS	Earnings Per Share calculated as net income divided by the basic number of shares outstanding.
Expected Gross Stabilised Rent	Gross Stabilised Rent adjusted for selected active asset management initiatives.
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.
Gioia 22	This refers to the property located in Via Melchiorre Gioia 22 in Milan, in the Porta Nuova district, owned by Porta Nuova Gioia Fund.
Gioiaotto	Gioiaotto is the property located in Milan, in Melchiorre Gioia 6-8, held through the MHREC Fund.
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 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	Certification of building efficiency 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 24 th , 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 23 rd , 2018 by COIMA RES.

■ INTERIM FINANCIAL STATEMENT FOR THE PERIOD ENDING SEPTEMBER 30th, 2020

Porta Nuova Bonnet	Fund established on October 20 th , 2016, of which COIMA RES owns 35.7%.
Promote Fee	Performance fee payable by COIMA RES to SGR, related to the Asset Management Agreement.
Qatar Holding	Qatar Holding LLC, a company with principal offices in Doha, Qatar, Q-Tel Tower, PO Box 23224, wholly owned by Qatar Investment Authority, sovereign fund of the State of Qatar.
Recurring FFO	Calculated as FFO adjusted to exclude non-recurring income and expenses.
Sarca (o 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	Shareholder Return Outperformance means, in respect of each Accounting Period, the amount in Euro by which the Shareholder Return for the year exceeds the Shareholder Return that would have produced a determined Shareholder Return.
SIINQ	Unlisted real estate investment company regulated by article 1, paragraph 125 of the Finance Act 2007.
SIIQ	Listed real estate investment company regulated by article 1, paragraphs 119-141-bis of the Finance Act 2007.
Tocqueville	Tocqueville is the property located in Milan, Via A. Tocqueville, acquired on July 27 th , 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 assets includes properties undergoing redevelopment and refurbishment, usually vacant or with high rate of vacancy. Compared to the core category, value added real estate has a medium-high risk profile and is expected to generate returns through real estate value appreciation over time.