



Q1 2017 FINANCIAL REPORT

Results presentation

April 27th, 2017



AGENDA



COIMA RES Key Highlights

Manfredi Catella, CEO

COIMA RES Q1 2017 Results

Fulvio Di Gilio, CFO

COIMA RES Portfolio & Active Asset Management

Matteo Ravà, Asset Management

COIMA RES Market

Gabriele Bonfiglioli, Investments

COIMA RES Closing Remarks

Manfredi Catella, CEO

Appendix

KEY HIGHLIGHTS – IMPROVING GOVERNANCE, DELIVERING PLAN



- 1
- Over 85% of initial total investment objective reached since IPO
 - Acquired Euro 47 million in new property in Q1 2017

✓ Fast capital deployment on quality, off-market deals

- 2
- Portfolio totals approximately Euro 577 million
 - Blended EPRA Net Initial Yield 5.4%, expected stabilised net yield 5.7%
 - WALT 8.3 years
 - 76% of stabilised net rent is from investment grade tenants
 - EPRA occupancy rate 96.3%

✓ Solid portfolio with attractive expected returns

- 3
- Active management program in progress
 - New lease agreement with NH Hotel Group
 - MHREC re-financing agreement executed
 - Disposal program of non-core Deutsche Bank branches
 - Asset management actions planned for Deruta, 2331 EUR and Bonnet

✓ Adding value through active management

- 4
- First dividend brought forward to April 2017 due to solid financial results
 - Further dividend distributions on a twice a year basis, next payment in Q4 2017
 - Remaining firepower of approximately Euro 100 million
 - Target LTV below 45%, reduced from prior target of 50%

✓ Euro 100 million firepower given 45% LTV target

- 5
- Enhanced corporate governance
 - Two new independent board members appointed
 - 7 independent board members out of a total of 9

✓ Improved Board structure

GOVERNANCE FURTHER ALIGNED TO BEST MARKET PRACTICE



■ Strengthened structure of the Board of Directors

- Increased independence
- Higher degree of experience with listed real estate companies
- Independent directors now clear majority
- Proposal of annual appointment of the members

IPO Board composition (9 individuals)

Caio Massimo Capuano (Chairman)

Executive (3 individuals)

Manfredi Catella* (CEO)
Matteo Rava*
Gabriele Bonfiglioli*

Independent (5 individuals)

Feras Abdulaziz Al-Naama*
Agostino Ardisson
Alessandra Stabilini
Laura Zanetti
Michel Vauclair *

New Board composition (9 individuals)

Caio Massimo Capuano (Chairman)

Executive (1 individual)

Manfredi Catella* (CEO)

Independent (7 individuals)

Feras Abdulaziz Al-Naama*
Agostino Ardisson
Alessandra Stabilini
Laura Zanetti
Michel Vauclair*
Olivier Elamine*
Luciano Gabriel*

* Extensive real estate expertise

NEW BOARD MEMBERS BRING ADDITIONAL SECTOR EXPERTISE



■ Two new independent directors with extensive listed real estate experience appointed

Olivier Elamine

- Founder and CEO of alstria office REIT AG
- Partner of NATIXIS Capital Partners (2003-2006). Participated in more than EUR 6 billion of pan-European real estate transactions
- At Ernst & Young as a consultant in the real estate industry (1998-2000) and heading the Sales & Leaseback advisory team (2000-2003)
- Civil engineering degree in Real Estate and Construction from the Ecole National des Travaux Publics de l'Etat, Lyon. Master in Building and Construction Science from the Institut National des Sciences Appliquées, Lyon



Luciano Gabriel

- PSP Swiss Property Group Chairman (Current), CEO (2007-2017) and CFO (2002-2007)
- Responsible for corporate finance and group treasury at Zurich Financial Services (1998-2002)
- Worked for Union Bank of Switzerland where he held management positions in corporate finance, risk management, international corporate banking and business development (1984-1998)
- Completed his studies in economics at the Universities of Bern and Rochester (NY, USA). Was teaching assistant at the University of Bern obtaining the title of Dr. rer. pol. in 1983



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FINANCIAL HIGHLIGHTS



■ GAV growth of 10.3% achieved in three months

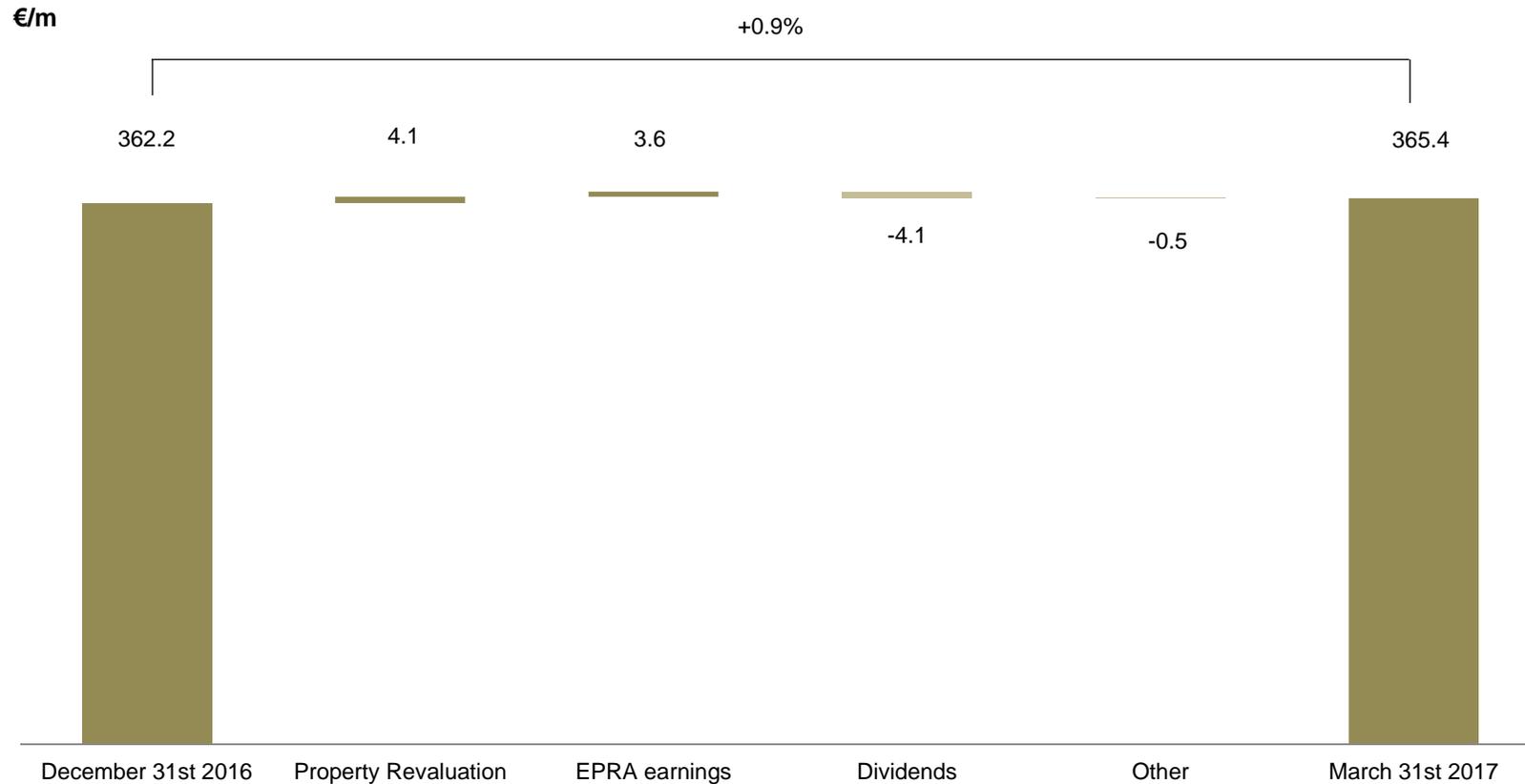
Balance Sheet	March 31 st , 2017	December 31 st , 2016	Δ%
GAV ¹ (€/mln)	544.0	493.1	10.3%
EPRA NAV per share	10.15	10.06	0.9%
EPRA NNNNAV per share	10.10	9.99	1.1%
Net debt (€/mln)	223.3	176.9	26.2%
LTV ²	33.5%	27.4%	6.1 p.p.

Income Statement	March 31 st , 2017	March 31 st , 2016	Δ%
Rents (€/mln)	8.3	n.a.	n.a.
Recurring FFO (€/mln)	4.2	n.a.	n.a.
Recurring FFO per share	0.12	n.a.	n.a.
Cost of debt (all-in blended)	1.97%	n.a.	n.a.
ICR	3.3x	n.a.	n.a.

EPRA NAV INCREASED IN THREE MONTHS TO MARCH 31st, 2017



■ EPRA NAV per share up 9 cents in the quarter to reach Euro 10.15



- EPRA NAV up by 2.0% pre FY 2016 dividend payment
- EPRA NAV up by 0.9% post FY 2016 dividend payment

BALANCE SHEET RECONCILIATION



(Millions of Euros)	March 31 st , 2017	Bonnet Look-Through	Adjustments ¹	Look-Through Adjusted	Market Implied ²
Investment properties	544.0	33.0		577.0	475.5
Financial asset	2.5			2.5	2.5
Investments accounted for using the equity method	16.0		-14.0	2.0	2.0
Vat receivable	38.0			38.0	38.0
Total LT assets	600.5			619.5	518.0
Trade receivables	9.7	0.2		9.9	9.9
Cash	80.3	0.1		80.4	80.4
Total current assets	90.0			90.3	90.3
Total assets	690.5			709.9	608.4
Debt	303.6	19.0		322.6	322.6
Provisions	0.1			0.1	0.1
Other liabilities	0.6			0.6	0.6
Trade payables	9.9	0.3		10.2	10.2
Total liabilities	314.2			333.6	333.6
Minorities share of MHREC	-10.8			-10.8	-10.8
NAV	365.4			365.4	263.9
NAV per share	10.15			10.15	7.33
<i>Loan to value³</i>	<i>33.5%</i>			<i>34.8%</i>	
In-place annual rent	32.8	0.3		33.1	33.1
NOI margin	89.4%			89.4%	89.4%
In-place NOI yield	5.4%			5.1%	6.2%

INCOME STATEMENT



(Million of Euros)	March 31 st , 2017
Rents	8.3
Real estate operating expenses	-0.9
NOI	7.4
G&A	-1.7
Other expenses	-0.1
Non-recurring general expenses	-0.4
EBITDA	5.1
Net depreciation	0.0
Net movement on fair value	4.1
EBIT	9.2
Finance income	0.2
Income from investments	-0.2
Financial expenses	-1.5
Profit before taxation	7.7
Income tax	0.0
Profit for the period after taxation	7.7
Minority share of MHREC	-0.2
Profit attributable to COIMA RES	7.5
EPRA adjustments ⁽¹⁾	-3.9
EPRA Earnings	3.6
EPRA Earnings per share	0.10
FFO	3.8
FFO adjustments ⁽²⁾	0.4
Recurring FFO	4.2
Recurring FFO per share	0.12

- Group profit for the period, net of minorities, of Euro 7.5 million
- NOI margin equal to 89.4% of total rents (vs 88.4% as of December 31st, 2016)
- Improved G&A cost structure: 20.4% of total rents (vs 30.3% as of December 31st, 2016)
- Improved EPRA Cost Ratio from 51.4% (49.7% excluding direct vacancy costs) to 39.4% (36.2% excluding direct vacancy costs)
- First dividend (Euro 0.11 per share) paid ahead of schedule
- Further dividend distribution expected in Q4 2017

EPRA PERFORMANCE MEASURES



		March 31 st , 2017
EPRA Earnings	Millions of Euro	3.6
EPRA Earnings per share	Cents	0.10
EPRA NAV	Millions of Euro	365.6
EPRA NAV per share	Euro	10.15
EPRA NNAV	Millions of Euro	363.8
EPRA NNAV per share	Euro	10.10
EPRA Net Initial Yield (NIY)	%	5.4%
EPRA topped-up NIY	%	5.6%
EPRA Vacancy Rate	%	3.7%
EPRA Cost Ratio (including direct vacancy costs)	%	39.4%
EPRA Cost Ratio (excluding direct vacancy costs)	%	36.2%

- EPRA NAV per share grew from Euro 9.76 at IPO to Euro 10.15 as at March 31st, 2017

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PORTFOLIO OVERVIEW



	DB Portfolio 	Vodafone Village 	Gioiaotto ⁴ 	2331 Eurcenter ⁴ 	Bonnet 	Deruta 19 	COIMA RES Portfolio March 2017 (A)	COIMA RES Portfolio Dec. 2016 (B)	Δ (A)-(B)
Location	Various	Milan	Milan	Rome	Milan	Milan	Various	Various	-
Asset class	Bank Branch	Office	Office, Hotel, Retail	Office, Retail	Office, Retail	Office	Mainly office	Mainly office	-
Product type	Core/Trading	Core	Core	Core	Value Added	Core	Mainly Core	Mainly Core	-
Tenant	Deutsche Bank	Vodafone	NH Hotel, Roland Berger, QBE, Bernoni, others	Fastweb, Axa, Confindustria Energia, others	Sisal	BNL - BNP Paribas Group	Various	Various	-
NRA excl. Parking (sqm)	57,836	39,991	13,032	13,530	19,600	12,422	156,411	143,989	12,422
# of assets	94	3	1	1	2	2	103	102	1
% of ownership	100.0%	100.0%	86.7%	86.7%	35.7%	100.0%	-	-	-
Fair value (€/mln)	138.3	207.0	66.8	80.7	33.0 ¹	51.2	577.0	526.2	50.8
WALT (years)	9.6	9.8	7.1	5.2	2.8	4.8	8.3	8.7	(0.4)
EPRA occupancy rate	86%	100%	100%	100%	13%	100%	96.3%	95.8%	50bps
Gross initial rent	7.5	13.9	2.9	5.0	0.3 ¹	3.6	33.1	29.5	3.6
Expected gross stabilised rent	7.5 ²	13.9	4.0	5.1	3.1 ¹	3.6	37.2	33.6	3.6
Gross initial yield	5.4%	6.7%	4.4%	6.2%	n.m.	6.9%	6.1%	6.0%	10bps
Expected gross stabilised yield	5.9% ²	6.7%	6.1%	6.3%	6.2% ³	6.9%	6.4%	6.3%	10bps
EPRA net initial yield	4.4%	6.2%	3.8%	5.3%	n.a.	6.3%	5.4%	5.3%	10bps
Expected net stabilised yield	4.8% ²	6.2%	5.4%	5.6%	5.7% ³	6.3%	5.7%	5.6%	10bps

■ 78% of the portfolio either LEED certified or LEED certificate candidate

COIMARES

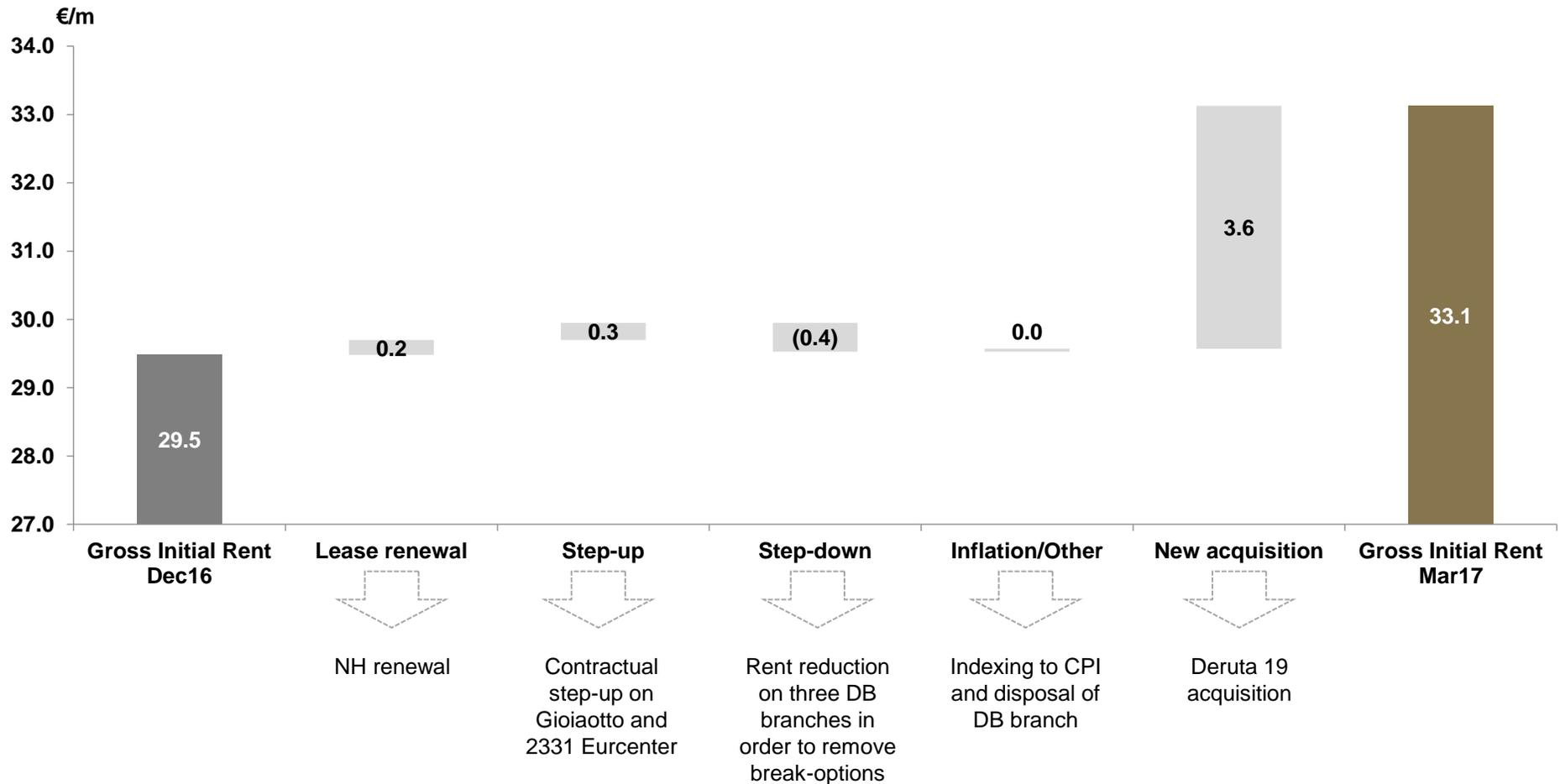
1) Bonnet included on pro-rata basis (35.7%)
2) Calculated excluding vacant branches

3) Calculated including expected capex (soft and hard costs)
4) Financial figures consider assets as being 100% consolidated

GROSS INITIAL RENT EVOLUTION



- Stable and growing rents
- Like-for-like change QoQ: +0.3%
- WALT: 8.3 years
- Ca. 35% of the overall stabilised rent is 100% indexed to CPI and ca. 65% is 75% indexed to CPI



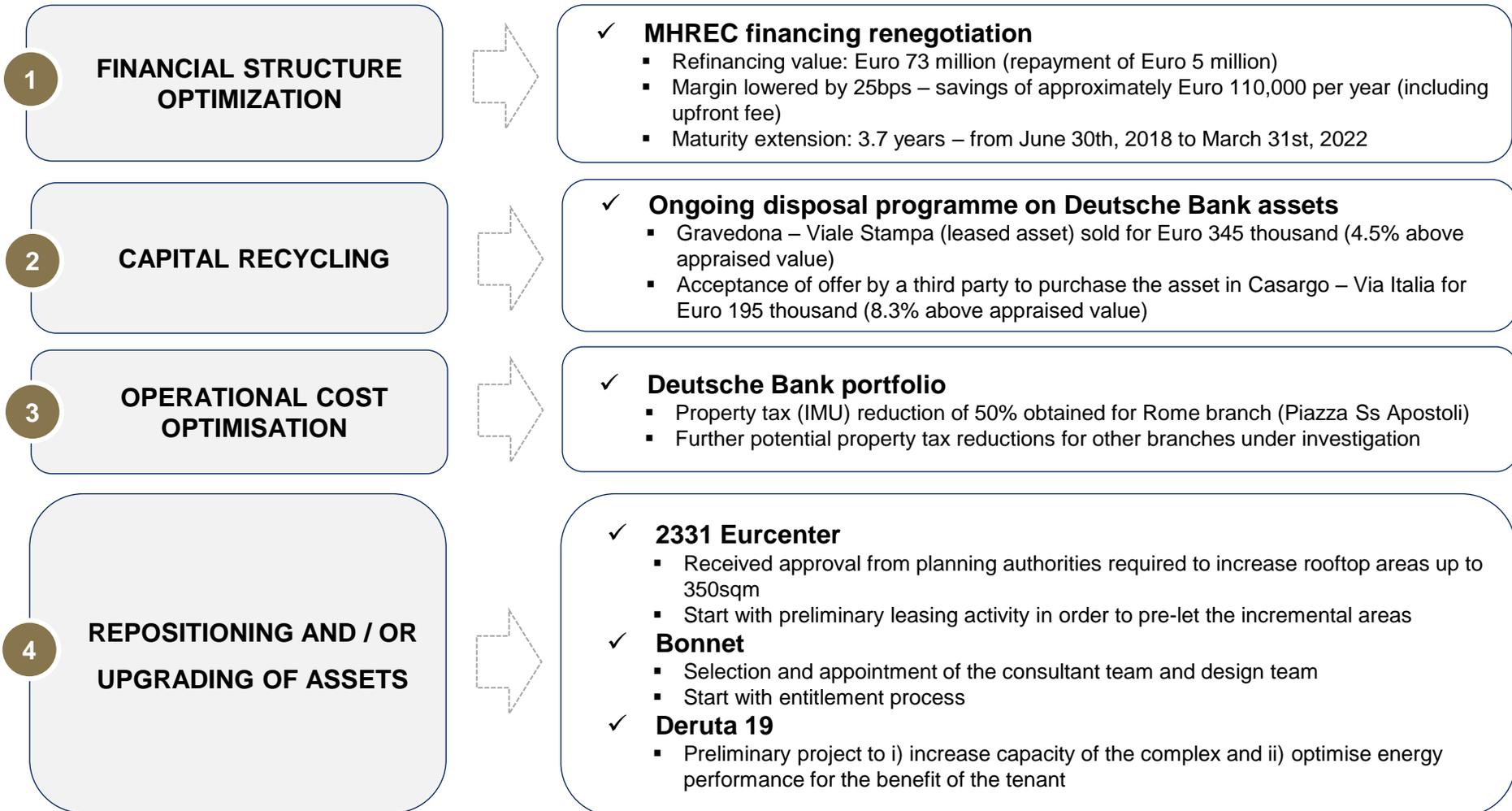
ASSET MANAGEMENT HIGHLIGHTS



■ The Company is focused on improving property income and capital values at the asset level while maintaining a moderate risk-profile for the overall portfolio

ASSET MANAGEMENT IN Q1

GOALS ACHIEVED / UNDER EXECUTION

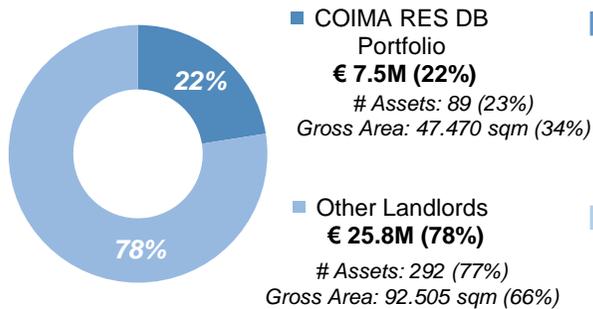


DEUTSCHE BANK – ITALIAN REAL ESTATE PORTFOLIO ANALYSIS

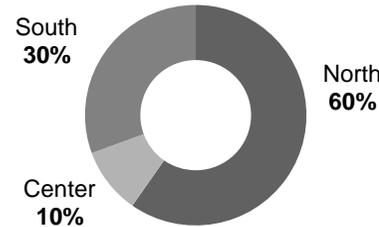


■ DB branches owned by COIMA RES are better positioned both in terms of geographical location and expiry date profile

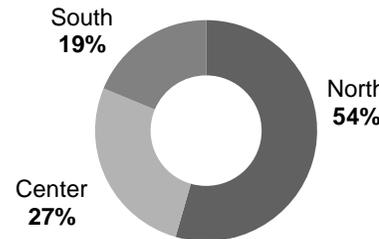
DB Italian Portfolio:
Annual Rent Breakdown



COIMA RES DB Portfolio: breakdown by location in Italy



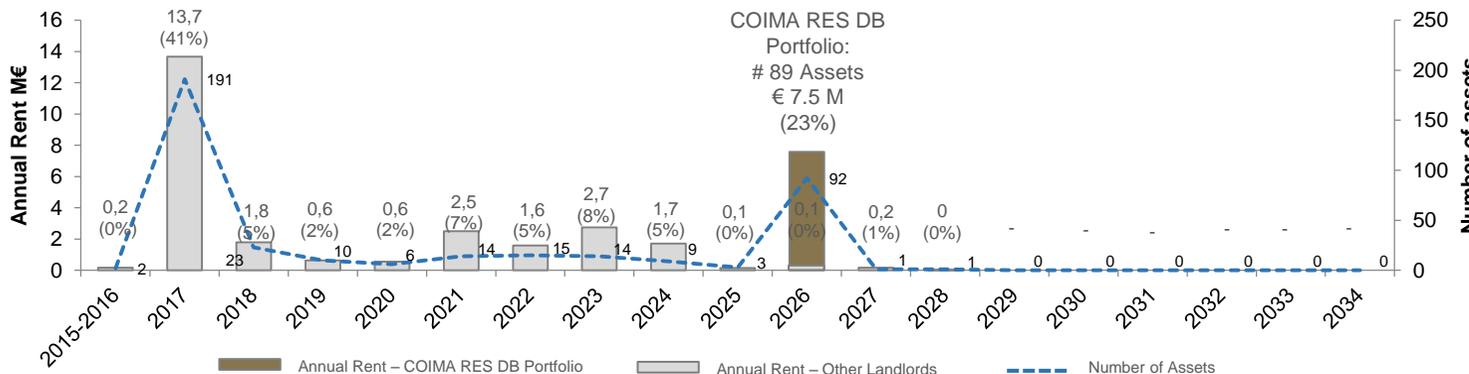
Other Landlords: breakdown by location in Italy



COIMA RES DB PORTFOLIO
VS
ENTIRE DB ITALIAN
PORTFOLIO:

- COIMA RES DB Portfolio:
 - ✓ is mainly concentrated in the north of Italy in terms of number of assets and annual rent;
 - ✓ has lower average €/sqm rents than assets of the entire DB Italian Portfolio;
 - ✓ has the longest WALTs, with expiry date in 2026. 41% of other DB leasing contracts expire in 2017.

Annual Rent & Expiry Date



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MARKET UPDATE – ITALIAN REAL ESTATE MARKET OVERVIEW



Italian RE fundamentals

Expected investment transaction volume

~ **€ 1.9 Bn** in Q1 2017 (~ +10% vs. Q1 2016)

Italian RE prime yields (Q1 2017)

TREND vs. 2016

OFFICE	3.50% (-25 bps vs. 2016, -50 bps vs. 2015)	
HIGH STREET RETAIL	3.15% (-10 bps vs. 2016, -35 bps vs. 2015)	
LOGISTICS	6.00% (-25 bps vs. 2016, -25 bps vs. 2015)	
SHOPPING CENTERS	4.90% (-10 bps vs. 2016, -10 bps vs. 2015)	

Milan and Rome office prime rent (Q1 2017)

MILAN	520 (+4% vs. 2016, +6% vs. 2015)	
ROME	400 (0% vs. 2016, +5% vs. 2015)	

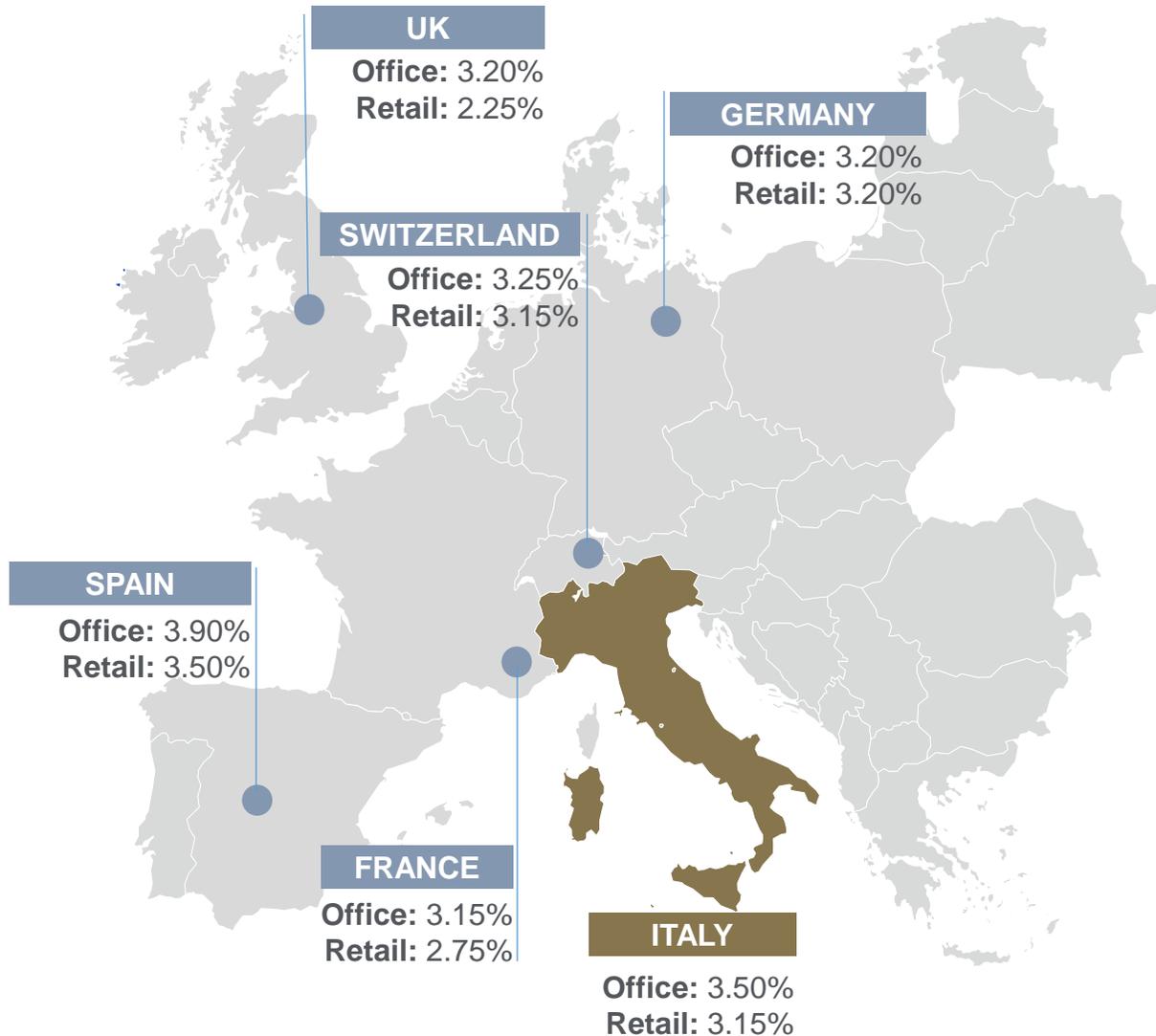
Milan and Rome office space market (Q1 2017)

MILAN VACANCY	12.3%¹ (+20 bps vs. 2016, +50 bps vs. 2015)	
ROME VACANCY	12.1%¹ (+20 bps vs. 2016)	

ITALY VS EUROPE – PRIME YIELDS



Prime office and retail net yields in Italy with a spread of 30 to 90 bps vs Core Europe



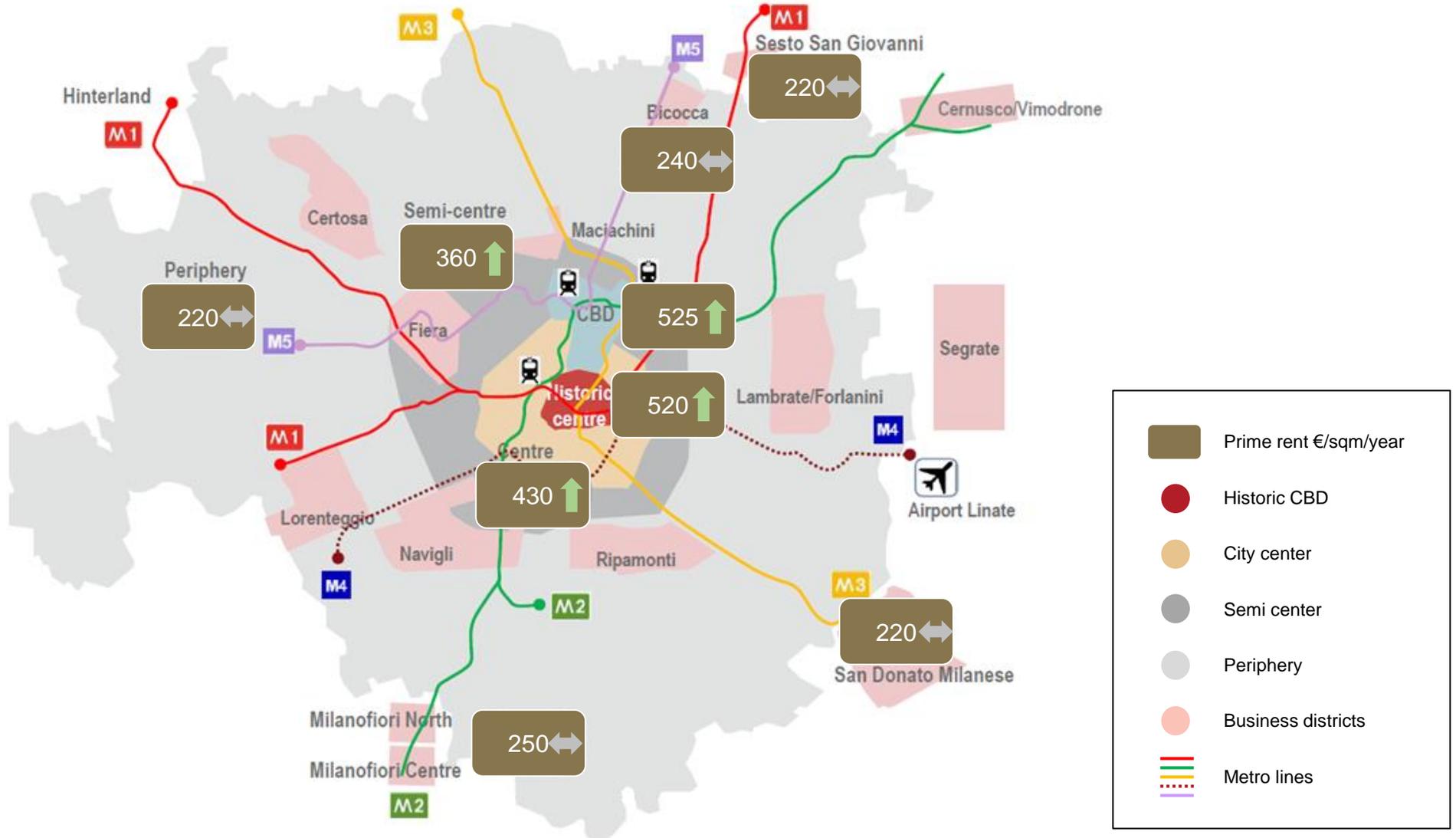
Italy vs Europe yield spread

	Office	Retail
UK 	+30 bps	+90 bps
GERMANY 	+30 bps	-5 bps
FRANCE 	+35 bps	+40 bps
SWITZERLAND 	+25 bps	0 bps
SPAIN 	-40 bps	-35 bps

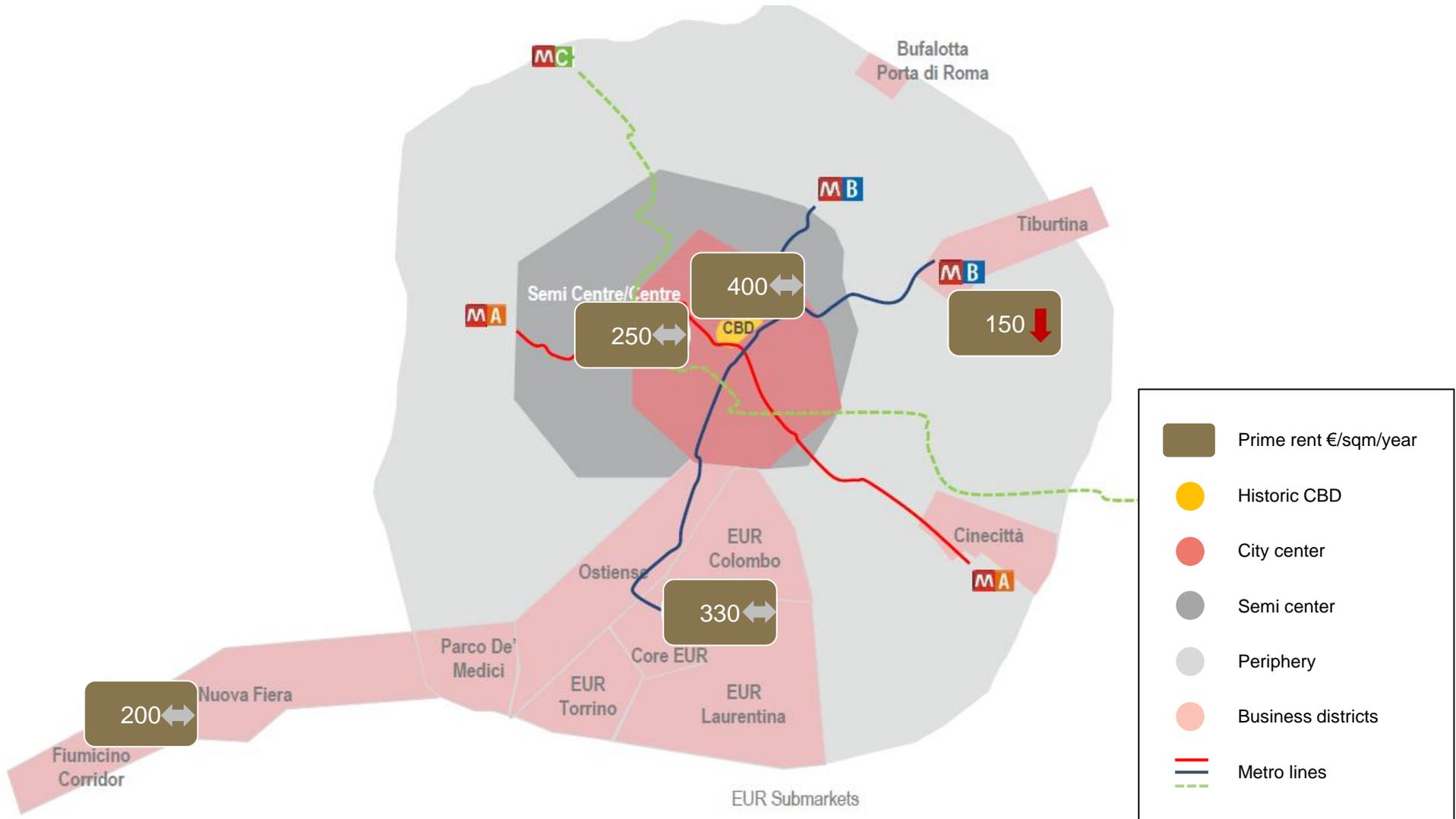
MILAN KEY AREAS AND PRIME RENTS



Key Areas and Prime Rents



ROME KEY AREAS AND PRIME RENTS



KEY MARKET OPPORTUNITIES



■ INVESTMENTS

■ Market timing

- ✓ **Prime core cap-rates** in the **office** segment **decreased to 3.5% net** with marginal potential for further compression in the short to medium term
- ✓ **Good quality secondary core** and **value added/core plus** still remain attractive on a risk-adjusted basis

■ Real estate disposal

- ✓ **Bank portfolios** (sale & leaseback deal or NPL)
- ✓ **Public assets: € 4 Bn** planned to be disposed in the short term
- ✓ **RE funds liquidations** (approx. € 1 Bn of assets by the end of 2017)

■ LEASING

- ✓ Prime rents: upward pressure on rents increasing in Milan CBD/Porta Nuova and tenants incentives reducing
- ✓ Growing tenant demand in Milan, mainly focused on **Grade A space**
- ✓ Main demand drivers: **cost efficiency** and **improved office quality**
- ✓ Most **active tenants** by **sector: banking** and **finance, internet, services**

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CLOSING REMARKS



1

- ✓ Improved corporate governance further aligned to best market practices
- ✓ Investment strategy remains focused on Milan, office, high yield
- ✓ Evaluating Euro 1 billion of deals – over 50% off market
- ✓ Looking to selectively invest Euro 100 million in remaining firepower
- ✓ Targeted LTV decreased from 50% to below 45 % to limit macro risk correlation

2

- ✓ Market providing opportunities to invest in growth assets: core+ and value added
- ✓ Given current firepower and prudent debt strategy, exploring additional JVs with world class investors

3

- ✓ Continue implementing active management plan to maximize performance and reduce risk
 - Deutsche Bank assets disposal
 - Identify additional sources of revenues at asset level
 - Repositioning and / or upgrading of assets

4

- ✓ Confident about:
 - Team performance - management track-record unprecedented in Italy
 - Solid portfolio - approximately Euro 577 million of quality assets and c. 75% investment grade tenants
 - Solid company financial base – brought forward first distribution to April 2017
 - Further dividend distributions on a twice a year basis, next payment expected for Q4 2017
 - Unique play on Italian market

5

- ✓ Team focused on:
 - Creation of value for shareholders of COIMA RES
 - Analysing best market opportunities
 - Extending best-in-class private market reputation to listed market

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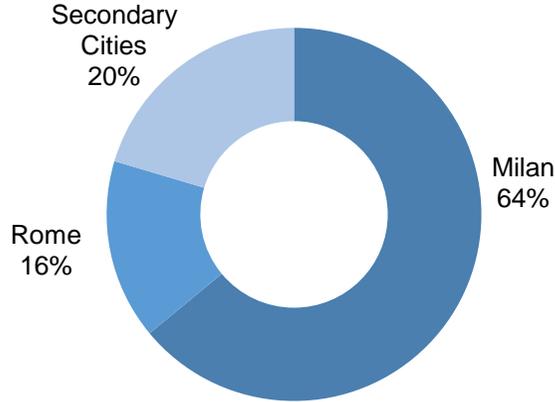
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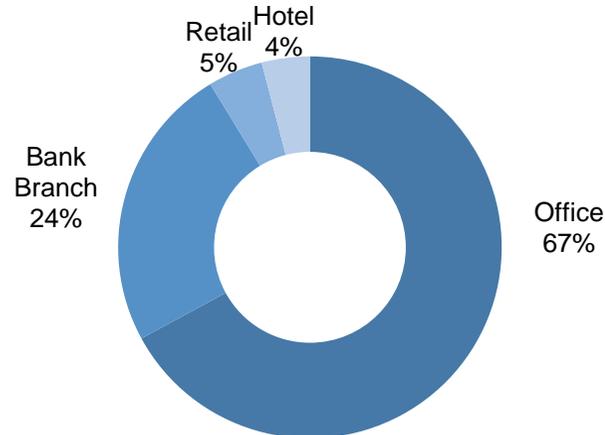


Breakdown of fair value by use



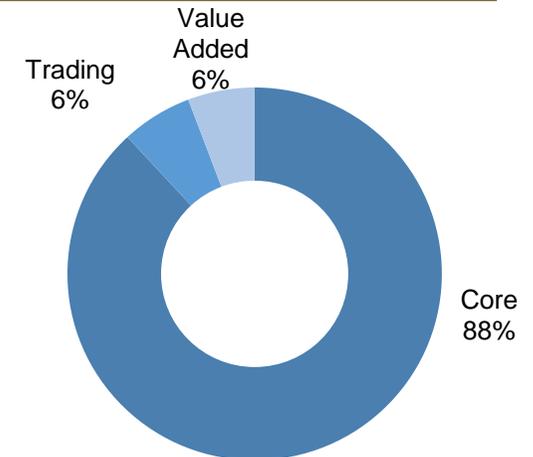
80% of portfolio located in liquid markets

Breakdown of fair value by geography



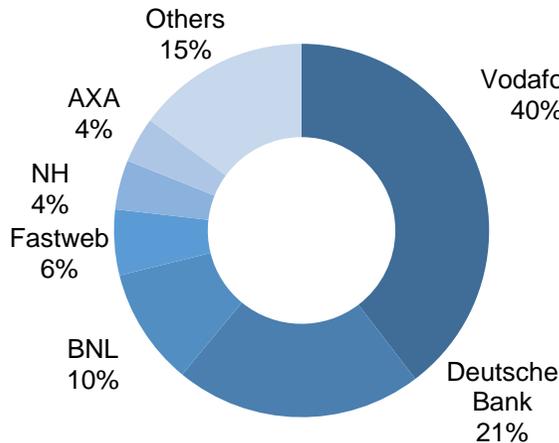
67% of portfolio comprised of office assets

Breakdown of fair value by strategy



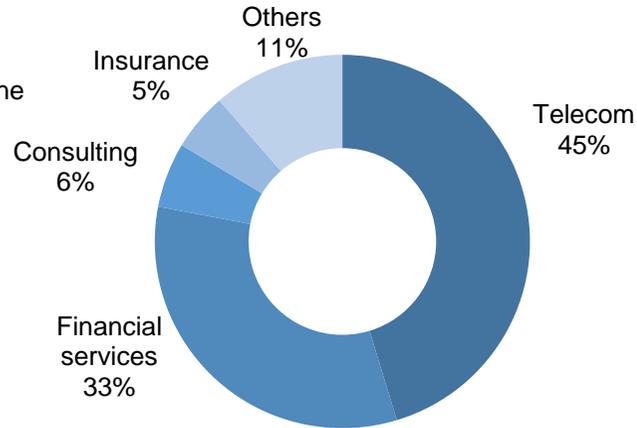
Focus on core prime assets

Breakdown of total stabilised rent by tenant*

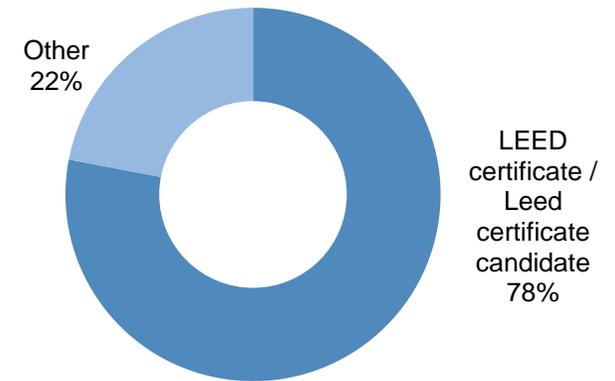


76% of in-place rents contributed by investment-grade tenants

Breakdown of total stabilised rent by industry



Breakdown of total stabilised rent by industry



Prime portfolio



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