**COIMA RES - PRESS RELEASE**

# BOARD OF DIRECTORS APPROVES RESULTS AS OF JUNE 30th, 2022

## LIKE FOR LIKE RENTAL GROWTH (EXCLUDING ASSETS UNDER REFURBISHMENT) AT 5.2%

## EPRA EARNING PER SHARE AT EURO 0.15

## EPRA LTV STOOD AT 33.8%

**Highlights of H1 2022 financial results**

- Like for like rental growth of +5.2%, excluding Assets under refurbishment
- EPRA Earnings at Euro 5.3 million (or Euro 0.15 per share)
- EBITDA stood at Euro 12.8 million
- EPRA Net Tangible Assets per share at Euro 12.73
- EPRA LTV 5.1 p.p. higher at 33.8% (vs 28.7% at Dec-21)
- Ample liquidity with Euro 70.7 million of cash on balance sheet, primarily to fund capex plans

**Resilient real estate portfolio**

- Completed the acquisition of Pirelli 32 office complex in Milan's Porta Nuova
- Portfolio focussed on offices (89%), Milan (93%) and Porta Nuova (63%)
- Strong sustainability profile with 61% of portfolio LEED certified; a further 32% is eligible for LEED certification following refurbishment projects
- Approx. 32% of current portfolio value added to be repositioned in the medium term
- Potential for meaningful aggregate rent reversion on the back of refurbishments

**Milan office market in H1 2022**

- Prime yield stable at 2.90% in H1 2022
- Rental volumes up 50%, rents up in Porta Nuova and Centro and stable in other sub-markets
- Investment market volumes up 80%

**Manfredi Catella**, Founder and CEO of COIMA RES, commented: "*In the first half of 2022, we completed the acquisition of the Pirelli 32 property and recorded rental growth (excluding properties under renovation) on a like-for-like basis of 5.2%, which demonstrates the robustness of our leases that have captured the dynamics of inflation. The move from listed to unlisted will allow COIMA RES to grow in size and value with the aim of acquiring both core assets and value-add assets, leveraging the ever-increasing demand for high quality sustainable buildings and always within the strategy well known to the market.*"

*Milan, July 28th, 2022* – The Board of Directors of COIMA RES approved the consolidated financial statements as at June 30th, 2022, at a meeting held under the chairmanship of Massimo Capuano.

## Financial Highlights, as of June 30th, 2022

| **Balance Sheet (Euro million)** | **Jun-22** | **Dec-21** | **Delta (%)** | **Delta** |
|---|---|---|---|---|
| Real Estate Properties | 752.6 | 687.1 | 9.5% | 65.5 |
| EPRA Net Reinstatement Value | 490.9 | 481.2 | 2.0% | 9.7 |
| EPRA Net Tangible Assets | 459.7 | 460.5 | -0.2% | (0.8) |
| EPRA Net Disposal Value | 451.7 | 456.1 | -1.0% | (4.4) |
| Net Asset Value (IAS / IFRS) | 454.6 | 458.7 | -0.9% | (4.1) |
| EPRA Net Reinstatement Value per share (Euro) | 13.59 | 13.33 | 1.2% | 0.26 |
| EPRA Net Tangible Assets per share (Euro) | 12.73 | 12.75 | -0.2% | (0.02) |
| EPRA Net Disposal Value per share (Euro) | 12.51 | 12.63 | -0.9% | (0.12) |
| Net Asset Value (IAS / IFRS) per share (Euro) | 12.59 | 12.70 | -0.9% | (0.11) |
| EPRA LTV | 33.8% | 28.7% | n.m. | 5.1 pp |

| **Income Statement (Euro million)** | **H1 2022** | **H1 2021** | **Delta (%)** | **Delta** |
|---|---|---|---|---|
| Gross Rents | 19.4 | 21.7 | -11.0% | (2.3) |
| Net Operating Income (NOI) | 17.2 | 19.6 | -12.4% | (2.4) |
| NOI margin | 88.7% | 90.1% | n.m. | (40) bps |
| EBITDA | 12.8 | 14.6 | -12.4% | (1.8) |
| Net profit | 1.1 | 9.1 | (87.8)% | (8.0) |
| Net operating profit (EPRA Earnings) | 5.3 | 8.3 | (35.8)% | (3.0) |
| Recurring FFO | 8.5 | 11.3 | (24.6)% | (2.8) |
| Net operating profit (EPRA Earnings) per share (Euro) | 0.15 | 0.23 | (35.8)% | (0.08) |
| Recurring FFO per share (Euro) | 0.24 | 0.31 | (24.6)% | (0.07) |
| EPRA Cost Ratio (including direct vacancy costs) | 34.1% | 34.8% | n.m. | (0.7) pp |
| EPRA Cost Ratio (excluding direct vacancy costs) | 30.7% | 33.0% | n.m. | (2.3) pp |

| **Other Data** | **Jun-22** | **Dec-21** | **Delta (%)** | **Delta** |
|---|---|---|---|---|
| EPRA Net Initial Yield | 4.3% | 4.5% | n.m. | (20) bps |
| EPRA Topped-up Net Initial Yield | 5.1% | 5.2% | n.m. | (10) bps |
| EPRA Vacancy Rate | 3.5% | 13.2% | n.m. | 970 bps |
| WALT (years) | 4.5 | 4.0 | n.m. | 0.5 |

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## Highlights of H1 2022 financial results

The h1 2022 results mainly reflect the substantial stability of the portfolio, supplemented at the end of the first quarter by the completion of the acquisition of the Pirelli 32 office complex in Milano Porta Nuova. The aforementioned building will be one of the COIMA RES properties for which a renovation project will be launched, resulting in a substantial improvement in the quality of the building and a potential increase in rents downstream of the renovation project itself.

Rents decreased by a total of 11.0% in H1 2022 to Euro 19.4 million. The decrease was mainly due to the release by PwC of the Monte Rosa property, by SISAL of the Tocqueville property and by BNL of the Deruta property in addition to the sale of the Sarca property in Q3 2021. On a like-for-like basis, rents (excluding vacant properties) increased by 5.2%.

The Net Operating Income (NOI) decreased by Euro 2.4 million and the NOI margin by 40 bps. The decrease in NOI is lower than expected due to higher rents accrued in the period and due to a reduction in operating costs in the Monte Rosa building. Overhead costs increased by Euro 172 thousand due to extraordinary consultancy costs incurred by the Company for all activities required for the issuance of the Issuer's Statement on the tender offer promoted by Evergreen S.p.A.. EBITDA amounted to Euro 12.8 million, mainly due to lower rents and higher consulting costs incurred as a result of the public tender offer. Recurring financial expenses increased by Euro 0.3 million due to a higher cost of debt compared to the same period of the previous year.

EPRA Earnings came to Euro 5.3 million, or Euro 0.15 per share, while recurring FFO amounted to Euro 8.5 million, mainly due to lower NOI and extraordinary costs. Net income decreased mainly due to the provision for current and deferred taxation following the loss of the SIIQ special tax regime.

As a result of the acquisition of the Pirelli 32 property and capex for the period totalling Euro 51.2 million (on a pro-rata basis), fair value adjustments of Euro 6.3 million and perimeter changes of Euro 5.3 million, the real estate portfolio on a pro-rata basis increased to Euro 694.0 million in the first half of 2022, or 8.1% compared to the value reported as of December 31st, 2021.

EPRA Net Tangible Assets as of June 30th, 2022 amounted to Euro 459.7 million (i.e. Euro 12.73 per share), substantially aligned to December 31st, 2021. The increase, on a pro-rata basis, is mainly related to the EPRA Earnings of Euro 5.3 million. EPRA Loan to Value at June 30th, 2022 stood at 33.8%, which is 510 bps higher than at December 31st, 2021. The cash position of COIMA RES as at June 30th, 2022 was Euro 70.7 million (on a consolidated basis).

In view of the outcome of the tender and exchange offer promoted by Evergreen S.p.A. and the future de-listing of the Company, as well as the costs incurred with regard to the Company's activities in connection with the aforementioned offer, the Company decided to withdraw its guidance on EPRA Earnings.

## Dividend for 2021 of Euro 0.30 per share

The Board of Directors of COIMA RES resolved to propose to shareholders a dividend for the fiscal year 2021 of Euro 0.30 per share (amounting to Euro 10,831,967.40), in line with the dividend distributed in the last three years. An interim dividend of Euro 0.10 per share has already been paid on November 17th, 2021. The final dividend of Euro 0.20 per share has been distributed with an ex-dividend date on April 25th, 2022, record date on April 26th, 2022, and payment date on April 27th, 2022.

## Financings

**COIMA RES**: In January 2022, a new loan agreement was executed with Crédit Agricole Corporate and Investment Bank (Agent), BNP Paribas, ING Bank and UniCredit for a total of Euro 165.0 million for the refinancing of the real estate portfolio (for an amount of Euro 120.0 million) and the granting of a new line, for an amount of Euro 45.0 million, to support the capex plans for the Monterosa, Tocqueville and Deruta properties. The new loan is secured by the 100% directly and indirectly owned real estate and has a maturity of five years, with an "all in" cost of approx. 2.6%.

The loan was structured, with the support of ING Bank as green advisor, considering the alignment with the European taxonomy of environmentally sustainable economic activities on the basis of what was approved by the European Commission on April 21st, 2021, formally adopted on June 4th, 2021.

**Feltrinelli Porta Volta**: In June 2022, the Feltrinelli Porta Volta Fund entered into a new loan agreement with Intesa Sanpaolo, ING Bank and Crédit Agricole Corporate and Investment Bank for a total amount of Euro 156.8 million, maturing in June 2027 and with a margin of 230 bps, consisting of five lines, of which three senior lines totalling Euro 131.2 million, a capex line totalling Euro 18.6 million and a VAT line for a maximum of Euro 7 million.

## Real estate portfolio

As of June 30th, 2022, 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 694.0 million (on a pro-quota basis), 93% of which is in Milan, 63% in Milan Porta Nuova and 89% is for office use. COIMA RES' portfolio has a high sustainability profile as approximately 61% 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 91% of the stabilised rent roll on a pro-quota basis) includes Vodafone, Deutsche Bank, Microsoft, IBM, Accenture, Techint, NH Hotel, Bernoni Grand Thornton and Mooney.

## Acquisitions

On March 30th, 2022, the acquisition of the office complex in Milan Porta Nuova at Via Giovanni Battista Pirelli, 32 ("**Pirelli 32**") was finalised.

The acquisition was financed with resources from the sale of the Sarca building, finalised in August 2021 at a premium of 36% over the acquisition price.

Pirelli 32 is a 13-storey building with a surface area of c. 7,400 sqm located along the east-west axis connecting the two high-speed railway stations of Milano Centrale and Milano Garibaldi, within the north-east quadrant of Porta Nuova where the new developments of the area are concentrated.

The development of the building envisages an investment plan of over Euro 30 million, with objectives of substantial contribution to climate change mitigation according to the framework of the European taxonomy for eco-sustainable economic activities (EU 2020/852) for the construction of new buildings**.**

## Development projects

In the course of 2022, several refurbishment projects of COIMA RES' real estate portfolio are scheduled to start, in particular Monte Rosa, Tocqueville and Pirelli 32. The repositioning of the aforementioned properties aims to substantially contribute to climate change mitigation according to the framework of the European taxonomy for environmentally sustainable economic activities (EU 2020/852) for the construction of new buildings. Through these refurbishment projects, it is also intended to achieve significant rent growth once the work is completed and the space relocated.

**Outlook**

The first half of 2022 was characterised by the outbreak of the Russian-Ukrainian conflict, which caused a moderation in global economic activity with a more significant impact on the European economy. With reference to Italy, economic activity is expected to slow down in the short term due to high energy costs, the deterioration of trade flows with Russia and China, and the negative impact of high inflation on consumers' disposable income.

In the first half of the year, the Italian real estate market recorded record investments with total volumes of Euro 6.2bn, up more than 80% compared to the same period last year, according to CBRE estimates. Volumes were concentrated on the office and logistics asset classes, which accounted for around two-thirds of total investments.

COIMA RES continues to focus on the Milan office segment, the most resilient, large, transparent and liquid market in Italy. With regard to the current portfolio, COIMA RES will evaluate further disposals of mature, non-strategic and non-core properties on an opportunistic basis and will focus its attention on redevelopment projects in the existing portfolio.

**Tender and exchange offer**

It should be noted that on April 27th, 2022, Evergreen S.p.A. ("**Evergreen**") promoted a voluntary, all-inclusive public tender and exchange offer (the "**Offer**") for all of the Company's ordinary shares pursuant to Article 102, paragraph 1, and Article 106, paragraph 4, of Legislative Decree no. 58 of 24 February 1998 (the "**TUF**") as per the notice circulated pursuant to Article 102, paragraph 1, of the TUF and Article 37 of Consob Regulation 11971 of 14 May 1999, as amended.

On July 27th, 2022, Evergreen communicated the final results of the Offer, i.e., no. 35,484,532 Shares, equal to approximately 98.277% of the shares subject to the Offer and, therefore, of the share capital of COIMA RES, were tendered to the Offer during the Acceptance period which ended on July 22nd, 2022.

Therefore, taking into account the 35,484,532 Shares tendered to the Offer and the 1 Share already held by Evergreen, Evergreen will hold 98.277% of the share capital of COIMA RES.

In consideration of the outcome of the Offer, COIMA RES has decided not to hold any conference to comment on the H1 results.

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## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT/LOSS

| (in thousands Euro) | June 30th, 2022 (unaudited) | *of which related parties* | June 30th, 2021 | *of which related parties* |
|---|---|---|---|---|
| **Income statements** | | | | |
| Rents | 19,362 | - | 21,748 | - |
| Net real estate operating expenses | (1,843) | (386) | (2,161) | (549) |
| **Net rents** | **17,519** | **(386)** | **19,587** | **(549)** |
| Income / (losses) from real estate disposal | 275 | - | - | - |
| **Net revenues from disposal** | **275** | **-** | **-** | **-** |
| G&A expenses | (4,749) | (2,805) | (4,577) | (2,769) |
| Other operating expenses | (239) | (81) | (386) | (54) |
| **Gross operating income** | **12,806** | **(3,272)** | **14,624** | **(3,372)** |
| Net depreciation | (1,385) | (88) | (85) | (41) |
| Net movement in fair value | 4,806 | - | (2,457) | - |
| **Net operating income** | **16,227** | **(3,360)** | **12,082** | **(3,413)** |
| Net income attributable to non-controlling interests | 3,595 | - | 3,156 | - |
| Financial income | 1 | - | 2 | - |
| Financial expenses | (4,445) | (3) | (3,894) | (4) |
| **Profit before tax** | **15,378** | **(3,363)** | **11,346** | **(3,417)** |
| Income tax | (11,320) | - | - | - |
| **Profit after tax** | **4,058** | **(3,363)** | **11,346** | **(3,417)** |
| Minorities | (2,950) | - | (2,239) | - |
| **Profit for the Group** | **1,108** | **(3,363)** | **9,107** | **(3,417)** |

## EARNINGS PER SHARE

| (Euro) | June 30th, 2022 (unaudited) | June 30th, 2021 |
|---|---|---|
| **Earnings per share** | | |
| Basic, net income attributable to ordinary shareholders | 0.03 | 0.25 |
| Diluted, net income attributable to ordinary shareholders | 0.03 | 0.25 |

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## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (in thousands Euro) | June 30th, 2022 (unaudited) | *of which related parties* | December 31st, 2021 | *of which related parties* |
|---|---|---|---|---|
| **Assets** | | | | |
| Real estate investments | 746,167 | - | 684,935 | - |
| Other tangible assets | 859 | 581 | 921 | 622 |
| Intangible assets | 303 | - | 297 | - |
| Investments accounted for using the equity method | 59,988 | - | 56,335 | - |
| Non-current deferred tax assets | 149 | - | 13 | - |
| Derivative financial instruments | 5,512 | - | 222 | - |
| Non-current financial receivables | 964 | - | 1,437 | - |
| **Total non-current assets** | **813,942** | **581** | **744,160** | **622** |
| Inventories | 6,463 | - | 2,185 | - |
| Current financial receivables | 1,359 | - | 980 | - |
| Trade and other current receivables | 13,107 | 3,590 | 13,893 | 3,713 |
| Cash and cash equivalents | 70,724 | - | 90,604 | - |
| **Total current assets** | **91,653** | **3,590** | **107,662** | **3,713** |
| Non-current assets held for sale | - | - | - | - |
| **Total assets** | **905,595** | **4,171** | **851,822** | **4,335** |
| **Liabilities** | | | | |
| Capital stock | 14,482 | - | 14,482 | - |
| Share premium reserve | 336,273 | - | 336,273 | - |
| Valuation reserve | 3,108 | - | (736) | - |
| Interim dividend | - | - | (3,611) | - |
| Other reserves | 99,607 | - | 89,265 | - |
| Profit / (loss) for the period | 1,108 | - | 23,057 | - |
| **Total Group shareholders' equity** | **454,578** | - | **458,730** | - |
| **Minorities** | **75,384** | - | **73,777** | - |
| **Shareholders' equity** | **529,962** | - | **532,507** | - |
| Non-current bank borrowings | 344,629 | - | 247,283 | - |
| Non-current financial liabilities | 668 | 603 | 714 | 643 |
| Payables for post-employment benefits | 74 | - | 64 | - |
| Deferred tax liabilities | 10,461 | - | - | - |
| Provisions for risks and charges | 2,649 | 510 | 2,938 | 465 |
| Derivatives | - | - | 818 | - |
| Trade payables and other non-current liabilities | 1,685 | 968 | 1,617 | 887 |
| **Total non-current liabilities** | **360,166** | **2,081** | **253,434** | **1,995** |
| Current bank borrowings | 1,319 | - | 53,160 | - |
| Trade payables and other current liabilities | 13,014 | 903 | 12,696 | 5,547 |
| Current tax payables | 1,134 | - | 25 | - |
| **Total current liabilities** | **15,467** | **903** | **65,881** | **5,547** |
| **Total liabilities** | **375,633** | **2,984** | **319,315** | **7,542** |
| **Total liabilities and shareholders' equity** | **905,595** | **2,984** | **851,822** | **7,542** |

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# INTERIM CONDENSED CONSOLIDATED CASH FLOWS STATEMENT

| (in thousands Euro) | June 30th, 2022 (unaudited) | June 30th, 2021 |
|---|---|---|
| Profit for the period | 4,058 | 11,346 |
| **Adjustments to reconcile the profit to net cash flow:** | | |
| Net depreciation | 1,339 | 82 |
| Severance pay | 40 | 237 |
| Net movement in fair value property | (4,806) | 2,457 |
| Net income attributable to non-controlling interests | (3,595) | (3,156) |
| Income / (losses) from real estate disposal | (559) | - |
| Financial expenses | 818 | 752 |
| Net movement in fair value financial instruments | 81 | 71 |
| Taxes | 11,320 | - |
| **Changes in working capital:** | | |
| (Increase) / decrease in trade and other current receivables | 2,335 | 501 |
| (Increase) / decrease in deferred tax assets | - | (1) |
| Increase / (decrease) in trade payables and other current liabilities | 15 | (1,535) |
| Increase / (decrease) in current tax payables | 114 | 5 |
| Increase / (decrease) in trade payables and other non-current liabilities | (13) | - |
| **Net cash flows generated (absorbed) from operating activities** | **11,147** | **10,759** |
| **Investment activities** | | |
| (Acquisition) / disposal of real estate property | (61,526) | 2,914 |
| (Acquisition) / disposal of other tangible and intangible assets | (54) | (64) |
| (Acquisition) / disposal of other non-current receivables | 249 | 1,620 |
| Purchase of associated companies | - | (2,696) |
| **Net cash flow generated (absorbed) from investment activities** | **(61,331)** | **1,774** |
| **Financing activities** | | |
| Shareholders' contribution / (dividends paid) | (6,922) | (6,973) |
| Dividends paid to minorities | (2,110) | (1,431) |
| (Acquisition) / closing of derivatives | (2,821) | (193) |
| Increase / (decrease) in bank borrowings and other non-current lenders | 216,016 | (550) |
| Repayment of borrowings | (173,859) | - |
| **Net cash flows generated (absorbed) from financing activities** | **30,304** | **(9,147)** |
| Net increase / (decrease) in cash and cash equivalents | (19,880) | 3,386 |
| Cash and cash equivalents at the beginning of the period | 90,604 | 48,653 |
| **Cash and cash equivalents at the end of the period** | **70,724** | **52,039** |

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.

**Contacts**

**COIMA RES**
Giulia Salami (Director, Investor Relations) – giulia.salami@coimares.com

**COIMA SGR**
Kelly Russell (Managing Director, Marketing & Communication) – kelly.russell@coimasgr.com
Lorenzo Barbato (Director, Marketing & Communication) – lorenzo.barbato@coimasgr.com

**SEC Relazioni Pubbliche +39 02 624 999 1**
Daniele Pinosa – pinosa@secrp.com – +39 335 723 3872
Fabio Leoni – leoni@secrp.com – +39 348 869 1144

**Press Office**
SEC Newgate UK
coimafinancial@secnewgate.co.uk +44(0)20 3757 6767