



COIMA RES - PRESS RELEASE
BOARD OF DIRECTORS APPROVES RESULTS AS OF MARCH 31st, 2021
COLLECTED 99% OF Q1 2021 RENTS
CONFIRMED EPRA EARNINGS GUIDANCE FOR 2021
EPRA NET TANGIBLE ASSET GROWTH OF 1%
LTV DECREASING TO 37%, AMPLE LIQUIDITY BUFFER OF APPROX. EURO 60 MILLION

Highlights of Q1 2021 financial results

- Collected 99.1% of Q1 2021 rents due (vs 98.7% in Q1 2020)
- Gross rents declined by 3.0% to Euro 10.7 million mainly due to PwC release
- Release by PwC will allow value creating repositioning of Monte Rosa property
- Net operating profit (EPRA Earnings) down by 2.5% to Euro 4.1 million
- Reiterating EPRA Earnings guidance for 2021 at Euro 0.40 per share
- Net profit up by 20.4% to Euro 4.0 million
- EPRA Net Tangible Assets per share up by 0.9% to Euro 12.53
- Net LTV 1.3 p.p. lower at 37.0% (vs 38.3% at December 2020)
- Ample liquidity with Euro 58.5 million of cash on balance sheet

Resilient real estate portfolio with value creation opportunities

- Portfolio focussed on offices (87%), Milan (91%) and Porta Nuova (53%)
- Limited exposure to hotels and retail amounting to c. 6% of stabilised pro-quota rent roll
- High sustainability profile with 66% of the portfolio currently LEED certified
- Corso Como Place project successfully delivered to Accenture and Bending Spoons
- Approx. 24% of current portfolio potentially to be repositioned in the medium term
- Potential for meaningful aggregate rent reversion on the back of refurbishments
- Monte Rosa property next repositioning project to be activated

Milan office market in Q1 2021

- Investment volumes down 24%, stable prime yield at 3.1%
- Letting volumes down 31%, stable rental levels across submarkets

Manfredi Catella, Founder and CEO of COIMA RES, commented: *“The acceleration of the vaccination program in Italy will lead to both an increase of the physical occupancy of our portfolio and to an acceleration of the economic recovery of Italy, which will be further supported by the implementation by the Draghi Government of the National Recovery and Resilience investment plan. The rent collection level recorded by COIMA RES for the first quarter confirms the solidity of our tenant base and the resilience of our portfolio. In the coming months we expect to commence the retrofitting activity on the value-add portion of our portfolio in order to progressively generate incremental value by upgrading the quality of the assets and by capturing higher rental levels.”*



Milan, May 7th, 2021 – The Board of Directors of COIMA RES approved the consolidated financial statements as at March 31st, 2021, at a meeting held today under the chairmanship of Massimo Capuano.

Financial Highlights, as of March 31st, 2021

Balance Sheet (Euro million)	Mar-21	Dec-20	Delta (%)	Delta
Real Estate Properties	758.8	758.1	0.1%	0.7
EPRA Net Reinstatement Value	470.9	466.9	0.9%	4.0
EPRA Net Tangible Assets	452.3	448.3	0.9%	4.0
EPRA Net Disposal Value	446.8	442.8	0.9%	4.0
Net Asset Value (IAS / IFRS)	449.7	445.5	1.0%	4.2
EPRA Net Reinstatement Value per share (Euro)	13.04	12.93	0.9%	0.11
EPRA Net Tangible Assets per share (Euro)	12.53	12.42	0.9%	0.11
EPRA Net Disposal Value per share (Euro)	12.38	12.26	0.9%	0.12
Net Asset Value (IAS / IFRS) per share (Euro)	12.45	12.34	1.0%	0.11
Net LTV	37.0%	38.3%	n.m.	(1.3) pp

Income Statement (Euro million)	Q1 2021	Q1 2020	Delta (%)	Delta
Gross Rents	10.7	11.1	(3.0)%	(0.4)
Net Operating Income (NOI)	9.7	10.0	(3.3)%	(0.3)
NOI margin	89.8%	90.1%	n.m.	(30) bps
EBITDA	7.3	7.6	(3.2)%	(0.3)
Net profit	4.0	3.3	20.4%	0.7
Net operating profit (EPRA Earnings)	4.1	4.2	(2.5)%	(0.1)
Recurring FFO	5.6	6.0	(7.5)%	(0.4)
Net operating profit (EPRA Earnings) per share (Euro)	0.11	0.12	(2.5)%	(0.01)
Recurring FFO per share (Euro)	0.15	0.17	(7.5)%	(0.02)
EPRA Cost Ratio (including direct vacancy costs)	33.7%	30.7%	n.m.	3.0 p.p.
EPRA Cost Ratio (excluding direct vacancy costs)	31.7%	29.8%	n.m.	1.9 p.p.

Other Data	Mar-21	Dec-20	Delta (%)	Delta
EPRA Net Initial Yield	4.9%	5.1%	n.m.	(20) bps
EPRA Topped-up Net Initial Yield	5.0%	5.3%	n.m.	(30) bps
EPRA Vacancy Rate	8.7%	2.5%	n.m.	620 bps
WALT (years)	4.1	4.3	n.m.	(0.2)



Highlights of Q1 2021 financial results

The Q1 2021 financial results mainly reflect the release by PwC of c. 8,000 sqm of the Monte Rosa property. The release by PwC of Monte Rosa was expected, and it is in line COIMA RES' assumptions at the time of the acquisition of the property in 2017. The release will allow a value creating refurbishment of the Monte Rosa property in the 2021-2023 period which will ultimately lead to a substantial increase in the quality of the asset and meaningfully higher rents compared to the previous rent in place.

Gross rents declined by 3.0% in Q1 2021 to Euro 10.7 million. The decline is due for 61% to the PwC release of the Monte Rosa property, for 17% related to bank branches disposals performed in the last few months and for 22% related to the evolution of the leases on other properties of the portfolio. On a like for like basis, gross rents declined by 2.5%. As of April 30th, 2021, COIMA RES collected 99.1% of the Q1 2021 rents due (98.7% at the same date in 2020).

The NOI declined by 3.3% to Euro 9.7 million and the NOI margin decreased by 30 bps to 89.8%, mainly due to the release by PwC of the Monte Rosa property. G&A expenses marginally increased by 3.5% to Euro 2.1 million. EBITDA declined by 3.2% to Euro 7.3 million due the combined effect of marginally lower gross rents and marginally higher G&A expenses. Financial expenses decreased by 5.3% to Euro 1.9 million due to lower average debt compared to the same period last year.

Recurring FFO and net operating profit (EPRA Earnings) declined respectively by 7.5% to Euro 5.6 million and by 2.5% to Euro 4.1 million, mainly due to lower EBITDA partially offset by lower financial expenses (and, as far as net operating profit (EPRA Earnings) are concerned, a marginal increase in minorities). Net income increased by 20.4% to Euro 4.0 million as no fair value change was recorded for the portfolio in Q1 2021, compared to a negative fair value change of c. Euro 0.8 million (on a pro-quota basis) recorded in Q1 2020 on the hotel portion of the Gioiaotto property.

The value of the portfolio has remained substantially stable in Q1 2021 (on a pro-quota basis) at Euro 689.4 million, growing by 0.2% compared to December 31st, 2020, mainly due to c. Euro 1.0 million of capex (on a pro-quota basis) spent and capitalised in the Q1 2021 period. No fair value change was recorded on the portfolio in Q1 2021.

EPRA Net Tangible Assets, as of March 31st, 2021, stood at Euro 452.3 million (or Euro 12.53 per share), an increase of 0.9% in Q1 2021. The increase is mainly related to net operating profit (EPRA Earnings) of Euro 4.1 million partially offset by other items for Euro 0.1 million. As of March 31st, 2021, the net LTV of COIMA RES stood at 37.0% (on a consolidated basis), a level 130 bps lower compared to December 31st, 2020. The consolidated cash position of COIMA RES as of March 31st, 2021, stood at Euro 58.5 million.

On the basis of the current portfolio perimeter, COIMA RES confirms its previously published guidance of net operating profit (EPRA Earnings) of Euro 0.40 per share for 2021. The estimate reflects the release of approximately half of the Monte Rosa property by PwC during Q1 2021 and other prudential considerations in light of the persistence of the COVID-19 emergency. The net operating profit (EPRA Earnings) guidance will be updated during the course of 2021 to reflect the evolution of COIMA RES' activity during the year.



Dividend for 2020 of Euro 0.30 per share

The Annual General Meeting of COIMA RES approved the resolution of the Board of Directors to pay a dividend of Euro 0.30 per share (equivalent to Euro 10,831,967.40) for the fiscal year 2020, in line with the dividend distributed in the last two years. An interim dividend of Euro 0.10 per share has already been paid on November 18th, 2020. The final dividend of Euro 0.20 per share has been distributed with an ex-dividend date on April 26th, 2021, record date on April 27th, 2021, and payment date on April 28th, 2021.

Financing

Microsoft: During the month of February 2021, the extension and amendment of the Euro 22.0 million financing of the Microsoft headquarters (provided by Intesa Sanpaolo) was finalised. The maturity of the financing was extended for a period of 3 years, i.e. from December 21st, 2020, to December 21st, 2023, and the margin was reduced by c. 15 basis points. In addition, the amended agreement provides the possibility of increasing the amount of the financing provided by Intesa Sanpaolo to a maximum of Euro 49.5 million at the same economic conditions.

Real estate portfolio

As of March 31st, 2021, the COIMA RES portfolio consists of nine 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 689.4 million (on a pro-quota basis), 91% of which is in Milan, 53% in Milan Porta Nuova and 87% is for office use. COIMA RES' portfolio has a high sustainability profile as approximately 66% of the portfolio is LEED certified. COIMA RES' portfolio of tenants is mostly comprised of mid to large sized multinational corporations: the list of the ten largest tenants (representing 84% of the stabilised rent roll on a pro-quota basis) includes Vodafone, Deutsche Bank, BNP Paribas, Microsoft, IBM, Sisal, Accenture, Techint, NH Hotel and Philips. In line with its business model and strategy, COIMA RES is considering further disposals of mature, non-core and non-strategic assets as well as the refurbishment and repositioning of selected assets within its portfolio in order to align them to the evolution of tenants' demand and to generate rental growth.

Leasing

Microsoft: In April 2021, COIMA RES signed a new lease with a design company for c. 400 sqm of ground floor retail in the Microsoft headquarter property. The space was occupied by Microsoft itself till February 2021 and was used as showroom for Microsoft's products. The newly signed lease has a duration of 9 years and the rental level is broadly aligned with the previous rent paid by Microsoft.



Disposals

Bank branches: In January 2021, COIMA RES completed the disposal of a bank branch in Milan for a value of Euro 4.3 million. The disposal refers to a broader portfolio of 11 bank branches which was sold by COIMA RES in the period between January 2020 and January 2021 for a total value of Euro 23.5 million. The disposal of the portfolio of 11 bank branches was announced in November 2019. Since its IPO in 2016, COIMA RES has disposed approximately 48% of the initial bank branches portfolio at a valuation broadly in line with the IPO contribution value, raising gross proceeds from the disposals of approx. Euro 66.3 million.

Development projects

Corso Como Place: The project was completed in Q4 2020 and has been delivered to the tenants Accenture and Bending Spoons in January 2021. As a reminder, in 2019 Accenture and Bending Spoons signed preliminary leasing agreements for the entire office portion of the project (buildings A and C) representing 95% of the surfaces developed.

Other projects: The release by PwC of the Monte Rosa property will allow a value creating repositioning of the asset in the medium term leading to a substantial increase in the quality of the asset and meaningfully higher rents compared to the previous rent in place. Further details on the redevelopment plan for the Monte Rosa property will be disclosed in due course. In addition to the Monte Rosa property, other assets are likely to be refurbished and repositioned in the 2022-2024 period. In aggregate the planned refurbishments are likely to lead, in aggregate for those assets, to a significant rental growth once refurbished and relet.

Outlook

The COVID-19 crisis has resulted in social and economic challenges on a global scale and will most likely remain an aspect to consider for the remainder of 2021. The Italian economy has experienced a sharp recession in 2020 and the pace of recovery will depend, amongst other things, on the pace of the vaccination campaign and on the implementation of the PNRR (Piano Nazionale di Ripresa e Resilienza) by the recently formed government headed by Mario Draghi.

COIMA believes that 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.

A recent survey carried by COIMA with 38 corporates who lease office space in Italy (and in particular in Milan), confirmed the fact that companies are likely to increase the possibility for employees to work remotely, however, such increase would not structurally undermine the need to have an office footprint. The likely reduction in office space requirements associated to the increased adoption of remote working by corporates appears relatively marginal, albeit not negligible, and therefore is not something that would create a structural impairment of the office sector going forward.

COIMA foresees that offices and their use will change in the medium-term from places of “production” to places of “interaction”. Therefore, the features of offices (from the point of view of their location as well as in terms of their technical and architectural characteristics) would need to evolve in order to maximise the engagement and productivity of employees and stimulate their creative potential.



Finally, 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. COIMA defines qualified neighbourhoods as the districts which have a “higher than average” score in terms of accessibility to public transport, availability of services and wellness options, availability of public parks and a high degree of diversification in terms of end uses.

To know more about the outlook for the office product, please review the studies “The Future of Offices (Part I)” and “The Future of Offices (Part II)” published by COIMA between October 2020 and February 2021, which are available at www.coima.com.



COIMA RES will discuss its results during a public conference call on May 7th, 2021, at 15:00 (CET). The call will be held in English and the presentation will be available on the company website (<https://www.coimares.com/en/investors/results-and-publications>). To participate in the call, please call on of the following numbers:

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

The Executive responsible for the preparation of the company's accounting documents, Fulvio Di Gilio, declares that, pursuant to the art. 154-bis comma 2 of the Consolidated Financial Act, the accounting information given in this press release corresponds to accounting documents, books and entries.

For further information on the company: www.coimares.com.

COIMA RES 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.

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