



COIMA RES - PRESS RELEASE

SUCCESSFUL SALE OF THE EURCENTER PROPERTY IN ROME

SALE PRICE OF EURO 90.3 MILLION AT A 13% PREMIUM TO ACQUISITION PRICE

- 20% IRR realised on the investment
- Strong data point supporting COIMA RES' valuation
- Rotation of 18% of the portfolio performed from IPO to date
- Portfolio now 90% concentrated in Milan
- LTV lowered to 35%

Milan, December 17th, 2018 – COIMA RES S.p.A. SIIQ announces that it has sold today the Eurcenter property located Rome for a price of Euro 90.3 million to Zurich Italy Real Estate Fund, a fund fully subscribed by Zurich Investments Life and managed by UBS Asset Management (Italia) SGR.

The disposal of the Eurcenter represents the largest single office transaction in Rome in 2018, a market characterised by lower transaction liquidity vs Milan. The Eurcenter is COIMA RES' second largest property, representing 12% of COIMA RES' portfolio.

The sale price represents a premium of 13% vs the asset acquisition price (August 2016) and a premium of 4% vs the last book value of the property as of June 30th, 2018, thus supporting the valuation of COIMA RES' portfolio of assets. The "roundtrip" levered IRR achieved by COIMA RES on the Eurcenter investment is 20% (unlevered IRR of 11%). The sale price implies a net stabilised yield in line with the prime net yield of the EUR area in Rome.

In 2018, COIMA RES achieved several important milestones with the completion of the first investment phase post IPO through the acquisition of the Pavilion in Milan Porta Nuova (and the related leasing signed with IBM which is expected to lead to a meaningful revaluation of the Pavilion property and an acceleration in the growth of COIMA RES' NAV and cash flow) as well as the successful sale of the Eurcenter property in Rome crystallising performance and thus objectively supporting the valuation of COIMA RES' real estate portfolio. These two achievements complete in advance the program that management has committed to at the time of the IPO, executing with discipline a clear roadmap and providing the market with objective data point on COIMA RES' value creation proposition. Since IPO, COIMA RES has grown EPRA NAV per share by 14%, paid Euro 17.4 million in dividends and generated a Total Return of 18%.

Since IPO, COIMA RES has acquired assets for Euro 731.6 million and performed disposals for Euro 131.8 million (representing 18% of the portfolio) at a blended premium to acquisition price of 8%, including also the sale of the entire portfolio of 21 Deutsche Bank branches in the South of Italy for Euro 38.0 million (in line with the IPO contribution value) and a portfolio of 5 Deutsche Bank branches in the North of Italy for Euro 3.5 million (a 2% premium to the IPO contribution value).

The disposals performed since IPO are in line with the plan of rotating assets and optimising the portfolio with the aim of crystallising value from mature properties and with the objective, at this particular point in time, of further concentrating the portfolio in the Milan office market.



Pro-forma for the Eurcenter disposal, COIMA RES exposure to Milan increases to 90% (from 80%), thus allowing the company to further benefit from the valuation transparency of the Milan office market, which is the largest and most liquid segment in Italian real estate accounting for more than 60% of the Italian office market both in terms of number of transactions and investment volumes in the last four years. Concentrating in Milan protects COIMA RES and its shareholders vs macro risk and the volatility currently affecting Italy. The Milan office market is characterised by scarcity of Grade A assets, which represent only 10% of total office stock, which are the properties where tenant demand is strongest. The supply-demand un-balance in Milan remains favourable to landlords and the rental growth outlook remains positive, in particular in Milan Porta Nuova where 34% of COIMA RES' portfolio is located. Post Eurcenter sale, 44% of COIMA RES' portfolio is geared towards growth (from 40% previously), in terms of potential to capture rental growth and capital appreciation also through asset repositioning processes.

Pro-forma for the Eurcenter disposal, COIMA RES' LTV decreases to 35% (from 43%), de-risking COIMA RES' financial profile and further insulating from macro risk.

COIMA RES will use the proceeds from the Eurcenter sale to maintain, at this particular point in time, an LTV below 40% whilst continuing to evaluate investment opportunities in the Milan office market.

The Eurcenter sale was performed through the COIMA Core Fund VI (previously known as MH Real Estate Crescita, i.e. MHREC), which is 86.7% owned, and fully consolidated, by COIMA RES.

Manfredi Catella, Founder and CEO of COIMA RES, commented:

“COIMA RES closes the year 2018 completing its first round of investments since IPO with the acquisition of the Pavilion from UniCredit and achieving its first roundtrip performance with the sale of the Eurcenter asset in Rome at a 13% premium and delivering a 20% IRR. These achievements allow us to crystallise performance and highlight the significant embedded value of the company which is characterised by a Milan focussed defensive portfolio with solid growth prospects.”



COIMA RES is a real estate company listed on Borsa Italiana. COIMA RES manages real estate assets in Italy, primarily focusing on commercial properties. The company operates with the beneficial tax status granted to SIIQs (Società di Investimento Immobiliare Quotate), which is equivalent to the Real Estate Investment Trust (REIT) regime in other jurisdictions. The investment strategy of COIMA RES is focused on creating a high-quality portfolio of real estate assets with the objective of offering stable, growing and sustainable returns to investors.

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