Real Estate SIIQ

COIMA RES

COIMA RES
Interim Financial Statements
for the period ending
March 31st, 2021

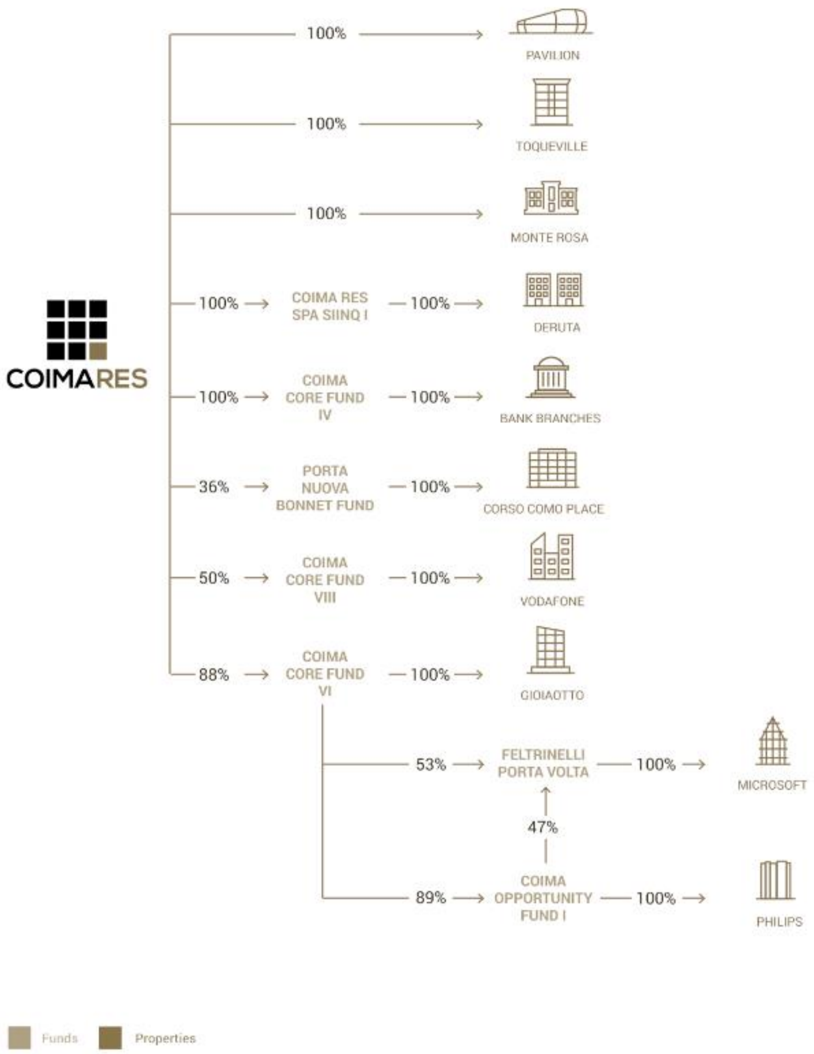
INDEX

CORPORATE INFORMATION

COIMA RES S.p.A. SIIQ (following also the "**Company**" or "**COIMA RES**"), with legal incorporation in Milan, Piazza Gae Aulenti 12, with Tax Code, Register of Company and VAT No. 09126500967 is a real estate investment company listed on the Italian Stock Exchange.
COIMA RES manages real estate transactions, primarily focused on commercial properties, aimed at generating rental income from national and international tenants. 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.

CORPORATE STRUCTURE

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



GOVERNANCE

Board of Directors [1]

Caio Massimo Capuano	Chairman, not executive Director
Feras Abdulaziz Al-Naama	Vice Chairman
Manfredi Catella	Chief Executive Officer (CEO)
Luciano Gabriel	Independent Director
Olivier Elamine	Independent Director
Alessandra Stabilini	Independent Director
Ariela Caglio	Independent Director
Antonella Centra	Independent Director
Paola Bruno	Independent Director

Board of Statutory Auditors [2]

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

Remuneration Committee

Alessandra Stabilini	Chairwoman
Caio Massimo Capuano	Member
Olivier Elamine	Member

Investment Committee

Luciano Gabriel	Chairman
Manfredi Catella	Member
Ariela Caglio	Member
Michel Vauclair	Member
Gabriele Bonfiglioli	Member
Matteo Ravà	Member

Control and Risk Committee

Alessandra Stabilini	Chairwoman
Luciano Gabriel	Member
Paola Bruno	Member

[1] In charge from April 22nd, 2021 until the approval of the financial statements as of December 31st, 2021.
[2] In charge from April 22nd, 2021 until the approval of the financial statements as of December 31st, 2023

Internal Audit and Compliance

Internal Audit is *outsourced* to a specialized company called Consilia Regulatory S.r.l., which has indicated Mr. Gianmarco Maffioli as responsible for Internal Audit function and Mr. Giacomo del Soldà as responsible for Compliance function.

Risk Manager

Risk management is outsourced to a specialized company named Quantyx Advisors S.r.l. which has indicated Mr. Andrea Di Ciancia as responsible for this function.

Independent Auditors

The shareholders' meeting held on February 1st, 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	Chief Financial Officer

OVERVIEW OF THE CONSOLIDATED FINANCIAL RESULTS

The table below shows the summary of financial data as of March 31st, 2021.

(in million Euro)	March 31st, 2021	per share	December 31st, 2020	per share	Δ	Δ%
Real estate properties value	758.8		758.1		0.7	0.1%
EPRA Net Reinstatement Value	470.9	13.04	466.9	12.93	4.0	0.9%
EPRA Net Tangible Assets	452.3	12.53	448.3	12.42	4.0	0.9%
EPRA Net Disposal Value	446.8	12.38	442.8	12.26	4.0	0.9%
NAV IAS/IFRS	449.7	12.45	445.5	12.34	4.2	1.0%
Debt position	338.9		339.0		(0.1)	(0.0%)
Cash position	58.5		48.7		9.8	20.4%
Net Loan to Value	37.0%		38.3%		(1.3) p.p.	n.m.
EPRA Net Initial Yield	4.9%		5.1%		(0.2) p.p.	n.m.
EPRA “topped-up” NIY	5.0%		5.3%		(0.3) p.p.	n.m.
EPRA vacancy rate	8.7%		2.5%		6.2 p.p.	n.m.

(in million Euro)	March 31st, 2021	per share	March 31st, 2020	per share	Δ	Δ%
Rents	10.7		11.1		(0.4)	(3.0%)
NOI	9.7		10.0		(0.3)	(3.3%)
EBITDA	7.3		7.6		(0.3)	(3.2%)
EBIT	7.4		6.5		0.9	13.3%
Recurring FFO	5.6	0.15	6.0	0.17	(0.4)	(7.5%)
Net profit	4.0	0.11	3.3	0.09	0.7	20.4%
EPRA Earnings	4.1	0.11	4.2	0.12	(0.1)	(2.5%)
EPRA costs (including direct vacancy costs)	33.7%		30.7%		3.0 p.p.	n.m.
EPRA costs (excluding direct vacancy costs)	31.7%		29.8%		1.9 p.p.	n.m.
Like for like rental growth [3]	(2.5%)		5.8%		(8.3) p.p.	n.m.
WALT (years)	4.1		5.1		(1.0)	n.m.

NAV IAS/IFRS as of March 31st, 2021 was Euro 449.7 million, an increase in the first three months of 2021 of 1%, compared to December 31st, 2020.

The key factor behind the NAV growth is the EPRA Earnings of the period, amounting to Euro 4.1 million.

[3] The like-for-like rental growth is calculated on the rents recorded in accordance with IFRS 16.

The Group's net profit as of March 31st, 2021 amounted to Euro 4.0 million, as shown in the table below.

(in million Euro)	March 31st, 2021	March 31st, 2020	Δ	Δ%
Rents	10.7	11.1	(0.4)	(3.0%)
Net real estate operating expenses	(1.0)	(1.1)	0.1	(0.8%)
NOI	**9.7**	**10.0**	**(0.3)**	**(3.3%)**
Other revenues	0.0	0.0	0.0	0.0%
G&A	(2.1)	(2.0)	(0.1)	3.5%
Other expenses	(0.2)	(0.1)	(0.1)	>100.0%
Non-recurring general expenses	(0.1)	(0.3)	0.2	(73.9%)
EBITDA	**7.3**	**7.6**	**(0.3)**	**(3.2%)**
Net depreciation	0.0	(0.2)	0.2	>100.0%
Net movement in fair value	0.0	(0.9)	0.9	>100.0%
EBIT	**7.3**	**6.5**	**0.8**	**13.3%**
Financial income	(0.0)	0.2	(0.2)	(99.6%)
Income from investments	(0.0)	(0.0)	(0.0)	n.m.
Financial expenses	(1.9)	(2.0)	0.1	(5.3%)
Profit before taxation	**5.4**	**4.7**	**0.7**	**15.2%**
Income tax	0.0	0.0	0.0	n.m.
Profit	**5.4**	**4.7**	**0.7**	**15.2%**
Minorities	(1.4)	(1.4)	(0.0)	n.m.
Profit for the Group	**4.0**	**3.3**	**(0.7)**	**20.4%**
EPRA Adjustments[4]	0.1	0.9	(0.8)	(85.1%)
EPRA Earnings	**4.1**	**4.2**	**(0.1)**	**(2.5%)**
EPRA Earnings per share	0.11	0.12	(0.01)	(2.5%)
FFO	**5.5**	**5.8**	**(0.3)**	**(5.4%)**
FFO Adjustments[5]	0.1	0.2	(0.1)	(60.8%)
Recurring FFO	5.6	**6.0**	**(0.4)**	**(7.5%)**
Recurring FFO per share	0.15	0.17	(0.02)	(7.5%)

The NOI margin includes rents generated by the real estate portfolio net of operating costs (such as property taxes, *property management* costs, utilities and maintenance costs).
The decrease of Euro 0.3 million compared to March 31st, 2020 is mainly due to the release of Monte Rosa spaces by the tenant PWC, starting from February 1st, 2021.
As of March 31st, 2021 the NOI margin is 89.8% and the current net yield on the portfolio is 4.9%.

The corporate expenses (G&A) include personnel expenses, asset management fees, governance and control function costs as well as consultancy, audit, IT, marketing, communication and other operating expenses.

The other expenses mainly include the change in the *fair value* of the financial instrument, amounting to Euro 0.1 million, and other operating costs amounting to Euro 0.1 million.

[4] Include the adjustment in fair value related to financial instrument.
[5] Include mainly non-recurring costs.

The non-recurring general expenses consists mainly in provisions for risks, commercial consultancy and intermediation (Euro 0.1 million).

Financial expenses mainly refer to existing loan agreements.

The Group earnings per share amounts to Euro 0.11, calculated in accordance with IAS/IFRS, considering the average number of shares outstanding during the period.

The following table summarises the Company's balance sheet including the reclassification of the investment in the Porta Nuova Bonnet fund based on proportional consolidation to obtain the total value of COIMA RES group real estate investments as of March 31st, 2021.

(in million Euro)	March 31st, 2021	December 31st, 2020	Δ	Δ%	March 31st, 2021 Look-Through adjusted
Investment properties	758.8	758.1	0.7	0.1%	834.4
Other assets	1.7	1.7	0.0	0.3%	1.7
Investments accounted for using the equity method	47.1	47.1	(0.0)	(0.1%)	1.4
Total LT assets	**807.6**	**806.9**	**0.7**	**0.1%**	**837.5**
Trade receivables	13.0	13.7	(0.7)	(5.1%)	13.4
Other assets	0.0	1.6	(1.6)	100.0%	0.0
Cash	58.5	48.7	9.8	20.1%	60.2
Total current assets	**71.5**	**64.0**	**7.5**	**11.8%**	**73.6**
Held for sale assets	-	4.3	(4.3)	(100.0%)	-
Total assets	**879.1**	**875.2**	**3.9**	**0.4%**	**911.0**
Debt	338.7	317.0	21.7	6.9%	368.0
Provisions	0.5	0.5	0.0	0.6%	0.5
Other liabilities	3.6	3.7	(0.1)	(3.4%)	3.6
Trade payables	15.4	15.6	(0.2)	(1.1%)	18.1
Current Financial Debt	0.2	22.0	(21.8)	(99.0%)	0.2
Total liabilities	**358.4**	**358.8**	**(0.4)**	**(0.1%)**	**390.3**
Minorities	71.0	71.0	0.0	0.0%	71.0
NAV	**449.7**	**445.5**	**4.2**	**1.0%**	**449.7**
NAV per share	12.45	12.34	0.12	1.0%	12.45
Net Loan to Value	*37.0%*	*38.3%*			*36.9%*

The column called "*look-through adjusted*" includes the investment in the Porta Nuova Bonnet Fund consolidated using the proportional method.

Investment properties, amounting to Euro 758.8 million, includes Euro 211 million related to the real estate complex Vodafone, Euro 193.5 million related to Monte Rosa, Tocqueville and Pavilion, Euro 66.6 million related to Deutsche Bank portfolio, Euro 44.4 million related to Deruta, Euro 82 million related to Gioiaotto, Euro 62.1 million related to Sarca and Euro 99.2 million related to Microsoft property.

The other assets are mainly composed by the derivatives, amounting to Euro 0.1 million and fixed assets, amounting to Euro 1.6 million. In application of IFRS 16, the Group has recorded rights of use under tangible fixed assets amounting to Euro 1.1 million, which mainly represent the right of the Company, as lessee, to use the spaces subject to existing lease agreements at the date of this report.

Investments accounted for using the equity method include the participation in Porta Nuova Bonnet Fund and in the company Co-Investment 2.

Trade receivable, amounting to Euro 13.0 million, relate to: i) the advance invoicing of rents related to 2021 for Euro 5.1 million (Euro 5.4 million as of December 31st, 2020); ii) the accounting effects of the normalization of the rents (recorded in accordance with IFRS 16), amounting to Euro 3.9 million (Euro 4.1 million as of December 31st, 2020); iii) invoices to be issued for Euro 1 million (Euro 1 million as of December 31st, 2020); iv) prepayments and accrued income for Euro 2.0 (Euro 1.6 million as of December 31st, 2020); v) other receivable for Euro 1 million (Euro 1.6 million as of December 31st, 2020).
As for the anticipated invoices related to the second quarter 2021, at the date of this report, Euro 3.5 million have already been collected.

The other current assets show a decrease following the collection of the financial receivable granted to the associated company Co–Investment 2 SCS, amounting to Euro 1.6 million.

As of December 31st, 2020, non-current assets held for sale included the bank branch located in Milan, sold in January 2021 for Euro 4.3 million.

The Company's consolidated net financial debt as of March 31st, 2021 amounts to Euro 281.5 million and decreased of Euro 10 million compared to December 31st, 2020 mainly due to the increase in the cash flow resulting from the disposal of the Deutsche Bank branch located in Milan.

A of March 31st, 2021 the Net Loan To Value (*net LTV*) of the Group is about 37%.

The item *other liabilities* includes: (i) the financial instrument granted to key managers, amounting to Euro 0.9 million (Euro 0.9 million as of December 31st, 2020), (ii) the Interest Rate Swap (*Interests Rate Swap*) amounting to Euro 1.5 million (Euro 1.7 million as of December 31st, 2020), (iii) the financial debt resulting from the application of IFRS 16 amounting to Euro 1.1 million (Euro 1.1 million as of December 31st, 2020), iv) other debts for Euro 0.1 million (zero balance as of December 31st, 2020).

Trade payables include (i) payables and invoices to be received from suppliers for a total amount of Euro 4.1 million (Euro 4.9 million as of December 31st, 2020), (ii) accrued liabilities and deferred income mainly related to the advanced invoicing of rents for Euro 8.1 million (Euro 6.3 million as of December 31st, 2020), (iii) security deposits for Euro 0.8 million (Euro 0.8 million as of December 31st, 2020), (iv) payables to the tax authorities for Euro 0.9 million (Euro 0.3 million as of December 31st, 2020), (v) payables to social security institutions and others for Euro 1.5 million (Euro 3.3 million as of December 31st, 2020).

As of March 31st, 2021 the average maturity of the loans is 2.3 year and the average "all in" cost of debt is about 2.06% (nearly the 80% of the debt is hedged by derivative agreements) [6].

The Group shareholders' equity, amounting to Euro 449.7 million (Euro 12.45 per share), increased by Euro 4.2 million compared to December 31st, 2020 for the profit of the period.

[6] Considering the derivative agreement signed on April 29th, 2021 related to loan of Microsoft property, the average "all in" cost of debt is approx. 2.03% and approx. 85% of the debt is hedged.

PORTFOLIO AS OF MARCH 31st, 2021

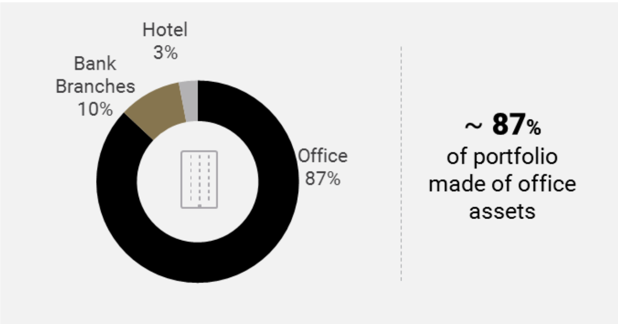
As of March 31st, 2021, the portfolio of COIMA RES amounting to approximately Euro 689.4 million[7].

The overall WALT of the portfolio is approximately 4.1 years and the EPRA net initial yield is 4.9%.
The acquisition plan executed is in line with our investment strategy to develop a portfolio focused on:

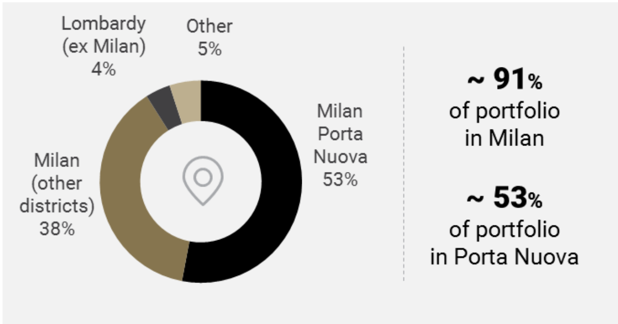
- office use;
- Italy's most attractive markets (Milan ~91%);
- mainly core assets.

Portfolio breakdown as of March 31st, 2021

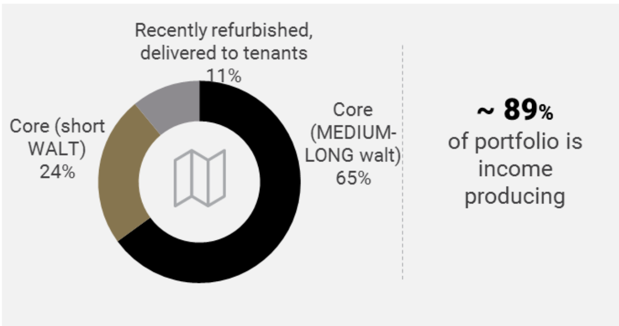
BREAKDOWN BY USE



BREAKDOWN BY LOCATION



BREAKDOWN BY PROFILE



Note: Breakdown of Gross Asset Value on a pro-quota basis

Evolution on annual gross initial rents

Gross rents decreased by 3% mainly due to the release of Monte Rosa spaces by PWC tenant.
On a like for like basis, gross rents increased by 2.5% compared to the previous period.

[7] On pro-quota bases.

Main figures of real estate portfolio as of March 31st, 2021.

	MILAN PORTA NUOVA					MILAN OTHER DISTRICTS					
Data as of March 31st, 2021	MICROSOFT	CORSO COMO PLACE	PAVILION	GIOIAOTTO	TOCQUE-VILLE	VODAFONE COMPLEX	MONTE ROSA	SARCA	DERUTA	DEUTSCHE BANK	TOTAL
Location	Milan Porta Nuova	Milan Porta Nuova	Milan Porta Nuova	Milan Porta Nuova	Milan Porta Nuova	Milan Lorenteggio	Milan CityLife	Milan Bicocca	Milan Lambrate	North & Centre of Italy	-
End use	Office	Office, Retail	Office	Office, Hotel	Office	Office	Office	Office	Office	Bank Branches	-
Strategy	Core	Value-add	Core	Core	Core + / Value-add	Core	Core + / Value-add	Core	Core +	Core	-
Ownership (pro-quota)	83.5%	35.7%	100.0%	88.2%	100.0%	50.0%	100.0%	78.3%	100.0%	100.0%	-
Gross Asset Value (100% of asset)	**€99.3m**	**€211.7m**	**€72.7m**	**€82.0m**	**€59.5m**	**€211.0m**	**€61.2m**	**€62.1m**	**€44.4m**	**€66.6m**	
Gross Asset Value (pro-quota)	**€82.9m**	**€75.6m**	**€72.7m**	**€72.3m**	**€59.5m**	**€105.5m**	**€61.2m**	**€48.6m**	**€44.4m**	**€66.6m**	**€689.4m**
WALT (years)	2.9	n.m.	6.8	4.6	1.1	5.8	5.5	4.9	1.0	6.0	4.1
EPRA vacancy rate	7%	n.m.	zero	zero	zero	zero	58%	zero	zero	5%	8.7%
EPRA net initial yield	4.0%	n.m.	4.6%	4.7%	5.2%	6.2%	1.9%	5.8%	7.5%	4.8%	4.9%
EPRA topped-up net initial yield	4.0%	n.m.	4.6%	4.9%	5.2%	6.2%	1.9%	5.8%	7.5%	5.4%	5.0%

SIGNIFICANT EVENTS OF THE PERIOD

Annual General Meeting and Dividend

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

Loans

Microsoft: During February 2021, an agreement with Intesa Sanpaolo has been signed related to the extension and modification of the loan of Microsoft headquarter, amounting to Euro 22.0 million. 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 of c. 15 basis points. In addition, the amended agreement provides the possibility to increase the total amount of the financing provided by Intesa Sanpaolo, with the same economic conditions, to a maximum of Euro 49.5 million.

Real estate portfolio overview

As of March 31st, 2021, 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 689.4 million (on a pro-quota basis), 91% of which is in Milan, 53% in Milan Porta Nuova and 87% is for office use. The portfolio of the Company has a high sustainability profile as approximately 66% of the portfolio is LEED certified. The portfolio of tenants of COIMA RES is mostly comprised by mid to large sized multinational corporations: the list of the ten largest tenants (representing the 84% of the stabilized rent roll on pro-quota basis) includes Vodafone, Deutsche Bank, BNP Paribas, Microsoft, IBM, Sisal, Accenture, Techint, NH Hotel and Philips.

Disposals

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

Development

Corso Como Place: The project was completed during the fourth quarter 2020, substantially in line with the overall budget, and it has been delivered to Accenture and Bending Spoons in January 2021. As reminder, during 2019, Accenture and Bending Spoons signed a preliminary leasing agreement for the entire office portion of the project (A and C buildings) which represents 95% of the developed surfaces.

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 how the health crisis evolves but also on the choices of 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 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.

SUBSEQUENT EVENTS

As of April 6th, 2021 a new lease agreement was signed for ground floor retail in the Microsoft property (about 400 sqm), previously occupied by Microsoft.
The new agreement has a duration of nine years (with eight months of free rents) with an annual rent, for the first two years, amounting to Euro 200 thousand and, for the following years, amounting to Euro 280 thousand.

On April 29th, 2021 Feltrinelli Porta Volta Fund executed a derivative hedging agreement on the 6-month Euribor rate in the technical form of an Interest Rate Cap, with a strike of 0 bps. The hedging transaction refers to the loan agreement for Microsoft property, renegotiated in February 2021.

ITALY: ECONOMIC AND REAL ESTATE MARKET CONDITIONS

In Italy, the first quarter of 2021 was characterized by the continuation of the COVID-19 pandemic, the launch of the vaccination campaign and the establishment of the government led by Mario Draghi (former President of the European Central Bank). The two priorities of the Draghi Government are on the one hand the acceleration of the vaccination campaign aimed at rapidly achieving the so-called herd immunity and allowing the reopening of all economic and social activities with a higher level of safety and on the other hand the finalization of the investment plan mainly related to the sizeable resources made available by Europe in the context of the Next Generation EU plan.

The perception of Italy risk by the financial markets was relatively benign during the first quarter of 2021 with a 10-year BPT / Bund spread that remained on average around a level of around 100 basis points (compared to an average of 160 bps during 2020). The latest estimates published in April 2021 by the International Monetary Fund foresee an economic recovery in Italy for the next few years, with an expected growth of the gross domestic product (Real GDP) equal to 4.2% for 2021 and equal to 3.6% for 2022.

In line with the evolution of the macroeconomic situation, the Italian real estate market saw, in the first quarter of 2021, a slowdown with investment volumes equal to Euro 1.4 billion, down by 26% compared to the first quarter of 2020 (a period which did not yet reflect the effects of the pandemic, in its initial phase at that time), volumes were concentrated for 36% on the city of Milan and 24% on the office segment.

The office segment in Milan recorded investment volumes of Euro 260 million in the first quarter of 2021, down by 24% compared to the first quarter of 2020. The prime yield for the office segment in Milan remained stable at 3.1% compared to at the end of 2020. The level of take up by tenants for the office segment in Milan in the first quarter of 2021 stood at 68,000 sqm (68% related to Grade A properties), down by 31% compared to the first quarter of 2020.

The most active markets on the letting side remain the CBD and Porta Nuova which in aggregate represent 57% of the take up in the first quarter of 2021. The vacancy level increased in the first quarter of 2021 to 10.7% compared to 9.8% at the end of 2020 (an increase of 90 basis points) due to the delivery of some speculative projects as well as some releases by tenants. Prime rent for office properties in Milan remains stable at Euro 600 / sqm compared to the end of 2020.

CONSOLIDATED INCOME STATEMENT

(in thousands Euro)	Notes	March 31st, 2021	*of which related parties*	March 31st, 2020	*of which related parties*
Income statements					
Rents	1	10,745	-	11,080	-
Net real estate operating expenses	2	(1,093)	(209)	(1,201)	(182)
Net rents		**9,652**	**(209)**	**9,879**	**(182)**
Income / (loss) from disposals		-	-	-	-
Costs of sales		-	-	-	-
Net revenues from disposal		-	-	-	-
G&A expenses	3	(2,158)	(1,358)	(2,075)	(1,358)
Other operating expenses	4	(152)	(61)	(220)	-
Gross operating income		**7,342**	**(1,628)**	**7,584**	**(1,540)**
Net depreciation		19	(20)	(187)	(20)
Net movement in fair value		-	-	(900)	-
Net operating income		**7,361**	**(1,648)**	**6,497**	**(1,560)**
Net income attributable to non-controlling interests	8	(43)	-	(21)	-
Financial income	5	1	-	241	-
Financial expenses	5	(1,938)	(2)	(2,047)	(2)
Profit before tax		**5,381**	**(1,650)**	**4,670**	**(1,562)**
Income tax		-	-	-	-
Profit after tax		**5,381**	**(1,650)**	**4,670**	**(1,562)**
Minorities		(1,418)	-	(1,378)	-
Profit for the Group		**3,963**	**(1,650)**	**3,292**	**(1,562)**

NOTES TO CONSOLIDATED INCOME STATEMENTES

Below are the main items that have most significantly affected the Group profit as of March 31st, 2021.

1. Rents

The rents amount to Euro 10,745 thousand and include the rents accrued on the real estate portfolio.

(in thousands Euro)	Investments	March 31st, 2021	March 31st, 2020
COIMA RES SIIQ	Monte Rosa	699	904
	Tocqueville	715	713
	Pavilion	816	816
COIMA CORE FUND IV	Deutsche Bank branches	931	1,041
COIMA CORE FUND VI	Gioiaotto	1,025	1,037
COIMA RES SIINQ I	Deruta	910	908
COIMA CORE FUND VIII	Vodafone	3,538	3,533
COIMA OPPORTUNITY FUND I	Sarca	1,007	988
FELTRINELLI PORTA VOLTA	Microsoft	1,104	1,140
Rents		**10,745**	**11,080**

The decrease of Euro 335 thousand compared to March 31st, 2020 is mainly due to the release of spaces in Monte Rosa by PWC during the first quarter 2021 and the sale of bank branches finalized during the second half-year 2020.

2. Net real estate operating expenses

Net real estate operating expenses amount to Euro 1,093 thousand as of March 31st, 2021. The breakdown of the figure is detailed below:

(in thousands Euro)	Vodafone Complex *	Tocqueville Monte Rosa Pavilion	Deutsche Bank branches	Gioiaotto Sarca Microsoft	Deruta	March 31st, 2021	March 31st, 2020
Recovery of costs from tenants	615	288	5	497	4	1,409	1,344
Property management fee	(78)	(30)	(10)	(51)	(9)	(179)	(181)
Maintenance charges	(218)	(207)	(11)	(225)	(12)	(673)	(646)
Utilities	(327)	(90)	(1)	(175)	-	(593)	(508)
Insurance	(24)	(15)	(10)	(27)	(6)	(82)	(86)
Property taxes	(185)	(212)	(149)	(235)	(62)	(843)	(842)
Stamp duties	(35)	(26)	(10)	(28)	(9)	(108)	(158)
Other real estate costs	(1)	(21)	-	(3)	-	(25)	(124)
Net real estate expenses	**(253)**	**(313)**	**(186)**	**(247)**	**(94)**	**(1,093)**	**(1,201)**

* Include Lorenteggio Village Consortium

The item *recovery of costs from tenants* concerns the re-charge to the tenants of the ordinary management costs of the properties.

Property management fee mainly concerns the ordinary administrative and maintenance management of properties.

Maintenance and service charges concern the expenses incurred for the maintenance of the properties (lifts, systems, office cleaning) and for the upkeep of the green spaces outside the properties.

The item *utilities* refer to the cost of providing electricity, water and gas for the properties.

The item *insurances* refer to the all-risk policies signed by the Company and Funds to protect the asset value and ownership of the properties.

Other real estate costs mainly include the fees for the occupation of public areas and other expenses related to the operation of the properties.

3. General and administration expenses

General and administration expenses amount to Euro 2,158 thousand as of March 31st, 2021. The detailed summary table is attached below:

(in thousands Euro)	COIMA RES	CORE IV SIINQ I	CORE VI COF I FPV	CORE VIII	Others	March 31st, 2021	March 31st, 2020
Asset management fee	(258)	(57)	(484)	(264)	-	(1,063)	(1,053)
Personnel costs	(443)	-	-	-	-	(443)	(428)
Consulting costs	(116)	(52)	(64)	(7)	(12)	(251)	(196)
Control functions	(83)	(8)	(4)	-	-	(95)	(91)
Audit	(51)	(12)	(17)	(7)	(2)	(89)	(74)
Marketing	(64)	-	-	-	-	(64)	(65)
IT service	(48)	-	-	-	-	(48)	(41)
Independent appraisers	(7)	(9)	(9)	(3)	-	(28)	(37)
Other operating expenses	(74)	-	-	(1)	(2)	(77)	(90)
G&A expenses	**(1,144)**	**(138)**	**(578)**	**(282)**	**(16)**	**(2,158)**	**(2,075)**

Asset management fee mainly relates to the agreement signed between the Company and COIMA SGR for the *scouting* of investment transactions and the management of the real estate portfolio as well as other ancillary activities provided for in the *asset management* agreement.
These fees are calculated quarterly on the Net Asset Value (NAV) recorded by the company in the previous three months, net of the commissions already paid by the funds included in the consolidation perimeter.

Personnel costs, amounting to Euro 443 thousand, include:

- wages, salaries and similar expenses, amounting to Euro 200 thousand, related to wages for the Company's employees;
- contributions, amounting to Euro 42 thousand, paid by the Company to social security funds;
- other personnel costs, amounting to Euro 201 thousand, which mainly include the Board of Directors' remuneration.

Consulting costs relate mainly to support provided by consultants for ordinary management of the Company, in details:

- legal, tax and notarial consulting for corporate services*;*
- brokerage commissions
- technical consulting on real estate properties.

The *control functions* costs are mainly related to the Board of Statutory Auditors, amounting to Euro 31 thousand, risk management, amounting to Euro 15 thousand, and other control functions, amounting to Euro 49 thousand.

Marketing expenses relate mainly to costs for digital and media relations (Euro 27 thousand) and for the maintenance of the digital platform (Euro 36 thousand).

IT service costs refer to technical assistance and IT management expenses.

The expenses related to the *independent appraisers* relate to the agreement in place with CBRE Valuation, AXIA RE, Duff & Phelps REAG and Praxi for the preparation of the evaluation reports on properties.

Other expenses mainly include expenses related to the management of the Company's headquarter and other structure costs (insurances, membership fees, Borsa Italiana and Monte Titoli's services, CONSOB contribution).

4. Other operating expenses

This item, amounting to Euro 152 thousand (Euro 220 thousand as of March 31st, 2020), mainly includes corporate taxes and fees, contingent liabilities and other operating costs. The amount also includes the change in fair value of the financial instrument given to the key managers of the Company, which shows an increase of Euro 61 thousand compared to December 31st, 2020.

5. Financial income and expenses

The item financial income, amounting to Euro 1 thousand (Euro 241 thousand as of March 31st, 2020), mainly includes exchange gains and interest income on the cash liquidity.

The item *financial expenses*, amounting to Euro 1,938 thousand (Euro 2,047 thousand as of March 31st, 2020), mainly include interests accrued on existing bank borrowings. The decrease of Euro 109 thousand compared to the first quarter of 2020 is mainly linked to partial loan reimbursements made during 2020.

CONSOLIDATED BALANCE SHEET

(in thousands Euro)	Notes	March 31st, 2021	*of which related parties*	December 31st, 2020	*of which related parties*
Assets					
Real estate investments	6	756,077	-	755,382	-
Other tangible assets	7	1,331	670	1,381	690
Intangible assets	7	273	-	257	-
Investments accounted for using the equity method	8	47,098	-	47,131	-
Non-current deferred tax assets		20	-	20	-
Derivative financial instruments	9	80	-	40	-
Total non-current assets		**804,879**	**670**	**804,211**	**690**
Inventories	10	2,707	-	2,707	-
Current financial receivables		-	-	1,620	1,620
Trade and other current receivables	11	13,032	144	13,710	279
Cash and cash equivalents	12	58,515	-	48,653	-
Total current assets		**74,254**	**144**	**66,690**	**1,899**
Non-current assets held for sale	6	-	-	4,300	-
Total assets		**879,133**	**814**	**875,201**	**2,589**
Liabilities					
Capital stock		14,482	-	14,482	-
Share premium reserve		336,273	-	336,273	-
Valuation reserve		(1,257)	-	(1,428)	-
Interim dividend		(3,611)	-	(3,611)	-
Other reserves		99,847	-	84,111	-
Profit / (loss) for the period		3,963	-	15,627	-
Total Group shareholders' equity	**13**	**449,697**	**-**	**445,454**	**-**
Minorities		**71,001**	**-**	**70,968**	**-**
Shareholders' equity		**520,698**	**-**	**516,422**	**-**
Non-current bank borrowings	14	338,700	-	316,973	-
Non-current financial liabilities	15	1,099	685	1,140	704
Payables for post-employment benefits		112	-	100	-
Provisions for risks and charges	16	382	382	391	391
Derivatives	17	1,510	-	1,663	-
Trade payables and other non-current liabilities	18	1,768	937	1,707	876
Total non-current liabilities		**343,571**	**2,004**	**321,974**	**1,971**
Current bank borrowings	14	218	-	22,017	-
Trade payables and other current liabilities	18	14,610	1,894	14,757	2,386
Current tax payables		36	-	31	-
Total current liabilities		**14,864**	**1,894**	**36,805**	**2,386**
Total liabilities		**358,435**	**3,898**	**358,779**	**4,357**
Total liabilities and shareholders' equity		**879,133**	**3,898**	**875,201**	**4,357**

NOTES TO THE CONSOLIDATED BALANCE SHEET

The following are the main items on the consolidated balance sheet which explain the performance of the Group's activities.

6. Real estate investments

Property investments as of March 31st, 2021 are detailed as follows:

(in thousands Euro)	Investments	December 31st, 2020	Capex	March 31st, 2021
COIMA RES SIIQ	Monte Rosa	60,600	639	61,239
	Tocqueville	59,500	-	59,500
	Pavilion	72,700	33	72,733
COIMA CORE FUND IV	DB branches	63,872	-	63,872
COIMA CORE FUND VI	Gioiaotto	82,000	-	82,000
COIMA RES SIINQ I	Deruta	44,400	-	44,400
COIMA CORE FUND VIII	Vodafone	211,000	-	211,000
COIMA OPPORTUNITY FUND I	Sarca	62,070	-	62,070
FELTRINELLI PORTA VOLTA	Microsoft	99,240	23	99,263
Real estate investments		**755,382**	**695**	**756,077**

Preparing the interim financial statements and, considering any economic and financial impacts following the crisis of the COVID-19 epidemic, the Company carried out an analysis on the presence of any signs of impairment on the value of the properties as of March 31st, 2021 compared to the value derived from the latest appraisals prepared by independent experts as of December 31st, 2020.

With reference to March 31st, 2021, independent experts did not detect significant changes in value in the portfolio, which remains substantially unchanged compared to the trends observed in December 2020.
The next revaluation of the entire portfolio is scheduled to June 30th, 2021 for the half-yearly financial statements.

The increase in Monte Rosa, amounting to Euro 639 thousand, relates to the works carried out in the first quarter of 2021 for the redevelopment of the property.

The item *non-current assets held for sale* shows a decrease of Euro 4,300 thousand following the sale of the Milan bank branch finished in January 2021.

7. Other tangible assets and intangible assets

Other tangible assets, amounting to Euro 1,331 thousand (Euro 1,381 thousand as of December 31st, 2020), mainly include the right to use the spaces leased by the Group for the entire duration of the agreement, the furniture and fixtures related to the Company's headquarter.
As of today, the Group has three lease agreement in place, the right of use of which, net of depreciation for the period, amounts to Euro 1,077 thousand (Euro 1,123 thousand as of December 31st, 2020).

Intangible assets, amounting to Euro 273 thousand (Euro 257 thousand as of December 31st, 2020), refer to (administrative and accounting) software in implementation. This increased by Euro 16 thousand compared to last year due to the development of implementation activities carried out during the period, net of depreciation for the period.

8. Investments accounted for using the equity method

The item, amounting to Euro 47,098 thousand (Euro 47,131 thousand as of December 31st, 2020), include the equity investment in Porta Nuova Bonnet Fund amounting to Euro 45,691 thousand and the equity investment in Co – Investment 2 SCS, owned indirectly through MHREC Sàrl, amounting to Euro 1,407 thousand.

The decrease of Euro 33 thousand compared to the previous year is mainly related to the results of this period, amounting to Euro 43 thousand, net of change in reserves relating to the hedging derivative.

9. Derivatives

The derivative instruments amounting to Euro 80 thousand (Euro 40 thousand as of December 31st, 2020), decreased to Euro 40 thousand compared to the previous year due to the change in the fair value of CAP derivative contracts related to the Vodafone loan and to the amortization of the premium paid. The Company has recorded the financial instruments based on the hedge accounting, verifying the effectiveness of the hedging relation.

10. Inventories

Inventories, amounting to Euro 2,707 thousand (Euro 2,707 thousand as of December 31st, 2020), include the remaining properties of the Deutsche Bank portfolio actually not leased.

11. Trade and other current receivables

Trade and other receivables, amounting to Euro 13,032 thousand (Euro 13,710 thousand as of December 31st, 2020), include:

- rental receivables amounting to Euro 10,525 thousand;
- payments and accrued income amounting to Euro 1,956 thousand;
- deposits, advance and other receivables amounting to Euro 551 thousand.

Receivables from tenants are mainly referred to the advance invoicing of rents related to the first quarter of 2021, amounting to Euro 5,107 thousand.
The remaining part of the receivables from tenants includes the effects of the normalization of rents (accounted in line with the accounting standard IFRS 16) amounting to Euro 3,880 thousand, invoices to be invoiced amounting to Euro 927 thousand and other outstanding receivables amounting to Euro 611 thousand.
As of March 31st, 2021 trade receivables are shown net of write-downs relating to uncollectible amounts or collections that are deemed unrealizable.

12. Cash and cash equivalents

The Company's cash and cash equivalents, amounting to Euro 58,515 thousand (Euro 48,653 thousand as of December 31st, 2020), include the available cash of the parent company and the subsidiaries. For more details related to these movements, please refer to the cash flow statement.

13. Shareholders' equity

As of March 31st, 2021, the net equity of the Company amounts to Euro 449,697 thousand (Euro 445,454 thousand as of December 31st, 2020).
Share capital, amounting to Euro 14,482 thousand, is represented by no. 36,106,558 shares with no nominal value.
Reserves include:

- share premium reserve for Euro 336,273 thousand;
- legal reserve for Euro 2,896 thousand;
- negative cash flow hedge reserve for Euro 1,257 thousand;
- other reserves for Euro 96,951 thousand;
- interim dividend for Euro 3,611 thousand.

14. Bank borrowings

Bank borrowings mainly include the financial loans contracted by the Company and by the controlled entities, whose movement is show below.

(in thousands Euro)	December 31st, 2020	Amortised costs/other movements	Reclassifications	March 31st, 2021
COIMA RES SIIQ	97,958	89	-	98,047
COIMA CORE FUND VI	47,831	47	-	47,878
COIMA RES SIINQ I	19,927	18	-	19,945
COIMA CORE FUND VIII	126,249	110	-	126,359
COIMA OPPORTUNITY FUND I	25,008	(2)	-	25,006
FELTRINELLI PORTA VOLTA	-	(526)	21,991	21,465
Non-current bank borrowings	**316,973**	**(264)**	**21,991**	**338,700**
COIMA RES SIIQ	-	90	-	90
COIMA CORE FUND VIII	14	(8)	-	6
COIMA OPPORTUNITY FUND I	-	1	-	1
FELTRINELLI PORTA VOLTA	22,003	109	(21,991)	121
Current bank borrowings	**22,017**	**192**	**(21,991)**	**218**
Bank borrowings	**338,990**	**(72)**	**-**	**338,918**

Feltrinelli Porta Volta financing has been reclassified from current to "non-current bank liability" following the extension and the modification of the loan agreement, signed during February 2021.

15. Non-current financial liabilities

This item, amounting to Euro 1,099 thousand (Euro 1,140 thousand as of December 31st, 2020) includes the financial payables recorded against the payment of the lease payments relating to the existing lease agreements, in accordance with IFRS 16. This liability is equal to the present value of future cash flows expected for the duration of the contract.

16. Provisions for risks and charges

This amount, amounting to Euro 382 thousand (Euro 391 thousand as of December 31st, 2020), refers to the accrual payment to cover the risks relating to the contracts in place with the CEO.

17. Derivatives

The derivative financial instruments classified in liabilities, amounting to Euro 1,510 thousand (Euro 1,663 thousand as of December 31st, 2020), show a decrease of Euro 153 thousand compared to the previous year due exclusively to the change in the fair value refer to Interest Rate Swaps, subscribed to hedge the cash flows related to Monte Rosa, Tocqueville and Pavilion loans.

18. Trade payables and other liabilities

Other non-current liabilities, amounting to Euro 1,768 thousand (Euro 1,707 thousand as of December 31st, 2020), include:

- Euro 937 thousand related to the fair value of the financial instruments granted to the CEO and key managers;
- Euro 831 thousand related to cash deposits received from tenants.

The trade payables and other current liabilities, amounting to Euro 14,610 thousand (Euro 14,757 thousand as of December 31st, 2020) mainly include:

- trade payables to suppliers and invoices to be received amounting to Euro 4,067 thousand;
- accruals and deferred income amounting to Euro 8,060 thousand;
- trade payables to tax authorities amounting to Euro 919 thousand;
- security previsions, personnel liabilities and other payables of Euro 1,564 thousand.

Deferred income mainly relates to the advance invoicing of lease payments for the second quarter of 2021.

CONSOLIDATED CASH FLOW STATEMENT

(in thousands Euro)	March 31st, 2021	March 31st, 2020
Profit for the period before tax	5,381	4,670
Adjustments to reconcile the profit to net cash flow:		
Net depreciation	23	144
Severance pays	24	30
Net movement in fair value property	-	900
Net income attributable to non-controlling interests	43	21
Financial income	-	-
Financial expenses	585	404
Income taxes	61	-
Changes in working capital:		
(Increase) / decrease in trade and other current receivables	677	(121)
(Increase) / decrease in deferred tax assets	-	(4)
Increase / (decrease) in trade payables and other current liabilities	(149)	(1,559)
Increase / (decrease) in tax payables	5	4
Increase / (decrease) in trade payables and other non-current liabilities	-	26
Net cash flows generated (absorbed) from operating activities	**6,650**	**4,515**
Investment activities		
(Acquisition) / disposal of real estate properties	3,605	12,691
(Acquisition) / disposal of other tangible and intangible assets	(32)	(52)
(Increase) / decrease in financial assets	1,620	612
Purchase of associated companies	-	(829)
Net cash flow generated (absorbed) from investment activities	**5,193**	**12,422**
Financing activities		
Shareholders' contribution / (dividends paid)	-	-
Dividends paid to minorities	(1,431)	(1,000)
(Acquisition) / closing of derivatives	-	-
Increase / (decrease) in bank borrowings and other non-current lenders	(550)	-
Repayment of borrowings	-	-
Net cash flows generated (absorbed) from financing activities	**(1,981)**	**(1,000)**
Net increase / (decrease) in cash and cash equivalents	9,862	15,937
Cash and cash equivalents at the beginning of the period	48,653	42,693
Cash and cash equivalents at the end of the period	**58,515**	**58,630**

RISKS, GUARANTEES AND COMMITMENTS

Risks

The table below summarizes the main risks and the mitigating measures of the Company:

	Risks	COIMA RES mitigation
1	**Market risk** - the risk of losses related to the fluctuation in the prices of properties in the portfolio or in rental values resulting from adverse changes of macroeconomic variables, the local and international political context, the property market, the specific characteristics of the properties owned by the Company and/or structural changes in tenant habits. This risk also includes the effects resulting from properties in the portfolio that are vacant (vacancy risk) and potential losses associated with investment in "value-added" projects, in particular relating to restructuring or refurbishment works of certain real estate projects.	The Company's investment strategy is focused on high-quality assets (real estate or fund units) in large urban areas, specifically in Milan, which have demonstrated high income capacities and good resilience during negative market cycles, partly due to a less volatile level of demand compared with smaller assets located in secondary cities. Regarding vacancy risk, the Company deals with long-term rental agreements with adequate protection clauses. Tenant-specific asset management initiatives are designed in order to understand the situation and needs of each tenant, and to identify and address potential problems proactively. Considering the health emergency resulting from the spread of the Covid-19, the Company carefully assesses and monitors the impacts on property values by conducting targeted stress tests, with particular reference to the most exposed tourist-accommodation and retail assets, which however, they constitute a very limited portion of the Company's portfolio. Based on the results of the analyses, also taking into account assessments of the possible evolutions of the use of spaces as a result of the so-called “Smart-working”, the Company adapts, where appropriate, the management and enhancement strategies of the properties to contain the impacts and mitigate the risk.
2	**Credit and counterparty risk** - the risk of losses resulting from the non-compliance of counterparties due to the deterioration of their creditworthiness, with them defaulting in extreme cases with reference to: - tenants; - counterparties in real estate development operations (manufacturer, operator); - counterparties in real estate transactions.	During the *on-boarding* phase, the Company analyses and continuously monitors the risks of non-compliance of *tenants* and other significant counterparties (e.g. solvency and creditworthiness analyses, analysis of the financial situation, references, prejudicial and negative information, etc.), also resorting to external databases. In this regard, the Company’s investment strategy favours reputable and well-capitalized counterparties and those belonging to large international groups. Considering the aforementioned high profile of tenants and the limited volume of fees from tourist-accommodation and retail assets most exposed to the impacts of the Covid-19 emergency (6% of the total), the credit risk is contained and, in any case, subject to careful analysis and monitoring. This is in order to prepare, where necessary, timely actions to protect and mitigate the risk of default, considering existing contractual safeguards.
3	**Concentration risk** - the risk resulting from properties leased to individual counterparties or groups of legally connected counterparties, counterparties from the same economic sector or which carry out the same activity or are located in the same geographical area.	The Company analyses and monitors this risk regularly and has also defined the limits in its Articles of Association with regard to concentration of individual properties/tenants. The Company’s strategy involves increasing the number of tenants and the number of industrial sectors in which our tenants are active, in order to mitigate the risks associated with excessive concentration.
4	**Interest rate risk** - the risk related to adverse changes in the rate curve that change the current value of assets, liabilities and their net value (ALM), and cash flows (assets and liabilities) based on changes in interest expense (assets and liabilities).	The Company purchases hedging instruments or otherwise contractually fixes an adequate amount of its floating rate exposure in order to reduce the impact of adverse changes in interest rates.
5	**Liquidity risk** - the risk of not being able to meet one's payment obligations due to: - the inability to obtain funds in the market and generate adequate operating cash flows (i.e., “funding liquidity risk”); - the inability to monetise one's assets (i.e., “market liquidity risk”).	The Company continuously monitors the level of its liquidity based on detailed cash-flow analyses and projections as well as through cash flow and ALM risk management activities, utilizing among other tools scenario analyses and stress tests. From the perspective of optimising the financial and capital structure, the Company's objective is to achieve a stabilized leverage of less than 40% (LTV) in the medium term.

		As part of the impact analyses of the Covid-19 emergency, the Company conducts stress tests to assess the full compliance with the financial covenants, and the ability to meet current financial commitments and those deriving from the expected capex plans. Based on the results of the sensitivity analysis, the Company prepares, where appropriate, interventions to optimize and strengthen the financial structure.
6	**Other financial risks** - other financial risks not associated with real estate assets such as, for example, counterparty risks and/or other market risks on any financial instruments in the portfolio.	The strategy currently adopted by the Company involves a limited investment in assets other than real estate assets except for treasury bills and instruments needed to hedge interest rate risk; this also takes into account statutory restrictions related to the SIIQ status to which we are subject. Exposure to any financial risks, not connected with real estate assets, is subject to periodic monitoring and is also mitigated through our use of reputable and well-capitalized banking counterparties.
7	**Operating risk** - the risk of suffering losses resulting from the inadequacy or malfunction of procedures and internal systems or external events. This risk includes the risk of outsourcing, i.e. the operating losses arising from the performance of the outsourced activities.	Operating risks are addressed by adopting adequate internal procedures and the structuring of the internal control system on three levels: - Level One: Scheduled checks carried out by the business units and staff functions; - Level Two: Checks carried out by the Legal, Compliance and Risk Management functions; - Level Three: Checks carried out by the internal audit function based on the Audit Plan. In order to contain the operational impacts of the Covid-19 emergency, the Company has prepared timely interventions to ensure the safety of personnel and work environments, prepare the carrying out of activities in smart-working and raise awareness among staff on the safety measures and social distancing even outside the workplace. These interventions are aimed at limiting the risks of contagion without compromising the efficiency and effectiveness of the activities since the entry into force of the first restrictive containment measures (March 2020). Accurate protocols to prevent the risk of infection were introduced in the buildings managed by the Company and in the work sites, in compliance with current legislation, and interventions to implement the requests of the tenants and adapt, where appropriate and permitted, the policies property insurance.
8	**Legal and compliance risk** - the risk of changes in performance due to changes in the legislative framework or violations of the regulations to which the Company is subject.	The Company continuously monitors the risk of non-compliance with current legislation and compliance requirements. Our compliance checks include *asset* and *profit tests* to ensure that legal requirements, necessary to maintain the SIIQ status are met now and, in the future, as indicated in the Articles of Association.
9	**Reputational risk** - the current or future risk of a fall in profits or capital, resulting from a negative perception of the Company's image by customers, counterparties, shareholders, investors, internal resources or the Regulatory Authorities. These risks also refer to potential value losses for shareholders deriving from inadequate management and control of environmental, social and governance standards (so-called "ESG factors") connected to the activities carried out by the Company.	Reputational risk, like operating risk, is mitigated by adopting an adequate organizational and control structure, consistent with international best-practices. We also mitigate reputational risk by putting in place stringent and specific procedures such as supervising external communication, overseeing interaction with stakeholders (e.g. governmental authorities) and monitoring contact with investors (e.g. complaint management). The Company pays particular attention to full and continuous compliance with the ESG Standards and considers sustainability as an integral part of its business by aiming to create a high-quality real estate asset, with sustainable long-term growth, preferring properties with potential for appreciation in the time. In this context, during 2017, the Company contributed to the creation of a "Think Tank" in collaboration with 5 of the most important listed real estate companies operating in Europe, whose activities are concentrated on the discussion of issues related to sustainability and innovation. The environmental performance of the asset portfolio, and the social and governance performance of the Company are subject to stable monitoring and adequate disclosure to stakeholders.
10	**Strategic risk** - Pure risk and business risk; this consists of the current or prospective risk of a fall in profits or capital, resulting from changes in the operating environment or from incorrect corporate decisions, inadequate implementation of decisions, poor reaction to changes in the competitive environment, customer behaviour or technological developments.	In addition to a comprehensive strategic planning and evaluation process for analysis of investments, strategic risk is mitigated by the high level of experience and professionalism of Company management, with regard to the real estate market, operational/financial management, and internal controls. To support the strategic planning process, the Company uses, among other things, market analysis to monitor the evolution of the demand for office space and identify the factors affecting its performance. This is also in consideration of the effects of the use of smart working because of the ongoing pandemic

The risk model used by the Company mainly includes these five following Risk factors:

- Counterparty Risk: mainly quantifies the solvency of the subjects with which the Group has relations. Typically: contractors, credit institutions and insurance companies;
- Liquidity Risk: analyses the impact of a negative change in some variables on the expected return (IRR to equity) and on other parameters defined for the Group in the Business Plan (cash availability and management of financial covenants);
- Credit Risk: deals with quantifying the risk that tenants and investors will not be able to honour the commitments undertaken towards the Group;
- Market Risk: evaluates the performance of some real estate and financial metrics;
- Operational Risk: analyses the exposure to operational risks in the ordinary and extraordinary management of the investment.

Guarantees and commitments

Regarding bank loans taken on by COIMA RES, the Company has agreed with the lending banks on the following *security package*.

As for the loan related to Deutsche Bank portfolio:

- first mortgage of Euro 298,550 thousand;
- pledge on the COIMA CORE FUND IV units;
- pledge on operating bank accounts linked to the loan agreement.

As for the loan related to Monte Rosa and Tocqueville:

- first mortgage of Euro 140,000 thousand;
- pledge on the COIMA CORE FUND IV units;
- pledge on operating bank accounts linked to the loan agreement;
- disposal of receivables related to rents, insurance claims and any other receivables arising from disputes against consultants engaged for the *due diligence* on the property.

As for the loan related to Pavilion:

- first mortgage of Euro 63,000 thousand;
- pledge on operating bank accounts linked to the loan agreement;
- disposal of receivables related to rents, insurance claims and any other receivables arising from disputes against consultants engaged for the *due diligence* on the property.

Regarding the loan of our 100% owned subsidiary COIMA RES SIINQ I, the Company has agreed with the lending banks on the following *security package*:

- first mortgage of Euro 40,000 thousand;
- pledge on the subsidiary shares;
- pledge on operating bank accounts linked to the loan agreement, excluding the ordinary account;
- disposal of receivables related to Deruta rents, insurance claims and any other receivables arising from disputes against consultants engaged for the *due diligence* on the property.

Following the stipulation of the financing of the existing properties COIMA CORE FUND VI, has granted the following guarantees to banks:

- first mortgage of Euro 156,000 thousand;
- pledge on bank accounts held at BFF Bank;
- disposal of receivables, in favour of the financing bank, related to rents, insurance contracts and warranties issued to the fund, to guarantee the proper fulfilment of obligations of tenants.

In addition to this, COIMA CORE FUND VI has contributed to the modernization and redevelopment of the Gioiaotto property made by the NH Hotel tenant for a total amount of Euro 1,400 thousand, of which Euro 1,260 thousand already paid.

Regarding the participation in COIMA OPPORTUNITY FUND I, COIMA CORE FUND VI has residual capital payment commitments amounting to Euro 17,4 million.

For the loan relating to the Vodafone building held through COIMA CORE FUND VIII:

- first degree mortgage for Euro 255,600 thousand;
- ledge on operating current accounts linked to the loan agreement;
- assignment of receivables deriving from the Vodafone lease agreement, insurance claims and any receivables deriving from disputes with consultants employed for *due diligence* on Vodafone.

As for COF I, the entity has agreed the following guarantees to the bank:

- first mortgage of Euro 50,000 thousand;
- pledge on operating bank accounts linked to the loan agreement;
- disposal of receivables related to rents, insurance claims and guarantees issued in favour of the fund.

Finally, regarding the financing of Feltrinelli Porta Volta, the guarantees granted are as follows:

- first mortgage for Euro 135,969 thousand;
- pledge on operating current accounts linked to the loan agreement;
- assignment of receivables arising from insurance and guarantees issued in favour of the fund

As for the lease agreement signed on July 21st, 2017 with COIMA RES and Porta Nuova Garibaldi, managed by COIMA SGR S.p.A., the Company has granted a guarantee to the landlord amounting to ca. Euro 25 thousand.

Relating to the Porta Nuova Bonnet Fund, the Company has a commitment of Euro 27,429 thousand of capital payment, of which Euro 2,429 thousand subscribed in March 2021 and Euro 24,732 thousand paid.

As of June 11th, 2020, COIMA RES has signed a binding agreement for the acquisition of a stake between 10% and 25% in the real estate fund Porta Nuova Gioia, manged by COIMA SGR, which owns the property currently being developed called “Gioia 22” situated in Via Melchiorre Gioia 22 in Milan.
The closing of the transaction is expected by the end of 2021 or the beginning of 2022, subject to certain transaction conditions, including 75% of the property being lease. 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. Today the estimate purchase price is between Euro 22 million and Euro 56 million.

Criteria for the preparation of the interim consolidated financial statements

The interim consolidated financial statements have been prepared adopting the same principles of consolidation and measurement criteria described in the last annual report as of December 31st, 2020.

The interim consolidated financial statements do not disclose all the information required during preparation of the annual consolidated financial statements nor all the information required by IAS 34.

The consolidation perimeter includes:

- COIMA RES SIIQ as parent company,
- COIMA CORE FUND IV, COIMA CORE FUND VI, COIMA CORE FUND VIII, COIMA OPPORTUNITY FUND I and Feltrinelli Porta Volta,
- MHREC Sàrl and COIMA RES S.p.A. SIINQ I, and
- Lorenteggio Village Consortium

as entities consolidated using the full consolidation method,

- Porta Nuova Bonnet Fund,
- Co-Investment 2 SCS and Infrastrutture Garibaldi Repubblica, and
- Porta Nuova Garibaldi Consortium

as entities consolidated in accordance with the equity method.

Preparing the interim financial statements as of March 31st, 2021, the Company, in consideration of the protracted pandemic crisis, considered the recommendations of the ESMA (European Security Market Authority) and the documents published by CONSOB on disclosure to be provided to readers regarding any economic and financial impacts caused by the COVID-19 pandemic.

STATEMENT OF THE MANAGER RESPONSIBLE FOR PREPARING THE COMPANY’S FINANCIAL REPORTS

Pursuant to art. 154-bis, subsection 2 of the Italian Consolidated Law on Finance, the Manager responsible for preparing the Company’s financial reports, Fulvio Di Gilio, hereby declares that the accounting information contained in this Interim Consolidated Financial Statement as of March 31st, 2021 corresponds to corporate records, books and accounts.

Milan, May 7th, 2021

Manager responsible for preparing the Company’s financial reports

Firmato digitalmente da: FULVIO DI GILIO
Data: 07/05/2021 11:23:42

GLOSSARY

	Definition
Accounting Period	Accounting period means each successive period of 12 calendar months each of which starts on 1 January and ends at midnight on December 31st in each year.
ALM	Asset Liabilities Management is the practice of managing risks stemming from mismatches between assets and liabilities. The process is a mix between risk management and strategic planning.
Asset Management Agreement	The agreement entered into on October 15th, 2015, by and between COIMA RES and COIMA SGR and modified on November 15th, 2015.
Bad Leaver	The revocation of the director in the presence of a serious, wilful or negligent non-fulfilment by the director himself of legal or statutory obligations which is also capable of irreparably compromising the relationship of trust between the director and the Company and which does not therefore allow the continuation, even provisionally, of the administrative relationship.
Bonnet or Corso Como Place	The property located in Milan, in via Bonnet, held through the Porta Nuova Bonnet investment (35.7%).
Break Option	The right of the tenant to withdraw from the lease agreement.
CBD	Central Business District, which is the area where the prime office market is mainly located.
CBRE	CBRE Valuation S.p.A., with registered office in Milan, Via del Lauro, 5/6.
CO - Investment 2SCS	A subsidiary owned indirectly via MHREC Real Estate S.à.r.l., which owns 33.33% of the units.
COIMA CORE FUND IV	Fund in which the Company owns 100% of the shares.
COIMA CORE FUND VI (ex “MHREC”)	Fund of which the Company owns about 88.2% of the shares.
COIMA CORE FUND VIII	COIMA CORE FUND VIII, set up on May 29th, 2019, of which the company owns 50% of the capital stock.
COIMA OPPORTUNITY FUND I or COF I	Fund of which COIMA CORE FUND VI acquired 88.8% of the shares on September 30th, 2019.
COIMA RES SIINQ I	COIMA RES S.p.A. SIINQ I, of which COIMA RES owns 100% of the capital stock.
COIMA RES SPA SIIQ	COIMA RES S.p.A. SIIQ with registered office in Milan, Piazza Gae Aulenti n. 12, Milan Company Register and VAT no. 09126500967.
COIMA S.r.l.	COIMA S.r.l., with registered office in Milan, Piazza Gae Aulenti no.12.
COIMA SGR	COIMA SGR S.p.A., with registered office in Milan, Piazza Gae Aulenti no.12.
Consortium Lorenteggio Village	Consortium Lorenteggio Village, established on January 25th, 2018, of which the Company owns 34.6% of the shares.
Consortium Porta Nuova Garibaldi	Consortium Porta Nuova Garibaldi, of which COIMA RES owns about 4%.
Core	The *core* assets are characterized mainly by high liquidity and low risk. This type of property is located in strategic areas and is intended to be held in the portfolio on a long-term basis so as to fortify the company’s risk-return profile.
Core plus	The *core plus* assets are similar to the *core* category, except that some investments may exhibit enhancement potential (such as partially vacant areas or tenancies with short term expiries). For this type of risk, the profile is considered medium-low.
Coupon	The value accrued on the Financial Instrument.
Deruta 19 or Deruta	Deruta is the property complex located in Milan, Via Deruta 19, acquired on January 16th, 2017, by COIMA RES SIINQ I.
Deutsche Bank Portfolio	The bank branches of COIMA CORE FUND IV, leased to Deutsche Bank
Earnings per share	Earnings per share is calculated as the ratio of earnings to the number of shares.
EBITDA	Earnings before Interest, Taxes, Depreciation & Amortisation, is the most widely used measure of a company's operating performance as it isolates operating earnings, excluding the effects of capital structure, taxes or depreciation regime. EBITDA is a proxy for the operating cash flow that the company is able to generate.

EPRA Cost Ratio	Calculated as administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.
EPRA Earnings	Recurring earnings from core operational activities. EPRA Earnings is a key measure of a company's operational performance and represents the net income generated from the operational activities.
EPRA Net Initial Yield	Calculated as Net Initial Rent divided by the gross market value of the property.
EPRA Net Disposal Value	Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, including tax exposure not reflected in the balance sheet, net of any resulting tax.
EPRA Net Reinstatement Value	The objective of this measure is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value movements on financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. Since the aim of the metric is to also reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, related costs such as real estate transfer taxes should be included.
EPRA Net Tangible Asset	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.
EPRA topped up Net Initial Yield	Calculated as Net Stabilised Rent divided by the gross market value of the property.
EPRA Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.
Feltrinelli Porta Volta	Fund in which the Company indirectly owns about 83.5% of the shares.
FFO	Funds From Operations calculated as Core Business EBITDA less net interest expense. The FFO is the most used indicator to evaluate the performance of a REIT
Gioiaotto	Gioiaotto is the property located in Milan, in Melchiorre Gioia 6-8, held by the Fund CCFVI (ex MHREC Fund).
Good Leaver	This refers to the hypotheses of: (i) failure to appoint the Director within the terms and conditions all provided for in the agreement stipulated and / or failure to confirm / ratify the same after the start of the negotiation of the Shares on the MTA; or (ii) termination of the office of Director on the occurrence of one of the hypotheses of termination of the Asset Management Agreement indicated in art. 5.3, points (i), (iii) and (iv) of this Asset Management Agreement; or (iii) failure to renew the office of Director for a further three years at the natural expiry of the first three-year term and, subsequently, at the natural expiry of the second three-year term; or (iv) non-acceptance by the Director of the proposal for the renewal of the appointment under conditions that are worse than those applied in the previous three years; or (v) revocation of the Director in the absence of a bad leaver hypothesis; (vi) resignation from office by the Director in the presence of a just cause for resignation; or (vii) death of the Director (in which case the compensation will be paid to the entitled persons).
Good Secondary location	High quality properties located in central or peripheral areas of primary cities.
Gross Expected Stabilised Yield	Calculated as Expected Gross Stabilised Rent divided by the gross market value of the property.
Gross Expected Stabilised Rent	The index is equal to the stabilized gross rent adjusted for incentives related to active management actions.
Gross Initial Rent	Annualised rents being received as at a certain date considering lease incentives such as rent-free periods, discounted rent periods and step rents.
Gross Initial Yield	Calculated as Gross Initial Rent divided by the gross market value of the property.
Gross Stabilised Rent	Annualised rents being received as at a certain date adjusted for unexpired lease incentives. The adjustment includes the annualised cash rent that will apply at the expiry of the lease incentive.
Gross Stabilised Yield	Calculated as Gross Stabilised Rent divided by the gross market value of the property.
Infrastrutture Garibaldi - Repubblica	Infrastrutture Garibaldi – Repubblica, of which the Company owns about 2%.
Interest Coverage Ratios	Ratio between the NOI and interest expense.
Key managers	Manfredi Catella, Matteo Ravà and Gabriele Bonfiglioli
LEED Certification	Building efficiency certification issued by the U.S. Green Building Council.

MHREC S.à.r.l.	MHREC Real Estate S.à.r.l., subsidiary of COIMA CORE FUND VI (ex "MHREC").
Microsoft	Microsoft is the building located in Milan, Viale Pasubio 21 owned by Feltrinelli Porta Volta.
Monte Rosa	Monte Rosa is the property complex located in Milan, Via Monte Rosa 93, acquired on October 24th, 2017 by COIMA RES.
Net Expected Stabilised Rent	Corresponds to Expected Gross Stabilised Rent for the period less, service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Net Expected Stabilised Yield	Calculated as Expected Net Stabilised Rent divided by the gross market value of the property.
Net Initial Rent	Corresponds to gross initial rent for the period less service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Net Liquidity	Net Liquidity or Net Financial Position is the effective Net Debt of the Company.
Net Stabilised Rent	Corresponds to Gross Stabilised Rent for the period less service charge expenses and other non-recoverable property operating expenses such as insurance, real estate taxes, marketing and other vacant property costs.
Pavilion	Pavilion is the property complex located in Milan, Piazza Gae Aulenti 10, acquired on November 23rd, 2018 by COIMA RES.
Porta Nuova Bonnet	Fund established on October 20th, 2016, of which COIMA RES owns 35.7%.
Pro-quota	The information presented on a "pro-quota" basis is calculated considering the effective ownership by COIMA RES of the different real estate assets, an approach similar to the proportional consolidation.
Promote Fee	Performance fee payable by COIMA RES to SGR, related to the Asset Management Agreement.
Qatar Holding	Qatar Holding LLC, with headquarters in Doha, Qatar, Q-Tel Tower, PO Box 23224, authorized by the QFC Authority with license no. 00004, wholly owned by Qatar Investment Authority, a sovereign fund of the State of Qatar. Qatar Holding LLC carries out, in particular, support activities to the Qatar Investment Authority with regard to the development, investment and management of the funds of the State of Qatar, though, in particular, the evaluation, sale and management of forms of investment of any kind nature, carrying out any functional activity for this purpose.
Recurring FFO	Calculated as FFO adjusted to exclude non-recurring income and include non-recurring expenses.
Sarca	Sarca is the building located in Milan, Viale Sarca 235 owned by COF I.
Shareholder Return	Shareholder Return means, in respect of each Accounting Period, the sum of (a) the change in the EPRA NAV of the Company during such year less the net proceeds of any issues of ordinary shares during such year; and (b) the total dividends (or any other form of remuneration or distribution to the shareholders) that are paid in such year.
Shareholder Return Outperformance	The amount in euros for which the Shareholders Return is higher than a level that would have produced a specific Shareholder Return.
SIINQ	Unlisted real estate investment company regulated by article 1, paragraph 125 of the Finance Act 2007.
SIIQ	Listed real estate investment company regulated by article 1, paragraphs 119-141-bis of the Finance Act 2007.
Tocqueville	Tocqueville is the property located in Milan, Via A. Tocqueville, acquired on July 27th, 2018, by COIMA RES.
Weighted Average Debt Maturity	It is the length of time the principal of a debt issue is expected to be outstanding. The average life is an average period before a debt is repaid through amortisation or sinking fund payments.
Value-add	This type of assets includes properties undergoing redevelopment and refurbishment, usually vacant or with high rate of vacancy. Compared to the core category, value added real estate has a medium-high risk profile and is expected to generate returns through real estate value appreciation over time.