COIMA RES - PRESS RELEASE

BOARD OF DIRECTORS APPROVES RESULTS AS OF JUNE 30th, 2020

GROSS RENTS UP 25%, EPRA EARNINGS UP 21%

CONFIRMED EPRA EARNINGS PER SHARE GUIDANCE FOR 2020

ACQUISITION OF A STAKE IN GIOIA 22 TO INCREASE PORTA NUOVA EXPOSURE

Highlights of H1 2020 financial results

- Gross rents up by 24.8% year-on-year to Euro 22.2 million
- Like for like rental growth of 3.4%
- Collected 98.1% of H1 2020 rent due (99.6% in H1 2019)
- NOI margin increased by 150 bps year-on-year to 91.0%
- Asset management fee reduced by 27%
- Lowered EPRA Cost Ratio to 29% (from 37%) in H1 2020
- EBITDA up by 39.4% year-on-year to Euro 15.5 million
- EPRA Earnings per share up by 20.8% year-on-year to Euro 0.24
- Confirmed EPRA Earnings per share guidance for 2020 of Euro 0.40
- Portfolio capital value reduction of 0.7% in H1 2020
- EPRA Net Tangible Assets per share down 0.8% to Euro 12.19
- Net LTV stable at 39.0% (vs 38.8% at Dec-19)
- Ample liquidity with Euro 42.5 million of cash on balance sheet

Resilient real estate portfolio

- Portfolio focussed on offices (85%), Milan (90%) and Porta Nuova (50%)
- Limited exposure to hotels and retail amounting to c. 5% of pro-quota rent roll
- Occupancy rate of 98% and weighted average lease term of 4.9 years
- Corso Como Place development project already pre-let for 95% of surfaces
- High sustainability profile with 65% of portfolio LEED certified
- Porta Nuova first district in the world candidate for LEED and WELL certifications

Acquisition of stake in Gioia 22 property to increase exposure to Porta Nuova

- Acquisition of a 10-25% stake of Gioia 22 property
- Largest Nearly Zero Energy Building in Italy
- Pro-forma exposure to Porta Nuova to increase to 54-58% at closing

Manfredi Catella, Founder and CEO of COIMA RES, commented: "*In the first half of the year we have maintained an ample liquidity position of more than 40 million euro and a prudent financial leverage below 40%. The quality of our portfolio and tenants, with more than 98% of rents paid, is supporting the resilience of the company even in a context influenced by the COVID-19 pandemic. The performance in this context has been solid, with an EBITDA growing by 39.4% vs 2019. The acquisition of a stake in Gioia 22, which represents one of the most sustainable buildings in Italy, will further increase the exposure to the Porta Nuova district.*"

COIMARES

Milan, July 30th, 2020 – The Board of Directors of COIMA RES approved the half year financial statements as at June 30th, 2020, at a meeting held today under the chairmanship of Massimo Capuano.

Financial Highlights, as of June 30th, 2020

Balance Sheet (Euro million)	**Jun-20**	**Dec-19**	**Delta (%)**	**Delta**
Real Estate Properties	761.1	767.7	(0.9)%	(6.6)
EPRA Net Reinstatement Value	458.8	463.1	(0.9)%	(4.3)
EPRA Net Tangible Assets	440.1	443.7	(0.8)%	(3.6)
EPRA Net Disposal Value	434.2	437.8	(0.8)%	(3.6)
Net Asset Value (IAS / IFRS)	436.7	440.1	(0.8)%	(3.4)
EPRA Net Reinstatement Value per share (Euro)	12.71	12.82	(0.9)%	(0.11)
EPRA Net Tangible Assets per share (Euro)	12.19	12.29	(0.8)%	(0.10)
EPRA Net Disposal Value per share (Euro)	12.03	12.12	(0.8)%	(0.09)
Net Asset Value (IAS / IFRS) per share (Euro)	12.09	12.19	(0.8)%	(0.10)
Net LTV	39.0%	38.8%	n.m.	0.2 pp

Income Statement (Euro million)	**H1 2020**	**H1 2019**	**Delta (%)**	**Delta**
Gross Rents	22.2	17.8	24.8%	4.4
Net Operating Income (NOI)	20.2	16.0	26.8%	4.2
NOI margin	91.0%	89.5%	n.m.	150 bps
EBITDA	15.5	11.2	39.4%	4.3
Net Profit	3.6	13.6	(73.7)%	(10.0)
EPRA Earnings	8.8	7.3	21.2%	1.5
Recurring FFO	12.1	8.0	50.4%	4.1
EPRA Earnings per share (Euro)	0.24	0.20	20.8%	0.04
Recurring FFO per share (Euro)	0.33	0.22	50.0%	0.11
EPRA Cost Ratio (including direct vacancy costs)	30.7%	37.8%	n.m.	(7.1) pp
EPRA Cost Ratio (excluding direct vacancy costs)	28.7%	36.8%	n.m.	(8.1) pp

Other Data	**Jun-20**	**Dec-19**	**Delta (%)**	**Delta**
EPRA Net Initial Yield	5.1%	4.6%	n.m.	50 bps
EPRA Topped-up Net Initial Yield	5.3%	5.3%	n.m.	stable
EPRA Vacancy Rate	2.1%	2.0%	n.m.	10 bps
WALT (years)	4.9	5.3	n.m.	(0.4)

COIMARES

Highlights of H1 2020 financial results

Gross rents increased by 24.8% in H1 2020 to Euro 22.2 million, mainly due to the increased consolidation perimeter resulting from the acquisitions of the Philips and Microsoft properties. On a like for like basis, gross rents increased by 3.4%.

As of July 27th, 2020, COIMA RES collected 98.1% of the H1 2020 rents due (99.6% at the same date in 2019). The remaining 1.9% unpaid rent relates for 56% to NH Hotels with which a payment plan is being discussed, for 40% to three smaller tenants with which a payment plan has already been agreed and for the remaining 4% to other two tenants for which an agreement has not yet been reached. As of today, COIMA RES believes that is highly likely that the portion of unpaid rent will be collected in the short to medium term.

The NOI increased by 26.8% to Euro 20.2 million and the NOI margin increases by 150 bps to 91.0%, mainly thanks to the improved asset mix. G&A expenses decreased by 5.1% to Euro 4.2 million, mainly due to the savings deriving from the reduced asset management fee. EBITDA increased by 39.4% to Euro 15.5 million, as a result of the increased NOI and reduced G&A expenses. Recurring financial expenses increased by 13.8% to Euro 4.0 million due to the increase in gross debt in the last 18 months, mainly due to the acquisitions performed. Recurring FFO and EPRA Earnings increased respectively by 50.4% to Euro 12.1 million and by 21.2% to Euro 8.8 million mainly due to higher EBITDA partially offset by higher financial expenses (and, as far as EPRA Earnings are concerned, an increase in minorities).

The value of the portfolio increased by Euro 1.3 million in H1 2020 (on a pro-quota basis), mainly due to capex for Euro 6.0 million (mainly related to the Corso Como Place project), partially offset by a downward adjustment to the fair value of the portfolio for Euro 4.8 million (on a pro-quota basis), of which Euro 0.8 million (on a pro-quota basis) related to the hotel portion of the Gioiaotto property (already recorded in Q1 2020). The downward adjustment in the fair value of the portfolio is mainly related to revised expectations in terms of inflation for the office and bank branches portfolio and a revised assessment of the market outlook of the hospitality sector as far as the hotel portion of the Gioiaotto property is concerned. The capital value of COIMA RES' portfolio decreased by 0.7% (on a pro-quota basis) in H1 2020.

Net Profit decreased by 73.7% to Euro 3.6 million mainly due the negative change in fair value of the portfolio in H1 2020 (vs a positive change in fair value of the portfolio in H1 2019).

EPRA Net Tangible Assets, as of June 30th, 2020, stood at Euro 440.1 million (or Euro 12.19 per share), a decrease of 0.8% in H1 2020. The decrease is mainly related to the dividend payment in June for Euro 7.2 million and downward adjustment to the fair value of the portfolio of Euro 4.8 million (on a pro-quota basis) partially offset by EPRA Earnings of Euro 8.8 million. As of June 30th, 2020, the net LTV of COIMA RES stood at 39.0%, a level substantially in line with the one at December 31st, 2019. The cash position of COIMA RES as of June 30th, 2020, stood at Euro 42.5 million. The average debt maturity is approx. 2.9 years, and there are no maturities before December 2020.

Considering that the impact of the COVID-19 crisis on COIMA RES' operations has been limited so far, COIMA RES is confirming its 2020 guidance of EPRA Earnings per share of Euro 0.40. The guidance will be updated over the course of 2020 to reflect any meaningful update, also taking into account any potential future economic impact from the COVID-19 crisis.

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 (which was signed on March 31st, 2020) 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.

Based on the average NAV of COIMA RES in H1 2020, the fee reduction is equivalent to a saving for COIMA RES of approx. Euro 1.3 million per annum.

In addition, Manfredi Catella, Founder and CEO of COIMA RES, has expressed his will to forego, for the first period of the contract, i.e. to January 1st, 2025, the emoluments related to his role as CEO, in line with the conduct held since IPO.

Portfolio of real estate assets and tenants

As of June 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 689.7 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.

COIMA RES' lease agreements generally provide for fixed rents, not directly related to the underlying operational performance of the tenants. Office tenants represent more than 80% of rents, the hotel exposure (related to NH Hotels) represents 4% of rents, and the retail exposure is less than 2% of rents. The bank branches leased to Deutsche Bank, which represent 11% of rents, have been open to the public throughout the lock-down.

Acquisitions

Gioia 22: On June 11th, 2020, COIMA RES signed a binding agreement for the acquisition of a 10-25% stake in the Gioia 22 property, a 35,800 sqm (26 above ground floors) 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, 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. The Gioia 22 property has been realised on the back of the demolition of the ex-INPS property, which was built in 1961 and that has been vacant since 2012, after a clean-up process which saw the removal of 200 tons of asbestos. The building, designed by the Pelli Clarke Pelli Architects, is the largest in Italy to achieve the Nearly Zero Energy Building (NZEB) certification in addition of being a candidate for the LEED, WELL and Cradle to Cradle certifications. The Gioia 22 property will be equipped with more than 6,000 sqm of photovoltaic panels which, together with the deployment of ground water, will allow for a reduction in energy consumption of 75% compared to traditional buildings.

Disposals

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 (Milan, Verona, Como, Trezzano sul Naviglio and Liguria) for a value of Euro 13.1 million (56% of the total value of the portfolio being sold). In addition, the closing of an additional bank branch located in Verona was completed in July 2020 (Euro 4.1 million). The sale of the remaining part of the portfolio consisting of 2 bank branches in Milan (Euro 6.3 million) will be completed in January 2021.

Development projects

Corso Como Place: in light of 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), a budget which might increase by approx. Euro 1 million in relation to the costs of the health and safety adaptation of the building site. As of June 30th, 2020, the project advancement rate was approx. 85%. As a reminder, between August and September 2019, Accenture and Bending Spoons signed two preliminary leasing agreements for the entire office portion of the project (building A and C) which represent 95% of the surfaces being developed.

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. 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 on the back of the lifting of the lock-down restrictions.

A possible slow-down in the real estate investment and leasing markets in the coming months can be anticipated although it can be expected that high-quality office assets in Milan will prove relatively resilient. 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 RES is intensifying the dialogue with its tenants to be able to anticipate potential changes in demand for the office product and, at the same time, COIMA RES is accelerating on the product innovation front to be able to position its offering to best meet tenant demand.

As far as the current portfolio is concerned, COIMA RES will consider further disposals of mature, non-strategic and non-core assets as well as refurbishment and repositioning of selected assets in the medium term.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(in thousands Euro)	June 30th, 2020 (unaudited)	of which related parties	June 30th, 2019	of which related parties
Income statements				
Rents	22,230	-	17,816	-
Net real estate operating expenses	(1,996)	(365)	(1,993)	(317)
Net rents	**20,234**	**(365)**	**15,823**	**(317)**
Income / (loss) from disposal	(100)	-	10	-
Net revenues from disposal	**(100)**	**-**	**10**	**-**
G&A expenses	(4,303)	(2,711)	(4,569)	(2,961)
Other operating expenses	(285)	(66)	(113)	-
Gross operating income	**15,546**	**(3,142)**	**11,151**	**(3,279)**
Net depreciation	(286)	(41)	(152)	-
Net movement in fair value	(7,612)	-	6,210	-
Net operating income	**7,648**	**(3,183)**	**17,209**	**(3,279)**
Net income attributable to non-controlling interests	1,659	-	1,499	-
Financial income	241	-	-	-
Financial expenses	(4,271)	(4)	(6,046)	(3)
Profit before tax	**5,277**	**(3,187)**	**12,662**	**(3,282)**
Income tax	-	-	-	-
Profit after tax	**5,277**	**(3,187)**	**12,662**	**(3,282)**
Minorities	(1,711)	-	902	-
Profit for the Group	**3,566**	**(3,187)**	**13,564**	**(3,282)**

EARNINGS PER SHARE

(Euro)	June 30th, 2020 (unaudited)	June 30th, 2019
Earnings per share		
Basic, net income attributable to ordinary shareholders	0.10	0.38
Diluted, net income attributable to ordinary shareholders	0.10	0.38

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands Euro)	June 30th, 2020 (unaudited)	*of which related parties*	December 31st, 2019	*of which related parties*
Assets				
Real estate investments	758,363	-	764,924	-
Other tangible assets	1,482	731	1,582	771
Intangible assets	218	-	188	-
Investments (equity method accounting)	38,136	-	33,675	-
Financial assets at fair value	3,933	-	4,593	-
Non-current deferred tax assets	14	-	10	-
Derivatives	98	-	158	-
Non-current financial receivables	-	-	1,620	1,620
Total non - current assets	**802,244**	**731**	**806,750**	**2,391**
Inventories	2,730	-	2,780	-
Current financial receivables	1,620	1,620	-	-
Trade and other current receivables	14,274	277	9,958	100
Cash and cash equivalents	42,509	-	42,693	-
Total current assets	**61,133**	**1,897**	**55,431**	**100**
Non-current assets held for sales	10,400		23,500	-
Total assets	**873,777**	**2,628**	**885,681**	**2,491**
Liabilities				
Capital stock	14,482	-	14,482	-
Share premium reserve	336,273	-	336,273	-
Valuations reserve	(1,633)	-	(1,677)	-
Interim dividend	-	-	(3,611)	-
Other reserves	83,988	-	62,670	-
Profit / (loss) for the period	3,566	-	31,973	-
Group shareholders' equity	**436,676**	**-**	**440,110**	**-**
Minorities	**71,900**	**-**	**71,175**	**-**
Shareholders' equity	**508,576**	**-**	**511,285**	**-**
Non-current bank borrowings	316,476	-	340,233	-
Non-current financial liabilities	1,221	742	1,301	779
Payables for post-employment benefits	88	-	71	-
Provisions for risks and charges	381	381	373	373
Derivatives	1,878	-	1,888	-
Trade payables and other non-current liabilities	1,956	1,064	1,833	998
Total non-current liabilities	**322,000**	**2,187**	**345,699**	**2,150**
Short-term loans	29,399	-	16,140	-
Trade payables and other current liabilities	13,777	1,330	12,536	1,952
Current tax payables	25	-	21	-
Total current liabilities	**43,201**	**1,330**	**28,697**	**1,952**
Total liabilities	**365,201**	**3,517**	**374,396**	**4,102**
Total liabilities and shareholders' equity	**873,777**	**3,517**	**885,681**	**4,102**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands Euro)	June 30th, 2020 (unaudited)	June 30th, 2019
Profit for the period	5,277	12,662
Adjustments to reconcile the profit to net cash flow:		
Net depreciation	201	152
Severance pay	61	40
Net movement in fair value property	7,612	(6,210)
Net income attributable to non-controlling interests	(1,659)	(1,499)
Financial expenses	1,008	1,089
Net movement in financial instruments	66	-
Taxes	-	-
Changes in working capital:		
(Increase) / decrease in trade and other current receivables	(4,379)	374
(Increase) / decrease in deferred tax assets	-	-
Increase / (decrease) in trade payables and other current liabilities	1,195	(2,649)
Increase / (decrease) in current tax payables	-	-
Increase / (decrease) in trade payables and other current liabilities	57	(139)
Net cash flows generated (absorbed) from operating activities	**9,439**	**3,820**
Investment activities		
(Acquisition) / disposal of real estate property	12,049	150
(Acquisition) / disposal of other tangible and intangible assets	(54)	(94)
(Acquisition) / disposal of other non-current receivables	612	-
Purchase of associated companies	(2,786)	(1,250)
Net cash flow generated (absorbed) from investment activities	**9,821**	**(1,194)**
Financing activities		
Shareholders' contribution / (dividends paid)	(7,196)	(7,200)
Dividends paid to minorities	(1,000)	-
Change in equity interests in controlled companies / entities	-	43,550
(Acquisition) / closing of derivatives	(148)	70
Increase / (decrease) in bank borrowings and other non-current lenders	-	127,800
Reimbursement	(11,100)	(132,080)
Net cash flows generated (absorbed) from financing activities	**(19,444)**	**32,140**
Net increase / (decrease) in cash and cash equivalents	(184)	34,766
Cash and cash equivalents at the beginning of the period	42,693	82,221
Cash and cash equivalents at the end of the period	**42,509**	**116,987**

COIMA RES will discuss its results during a public conference call on July 31st, 2020, at 15:00 (Italy time). The call will be held in English and the presentation will be available on the company website (http://www.coimares.com/_EN/investor-relations/results-and-publications.php). To participate in the call, please call on of the following numbers:

Italy: +39 028020902
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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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