



PRESS RELEASE

## COIMA RES

### FIRST QUARTER 2017 RESULTS: GOVERNANCE STRENGTHENED FURTHER, BUSINESS PLAN AHEAD OF SCHEDULE

#### First Quarter 2017 Results – Strong Financial Position

- Total investment portfolio of Euro 577<sup>1</sup> million
- EPRA Net Initial Yield of portfolio equal to 5.4%
- WALT of 8.3 years and EPRA Vacancy rate equal to 3.7%
- First dividend (Euro 0.11 per share) paid ahead of schedule
- Future dividend distributions twice a year; next payment expected in Q4 2017
- Net LTV at 33.5%; Euro 100 million of remaining firepower

#### Changes to Board of Directors Improve Independence

- Luciano Gabriel and Olivier Elamine join the Board, the Compensation Committee and the Control and Risk Committee
- Executive directors Matteo Ravà and Gabriele Bonfiglioli step down concurrently
- Independent Board members now 7 out of 9
- Proposal for annual election of Board members

#### Property Portfolio Growth and Asset-Management Success

- Via Deruta purchased for Euro 47 million (including Euro 1 million of transaction costs)
- Lease renewal and refurbishment for NH Hotel Group at Gioiaotto building
- MHREC refinancing extends maturity and lowers borrowing spread

#### Strengthened Team and Request to be Admitted to the STAR Segment of the MTA

- New Investor Relations Director: Alberto Goretti
- Request to be admitted to the STAR segment of the MTA (Borsa Italiana)

*Milan, April 27<sup>th</sup>, 2017* – 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 April 26<sup>th</sup>, 2017, approved the draft consolidated and periodical financial statements as at March 31<sup>st</sup>, 2017.

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<sup>1</sup> Considering Bonnet pro-rata



## As at March 31<sup>st</sup>, 2017 COIMA RES Continues Delivering Strong Results

Main economic and financial data	March 31 <sup>st</sup> , 2017	per share
	(Millions of Euro)	(Euro)
. Rents	8.3	
. NOI	7.4	
. EBITDA	5.1	
. FFO	3.8	
. Net profit	7.5	0.21
. NAV	365.4	10.15
. GAV <sup>2</sup>	544.0	
. Net Debt	223.3	
. Net LOAN TO VALUE <sup>3</sup>	33.5%	
. EPRA NAV	365.6	10.15
. EPRA Earnings	3.6	0.10
. EPRA Net Initial Yield	5.4%	
. EPRA Vacancy rate	3.7%	
. Like for like rental growth	0.3%	
. WALT (years)	8.3	

### Changes to Board of Directors Improve Independence

On April 26<sup>th</sup>, 2017, the Board of Directors, upon proposal of Manfredi Catella, COIMA RES' Founder & CEO, jointly with senior management, in line with the overall objective of COIMA RES of further strengthening its corporate governance towards best in class practices, has appointed two new independent directors of high international standing and broad experience in managing listed real estate companies: Luciano Gabriel and Olivier Elamine. In addition, Olivier Elamine has been also appointed as member of the Compensation Committee and Luciano Gabriel as member of the Control and Risk Committee. These appointments further strengthen the Board of Directors and corporate governance of COIMA RES. Matteo Ravà and Gabriele Bonfiglioli have concurrently resigned from their roles as executive directors in order to increase the degree of independence of the Board. This step further confirms the full alignment of COIMA RES' senior management with shareholders, provides independent and transparent governance and simplifies the relationship with COIMA SGR.

<sup>2</sup> Considering pro-rata ownership of Bonnet on a proportionally consolidated basis (Euro 33 million), the GAV is Euro 577 million

<sup>3</sup> Net loan to value excluding Euro 40.8 million of debt related to VAT paid for Vodafone acquisition, expected to be repaid with proceeds from VAT receivables in 2018



For further information in this regard, please see the specific press release published today by COIMA RES.

### **COIMA RES Acquires Office Building Via Deruta in Milan**

On January 16<sup>th</sup>, 2017, COIMA RES finalised the agreement to purchase for Euro 47 million (of which Euro 1 million in taxes and other closing costs) a real estate complex consisting of two buildings, located in Milan in Via Privata Deruta n. 19 from Immobiliare Deruta 2005 S.a.s. (a vehicle fully controlled by Warburg HIH Real estate GmbH). The fair value of the property is Euro 51.2 million according to the report issued by CBRE in the context of the acquisition by COIMA RES.

The two buildings, with total net surface area, net of parking, of about 12,422 square metres, are fully leased to BNL - Gruppo BNP Paribas, with a 6 year lease (plus 6 year renewal option) and a residual WALT of 4.8 years, with the first expiry date on December 31<sup>st</sup>, 2021. The two Grade “A” buildings serve as office space.

The complex generates annual gross rent of Euro 3.6 million, equating to a 6.9% gross yield and an EPRA net initial yield of 6.3% based on the fair value of the property.

### **Lease Renewal and Refurbishment for NH Hotel Group at Gioiaotto**

On January 23<sup>rd</sup>, 2017, COIMA RES finalised a renewed and extended lease for the portion used as a hotel (ca. 6,600 sqm) of the Gioiaotto building in Milan. The new lease, signed with the NH Hotel Group and in force as of January 1<sup>st</sup>, 2017, will last 9 years with no possibility to withdraw plus a renewal option for a further 6 years. The stabilised minimum rent was agreed at Euro 1.5 million per annum – 120% above the in-place rents.

The contract additionally establishes a possible rent increase based on the hotel’s annual turnover. Furthermore, the rent has been 100% index-linked. At the same time, NH Hotel Group undertook to invest in modernisation and renovation works on the building of about Euro 4 million, by the end of 2018. The MH Real Estate Crescita Fund (“MHREC”) – owned 86.7% by COIMA RES – will contribute Euro 1.4 million to this amount.

### **MHREC Refinancing Extends Maturity and Lowers Borrowing Spread**

On April 12<sup>th</sup>, 2017, COIMA RES announced that MHREC, a real estate fund managed by COIMA SGR, has refinanced the debt on two office buildings: Gioiaotto in Milan and 2331 Eur Center, in Rome. The new financing became effective on March 31<sup>st</sup>, 2017.

The two prime properties – with net rental area of 26,562 square metres, valued at Euro 147.5 million – are owned and fully consolidated through COIMA RES’ 86.7% ownership in MHREC, which was originally established in July 2005 and purchased by COIMA RES on July 27<sup>th</sup>, 2016.

The refinancing was executed with the same syndicate of banks as the original financing and comprises UBI Banca, Crédit Agricole and ING, for a total amount of Euro 73 million.



As part of the refinancing, Euro 5 million (of the original loan amount of Euro 78 million) was repaid. The new loan extends by almost 4 years (3.7 years) the previous financing: from June 30<sup>th</sup>, 2018 to March 31<sup>st</sup>, 2022.

A margin reduction of 25bps was successfully negotiated by COIMA SGR, which is expected to result in a net savings of approximately Euro 110 thousand per year, including the upfront fee. These favourable refinancing conditions reflect the prime quality of the underlying properties, the recent renewal and extension of the NH Hotel lease at Gioiaotto as a result of our asset management strategy, and our strong bank relationships.

As of March 31<sup>st</sup>, 2017, and taking into account the re-financing, the consolidated LTV for COIMA RES is 33.5%, the weighted average debt maturity for COIMA RES is 4.2 years and the weighted average “all in” cost of debt for COIMA RES is 1.97%. 80% of outstanding debt has been hedged using interest rate caps in order to reduce the risk of interest rate fluctuations.

### **Active Management Plan for All Properties**

The Company is focused on improving property income and capital values at the asset level, while maintaining a moderate risk-profile for the overall portfolio. Our asset management plan is focused on lease re-gearing and risk reduction, optimization of financing costs & debt profile and capital recycling.

Notable current asset management initiatives include:

- Ongoing disposal program on selected Deutsche Bank assets
  - Execution of a sales and purchase agreement for the asset in Gravedona – Viale Stampa for Euro 345 thousand (4.5% above appraised value)
  - Acceptance of an offer by a third party to purchase the asset in Casargo – Via Italia for Euro 195 thousand (8.3% above appraised value)
- Other initiatives on the Deutsche Bank assets
  - Property tax (IMU) reduction of 50% obtained for Rome branch (Piazza Ss Apostoli)
  - Further potential property tax reductions for other branches under investigation
- Re-positioning and/or upgrading of assets:
  - Bonnet: selection and appointment of the consultant and design teams; start of entitlement process
  - 2331 Eur Center: approval received from planning authorities required to increase top floor area; preliminary leasing activity with current tenants in order to pre-let the incremental areas
  - Deruta 19: project to increase capacity of the complex and optimize energy performance for the benefit of the tenant

COIMA RES benefits from the COIMA platform (including COIMA SGR and COIMA Srl), which is underpinned by a market-leading investment and asset management track record established over 40 years of successful execution of core and growth projects, such as



Porta Nuova in Milan.

### **Portfolio as at March 31<sup>st</sup>, 2017**

As of March 31<sup>st</sup>, 2017, COIMA RES portfolio totals Euro 577<sup>4</sup> million and includes the Deutsche Bank portfolio, the real estate complex known as “Vodafone Village”, Gioiaotto, 2331 Eur Center, the Bonnet complex and the Deruta complex.

The net rentable area comprises 156,411 square meters and gross initial rents amount to approximately Euro 33.1 million. The overall initial portfolio WALT is circa 8.3 years, EPRA net initial yield is 5.4%.

### **First Dividend Paid in April 2017; Further Distribution Expected in Q4 2017**

The early completion of the first phase of post-IPO investments in only 7 months, compared to the 18 months initially forecasted, enabled COIMA RES to bring forward the distribution of its first dividend.

The shareholders' meeting, that took place on March 17<sup>th</sup>, 2017, has approved the distribution of a dividend amounting to Euro 4,068,352 (Euro 0.11 per share) corresponding, in accordance with the SIIQ regime, to 70% of 2016 distributable profits. The first dividend payment (related to profits made in 2016) was made on April 12<sup>th</sup>, 2017.

In addition, the Board has approved future dividend distributions to be made – if all applicable legal and financial conditions exist - twice a year (indicatively, in the second and the fourth quarter each year). The next expected dividend distribution will therefore be made in Q4 2017.

### **Remaining Investment Capacity; LTV Target below 45%**

Following the acquisition of the Via Deruta complex, residual investment capacity amounts to about Euro 100 million at an LTV target below 45%.

### **Roadshow Activity**

Along with ordinary roadshow commitments, COIMA RES organizes a monthly call with the aim of keeping the market informed about the Italian real estate sector outlook and notable transactions. The next monthly calls are scheduled for April 27<sup>th</sup> (which will also serve as our Q1 2017 results call), May 25<sup>th</sup> and June 29<sup>th</sup>, 2017. Management will be on roadshow in London, in Milan, in Paris and in Luxembourg between May and June 2017 and will attend the Kempen European Property Seminar in Amsterdam on June 7<sup>th</sup>, 2017.

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<sup>4</sup> Pro-forma data considering Bonnet look through.



## Appointment of Investor Relations Director

The COIMA RES team has been strengthened with the hiring of Alberto Goretti in the role of Investor Relations Director. Alberto joins COIMA RES from UBS where he spent more than 10 years advising corporates, financial institutions, private equity firms, governments and institutional investors on equity capital markets transactions on a pan-European basis.

## Request to be Admitted to the STAR segment of the MTA (Borsa Italiana)

COIMA RES has also resolved to request admission to the STAR segment of the MTA, organised and managed by Borsa Italiana S.p.A., subject to all the necessary legal and regulatory requirements.

**Manfredi Catella**, CEO of COIMA RES, commented: *“The recently announced changes to our Board of Directors add two well-known and highly experienced listed-market executives. These important additions reflect our continued commitment to high standards of governance. With approximately 85% of its investment programme completed, I am very pleased with COIMA RES’ current investment portfolio. While we remain mindful of macro concerns surrounding Italy, these same conditions have proven attractive for finding opportunities to exploit our local expertise.”*

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*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.*

*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. Taking into account 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 report on the financial results as at March 31<sup>st</sup>, 2017 will be made available to the public by the company headquarters, on the company internet website ([www.coimares.com](http://www.coimares.com)) and by the authorised storage system NIS-Storage ([www.emarketstorage.com](http://www.emarketstorage.com)) from April 27<sup>th</sup>, 2017.*

*This release uses some “alternative performance indicators” not foreseen by the IFRS-EU accounting standards. Their meaning and contents, consistent with the CESR/05-178b recommendation published on 3 November 2005, are illustrated in the single sections of this release.*

For further information on the company: [www.coimares.com](http://www.coimares.com)



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**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) which is similar 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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COIMA RES will discuss results during a public conference call on April 27<sup>th</sup>, 2017 at 15:00 CET (Central European Time).

The call will be held in English and the presentation will be posted on the company website ([http://www.coimares.com/\\_EN/investor-relations/results-and-presentations.php](http://www.coimares.com/_EN/investor-relations/results-and-presentations.php)).

To participate in the call, please call on of the following numbers 5 to 10 minutes prior to 15:00 CET:

Italy: +39 028020902

UK: +44 2030595875

USA: +1 7187058795

**COIMA RES S.p.A. SIIQ**

#### **SHAREHOLDERS**

Established by Manfredi Catella in agreement with COIMA and COIMA SGR, and with Qatar Holding LLC as primary sponsor of the venture; since May 2016 COIMA RES is a company with shares listed on the the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A.



## GOVERNANCE (as of March 31<sup>st</sup>, 2017)

### Board of Directors

Caio Massimo Capuano	Chairman, Non-Executive Director
Feras Abdulaziz Al-Naama	Vice President, Independent Director
Manfredi Catella	Key Manager (CEO), Executive Director
Gabriele Bonfiglioli	Key Manager, Executive Director
Matteo Ravà	Key Manager, Executive Director
Agostino Ardissonne	Independent Director
Alessandra Stabilini	Independent Director
Michel Vaclair	Independent Director
Laura Zanetti	Independent Director

### Board of Statutory Auditors

Massimo Laconca	Chairman
Milena Livio	Statutory Auditor
Marco Lori	Statutory Auditor
Emilio Aguzzi De Villeneuve	Alternate Auditor
Maria Stella Brena	Alternate Auditor
Maria Catalano	Alternate Auditor

### Compensation Committee

Laura Zanetti	Chairman
Alessandra Stabilini	Member
Caio Massimo Capuano	Member

### Investment Committee

Manfredi Catella	Chairman
Gabriele Bonfiglioli	Member
Matteo Ravà	Member
Feras Abdulaziz Al-Naama	Member
Michel Vaclair	Member

### Control and Risk Committee

Agostino Ardissonne	Chairman
Alessandra Stabilini	Member
Laura Zanetti	Member

### Internal Audit and Compliance

Internal Audit and Compliance functions are outsourced to a specialized company named **Tema S.r.l.**, which has designated **Mr. Arturo Sanguinetti** as responsible for Internal Audit and Mr. Massimiliano Forte for Compliance..

### Risk Manager

Risk management is outsourced to a specialized company named **Macfin**, which has indicated **Mr. Emerico Amari di Sant'Adriano** as responsible for this function.

### External Auditors

The shareholders' meeting held on February 1<sup>st</sup>, 2016 appointed Ernst & Young S.p.A. as auditors of the Company for the period 2016-2024 in accordance with articles 14 and 16 of Legislative Decree n. 39/2010.

### Executive responsible for the preparation of the company's accounting documents

Fulvio Di Gilio CFO of COIMA RES.