COIMARES

COIMA RES - PRESS RELEASE

STRONG FINANCIAL RESULTS IN Q1 2018
ACTIVE ASSET MANAGEMENT LEADING TO STRONG PORTFOLIO PERFORMANCE
SOLID MILAN OUTLOOK AND HIGHER PORTA NUOVA FOCUS TO SUPPORT GROWTH

BOARD OF DIRECTORS APPROVES RESULTS AS OF MARCH 31st, 2018

Double-Digit EPRA Earnings Growth

- EPRA Earnings per share up 10.4% to Euro 0.11
- Recurring FFO per share up 2.8% to Euro 0.12
- EPRA NAV per share up 1.0% to Euro 10.78

Organic Rental Growth and Occupancy Increase Boost Portfolio Yield

- Active asset management leading to strong portfolio performance
- EPRA Net Initial Yield up 20 bps to 5.5% due to rental growth and occupancy increase
- Like for like rental growth at +2.7% (+3.6% for Milan portfolio)
- Occupancy increase of 40 bps to 95.6%
- Gross rents up 6.9% to Euro 8.8 million

Positive Milan Outlook and Increased Focus on Porta Nuova to Support Growth

- Milan office prime rent up 10.6% in the last twelve months
- Positive rental outlook, especially for Porta Nuova submarket
- Targeting to be fully invested by Q2 2018
- Increased focus on high-growth strategic locations
- Tactical LTV of up to 45%, medium term LTV below 40%
- Disposals to demonstrate value creation and fund further acquisitions

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

"*Our portfolio performance was strong in Q1 2018, being supported by both rental growth and occupancy increase. This translated to a solid set of financial results for the quarter. The outlook for Milan offices remains positive for 2018 and beyond and we will seek to take advantage of that by increasing exposure to the Milan office segment with specific focus on the Porta Nuova area.*"

Milan, May 4th, 2018 – The Board of Directors of **COIMA RES S.p.A. SIIQ** (“**COIMA RES**” or the “**Company**”) – a listed real estate company specialised in the investment and management of commercial property in Italy – meeting under the chairmanship of Massimo Capuano on May 3rd, 2018, approved the consolidated financial statements as at March 31st, 2018.

Financial Highlights of Q1 2018

Balance Sheet (Euro million)	Mar-18	Dec-17	Delta (%)	Delta
GAV[1]	610.9	610.7	flat	0.2
EPRA NAV	388.3	384.6	1.0%	3.7
EPRA NNNAV	385.3	380.2	1.3%	5.1
EPRA NAV per share (Euro)	10.78	10.68	1.0%	0.10
EPRA NNNAV per share (Euro)	10.70	10.56	1.3%	0.14
LTV[2]	35.4%	38.1%	n.m.	(270) bps

Income Statement (Euro million)	Q1 2018	Q1 2017	Delta (%)	Delta
Gross Rents	8.8	8.3	6.9%	0.6
NOI	7.9	7.4	6.9%	0.5
NOI margin	89.4%	89.4%	n.m.	flat
Net Profit	3.4	7.5	n.m.	(4.2)
EPRA Earnings	4.0	3.6	10.4%	0.4
Recurring FFO	4.3	4.2	2.8%	0.1
EPRA Earnings per share (Euro)	0.11	0.10	10.4%	0.01
Recurring FFO per share (Euro)	0.12	0.12	2.8%	0.00
EPRA Cost Ratio (incl. direct vacancy cost)	37.3%	39.4%	n.m.	(210) bps
EPRA Cost Ratio (excl. direct vacancy cost)	36.0%	36.2%	n.m.	(20) bps

Other Metrics	Q1 2018	2017	Delta (%)	Delta
EPRA Net Initial Yield	5.5%	5.3%	n.m.	20 bps
Expected Net Stabilised Yield	5.7%	5.7%	n.m.	flat
EPRA vacancy rate	4.4%	4.8%	n.m.	(40) bps
Like for like rental growth	2.7%	1.4%	n.m.	130 bps
Like for like rental growth (ex-bank branches)	3.0%	3.6%	n.m.	(60) bps
Like for like rental growth (Milan portfolio)	3.6%	3.1%	n.m.	50 bps
WALT (years)	6.9	7.2	n.m.	(0.3) years

[1] Considering Bonnet on a proportionally consolidated basis
[2] Considering Bonnet on a proportionally consolidated basis, 2017 LTV figure calculated excluding the Euro 22.7 million current financial debt related to the 21 Deutsche Bank properties sold in January 2018

Organic Growth and Conservative Financial Position

Active asset management led to a strong portfolio performance in Q1 2018.

Like-for-like rents grew by 2.7% in Q1 2018, driven by rental step-ups, indexation and additional asset-management initiatives. Like-for-like rents grew by 3.6%, excluding bank branch and non-Milan properties. A positive rental growth outlook for Milan, especially for the Porta Nuova submarket, bodes well for ongoing organic growth of our portfolio which is strongly concentrated in the Milan office market.

Overall gross rents grew by 6.9% to Euro 8.8 million (from Euro 8.3 million in Q1 2017), mainly due to the full contribution of the Deruta property (acquired in Q1 2017) and of the Monte Rosa property (acquired in Q4 2017), partially offset by the sale of the Deutsche Bank branches portfolio located in the South of Italy, which closed in January 2018.

The NOI margin was stable at 89.4% in Q1 2018 (vs Q1 2017) due to the positive contribution of various asset management activities performed on the cost base of Deutsche Bank portfolio and of the Vodafone Village compensating the vacancy and seasonality in the cost base of Monte Rosa.

EPRA Earnings per share grew by 10.4% to Euro 0.11 (from Euro 0.10 in Q1 2017), based on higher gross rents, partially offset by a higher G&A and non-recurring other costs (mainly due to the disposal process of the 21 Deutsche Bank branches located in the South of Italy). The cost of financing was broadly stable in Q1 2018 vs Q1 2017.

EPRA NAV as of March 31st, 2018 was Euro 388.3 million (or Euro 10.78 per share), an increase of 1.0% in Q1 2018. The increase is mainly related to the EPRA Earnings, with no change in fair value recorded or dividends paid in Q1 2018.

As of March 31st, 2018, the LTV for COIMA RES was 35.4%[3], the weighted average debt maturity was 3.5 years and the weighted average all-in cost of debt was 1.97%.

FY 2017 Dividend of Euro 0.27 per share

The Annual Shareholders' Meeting held on April 12th, 2018 approved the Board of Directors proposal for the distribution of dividends for the fiscal year 2017 of Euro 9,721,890 (Euro 0.27 per share). Included in the annual dividend was the interim dividend of Euro 3,240,630 (Euro 0.09 per share) already paid in November 2017 and the final dividend of Euro 6,481,260 (Euro 0.18 per share) paid in April 2018. The 2017 dividend represented a pay-out ratio of c. 63% based on the consolidated EPRA Earnings for 2017.

Portfolio as of March 31st, 2018

As of March 31st, 2018, COIMA RES portfolio was valued at Euro 610.9 million[3] (of which 72% is in Milan, 18% in Milan Porta Nuova and 75% is offices). The value of the portfolio remained virtually unchanged vs December 31st, 2017 given no revaluations were recorded in Q1 2018: independent appraisers perform their valuation of the portfolio on June 30th and December 31st of each year. The portfolio perimeter did not change in Q1 2018, as the sale of the Deutsche Bank portfolio had already been removed from investment properties and included in assets held for sale.

[3] Considering Bonnet on a proportionally consolidated basis

Finalisation of Deutsche Bank Branches Sale and Active Asset Management

The sale of 21 Deutsche Bank Branches (which was announced on October 25th, 2017) closed in January 2018, six months prior to the date originally expected. The sale closed at a price of Euro 38.0 million, 3.1% below appraised book value and slightly above the amount initially agreed of Euro 37.8 million. The 11,416 sqm portfolio included the branch in Naples on Via Santa Brigida (4,600 sqm) and several smaller branches in the regions of Campania (10 branches), Abruzzo (1 branch) and Puglia (8 branches). COIMA RES may consider further disposals on an opportunistic basis. In addition, we have achieved property tax reductions for 11 branches in Q1 2018 leading to savings of c. Euro 94,000 per annum which correspond to an increase in EPRA Net Initial Yield of approx. 10 bps (from 4.3% to 4.4%) of our Deutsche Bank portfolio on an annualised basis.

Vodafone Consolidates in the COIMA RES Campus

In January 2018, Vodafone completed the consolidation in our premises by concentrating all its employees in the two buildings of the Vodafone Village owned by COIMA RES. Vodafone was thereby able to reduce its cost per employee. COIMA RES has also activated a new property management contract for the buildings which will result in cost reduction of circa Euro 70,000 per annum and boost the property's NOI margin by around 50 bps (from 92.2% to 92.7%).

Refurbishment of NH Hotel and Net Release with Upgrade for Office Portion at Gioiaotto

With the aim of upgrading the hotel standards to the NH Collection level, the NH Hotel Group is performing renovation works for Euro 4.0 million. The fund which owns the Gioiaotto property – which is 87% owned and fully consolidated by COIMA RES – will contribute Euro 1.4 million to this amount. The works started in Q4 2017 and are expected to be completed by H1 2018. Regarding Gioiaotto's office segment, axélero S.p.A. ("**axélero**") vacated the premises in Q1 2018 (c. 700 sqm) and was contextually replaced by Angelini Beauty S.p.A. ("**Angelini Beauty**") as a new tenant on a 6 years + 6 years lease agreement. The new lease was signed at a 14% premium to the rental rate previously paid by axélero, highlighting the strong rental dynamic currently unfolding in the Porta Nuova district.

Eurcenter NRA Increase Project Activated

In May 2017, the relevant authorities approved our application to increase the Eurcenter net rentable area ("**NRA**") by 3.1% or 458 sqm: 419 sqm pertaining to the development of a rooftop and 39 sqm to a mezzanine floor. In relation to the rooftop, the design has been finalised and works will start upon appointment of a general contractor to be selected by the end of Q3 2018. Meanwhile, preliminary leasing activity with current tenants is underway. Estimated cost for the increase in the rooftop NRA amount to c. Euro 830,000 and could yield additional gross rent of c. Euro 134,000 (16% yield on cost). We expect to conclude the works in Q1 2019.

Additional Lease with PwC at Monte Rosa

On February 1st, 2018, COIMA RES signed an additional lease agreement with PricewaterhouseCoopers ("**PwC**") for Euro 154,000 per annum covering an additional 500 sqm (3.4% of NRA) plus 7 parking spots. Including this new lease, PwC will occupy c. 46% of the building's net rentable area. The lease was signed at Euro 280 / sqm plus annual rent of Euro 2,000 per parking space. The new rent was signed at a premium of about 8% vs the blended average rental value of Euro 260 / sqm in place at the time of the acquisition.

Bonnet Project on Track for Delivery in 2020

The Bonnet Project is well on track for delivery by H1 2020 within the estimated overall cost of Euro 164 million. Demolition works and excavations began in November 2017 and are expected to complete in H1 2018. The final approval for construction works is expected by H1 2018. The construction phase would start after the approval, with overall completion of the project planned for H1 2020. Preliminary feedback from prospective tenants is positive.

Board Renewed and to be Appointed on an Annual Basis Going Forward

On April 12th, 2018, the Annual General Meeting approved the annual appointment of all Board members going forward (vs previous three-year terms). The Board has been reappointed, except for one member (Laura Zanetti) who is being replaced by Ariela Caglio. The substitution is due to the increase of other professional commitments by Laura Zanetti. Ariela Caglio is an Associate Professor of Management Accounting at the Bocconi University of Milan.

COIMA Opportunity Fund II

On February 13th, 2018, COIMA SGR, announced the closing of the COIMA Opportunity Fund II ("**COF II**") fundraise, a Euro 500 million Value-add and Development discretionary fund with an Italian focus. COF II – the largest discretionary real estate investment fund ever launched in Italy – has investment firepower of over Euro 1.5 billion (including leverage) and is backed by blue-chip institutional investors from Asia and North America, who account for 90% of the fund's total equity. COIMA RES may co-invest in specific COF II projects, where proposed by COIMA SGR. COIMA RES has already invested alongside COF II in the Bonnet project with a 35.7% stake.

Investment Strategy and Outlook for 2018

Milan offices offer an attractive investment opportunity based on the city's positive rental growth outlook and structural undersupply of Grade A properties.

We are targeting to be fully invested by Q2 2018. All our acquisition targets are in Milan with a particular focus on Porta Nuova. We will stay within a tactical LTV level of up to 45% but we will seek to maintain a medium-term LTV below 40%. Our fully invested portfolio profile will see Milan being more than 75% of GAV and our Porta Nuova exposure to be more than 20% of GAV. Our increased focus on Porta Nuova is based on the market's strategic position within Milan and its comparatively high look-forward growth: Green Street Advisors expects combined rent and occupancy gains of nearly 20% for Porta Nuova over the 2018-2020 period.

We are also actively evaluating disposals of non-core and mature assets in order demonstrate value creation and to generate additional firepower for redeployment into attractive investment opportunities within the Milan office market.

In addition to our Core / Core + focus, we will consider selective co-investments in Value-add projects with the COF II fund, in order to boost returns at a time of increased competition and compressed yields for "plain vanilla" acquisitions.

COIMA RES will discuss its results during a public conference call on May 4th, 2018 at 15:00 (Italian 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 to 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 S.p.A. SIIQ is a commercial real estate company listed on the Italian Stock Exchange. COIMA RES manages real estate transactions, primarily focused on commercial properties (offices, retail, logistics), aimed at generating rental income from the major national and international operators. The company operates with the beneficial tax status granted to SIIQs (Società di Investimento Immobiliare Quotate) equivalent to a Real Estate Investment Trust (REIT) in other jurisdictions. The investment strategy of COIMA RES is focused on creating a high-quality portfolio of real estate assets, with a view to generating stable, growing and sustainable cash flows for investors by acquiring, managing, and selectively disposing of properties intended mainly for use in the services and commercial sector and with the potential for their capital value to increase over time.

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