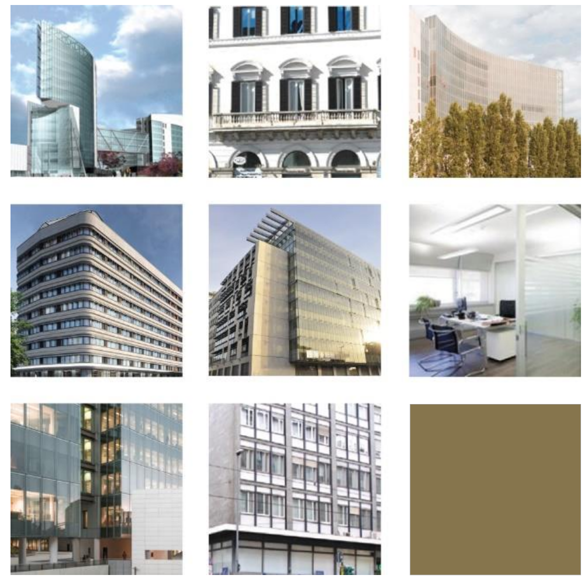
Real Estate SIIQ

COIMARES

2016 Q3 FINANCIAL REPORT

Results presentation

October 26th 2016



AGENDA

COIMA RES Key Highlights	**Manfredi Catella, CEO**
COIMA RES Q3 Results	Fulvio Di Gilio, CFO
COIMA RES Portfolio & Active Asset Management	Matteo Ravà, Key Manager
COIMA RES Market & Pipeline - Closing Remarks	Manfredi Catella, CEO

KEY HIGHLIGHTS – DELIVERING IPO PROMISES

1	▪ Over 80% of initial total investment objective reached in 3 months ▪ Acquired 345.5 million Euros in new property since IPO - June 30th acquired "Vodafone Village" - July 27th acquired Gioiaotto and Palazzo Sturzo	✓ Fast capital deployment on quality, off-market deals
2	▪ Portfolio totals approximately 500 million Euros - Blended EPRA Net Initial Yield 5.2%, expected stabilized Net Yield 5.7% - WALT 8.9 years - 78% of stabilized net rent is from investment grade tenants - EPRA Vacancy Rate 2.9%	✓ Solid portfolio based on real estate fundamentals
3	▪ Active management program under execution - Disposal program of non-core Deutsche Bank branches - Lease re-negotiation under way - Further optimization of financing	✓ Creating added value through active management
4	▪ Founders increased ownership to 3 million Euros as further alignment with shareholders ▪ Research initiated by Citi and Banca Imi	✓ Founder alignment & Research
5	▪ Expected Net Dividend Yield > 5% (at IPO price, €10 per share) ▪ Remaining firepower of approximately 180 million Euros ▪ Target LTV below 45%, reduced from prior target of 50% ▪ Dividend distribution anticipated to April 2017 due to solid financial results	✓ Attractive investment opportunity

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FINANCIAL RESULTS

(Million of Euros)	2015 Pro-forma Balance sheet[1]	IPO proceeds	Vodafone Closing[2]	MHREC closing	Adjustments[3]	September 30th 2016
Investment Property	331.5			144.8	14.9	491.2
Financial Asset	0.8			4.3	(0.9)	4.2
Vat Receivable	44.0				(6.0)	38.0
Total LT Assets	**376,3**					**533.4**
Inventories (vacant properties)	14.2				(14.2)	-
Trade receivables	0.3			3.1	4.5	7.9
Other Assets				5.2	-	5.2
Cash	6.2	210.0	(30.4)	(63.0)	(3.8)	119.0
Total Current Assets	**20.7**					**132.1**
Total Assets	**397**					**665.6**
Debt	44.0		169.6	77.2	(0.6)	290. 2
Provisions				1.2	0.1	1.3
Other Liabilities	-			0.4		0.4
Trade payables	1.6			3.7	1.4	6.7
Total Liabilities	**45.6**					**298.6**
NAV	**351.4**					**367.0**
Minorities share of MHREC						(11.0)
NAV per share						9.9
Loan to Value[4]						*25.9%*

[1] 2015 Pro-forma balance sheet as per the COIMA RES IPO prospectus; assumes the acquisition of the Deutsche Bank and Vodafone portfolio as of December 31, 2015
[2] In IPO prospectus the Vodafone Village was assumed to be completed only with a VAT facility. The company has secured also a senior facility on June 30, 2016.
[3] The adjustments refer to the movement occurred during the period ending September 30, 2016.
[4] Loan To Value: (debt-cash-VAT Receivables)/(investment properties + Financial Asset)

FINANCIAL RESULTS (continued)

(Millions of Euros)	September 30th 2016	Pro-Forma for Full Year 2016 (1)
Rents	8.4	29.9
Real Estate operating expenses	(0.9)	(3.7)
NOI	**7.5**	**26.2**
G&A	(2.6)	(6.8)
Other expenses	(0.2)	(0.4)
Non-recurring general expenses	(0.9)	(1.4)
EBITDA	**3.8**	**17.6**
Net depreciation	-	0.9
Net movement on fair value	2.0	2.0
EBIT	**5.8**	**20.5**
Finance Income	0.2	0.3
Income from investments	2.1	0.8
Financial expenses	(1.7)	(5.8)
Profit before taxation	**6.4**	**15.8**
Income tax	-	-
Profit for the period after taxation	**6.4**	**15.8**
Minority Share of MHREC	**(0.1)**	**(0.9)**
Profit attributable to COIMA RES	**6.3**	**14.9**
EPRA Adjustments (2)	**(4.0)**	**(1.9)**
EPRA Earnings	**2.3**	**13.0**
EPRA Earnings per share	**0.06**	**0.36**
FFO	**2.3**	**12.1**
FFO Adjustments (3)	**0.9**	**1.4**
Recurring FFO	**3.2**	**13.5**
Recurring FFO per share	**0.09**	**0.37**

- Deutsche Bank rental income from May 1st, 2016, Vodafone rental income from July 1st , 2016 and MHREC rental income from August 1st , 2016
- Pro-rata asset management fees accrued until September 30th , 2016
- Pro-forma after tax annualized profit, net of minorities, of 14.9 million Euros, assuming all acquisitions closed on January 1st , 2016

(1) Pro Forma measures assume all acquisitions closed on January 1, 2016
(2) Excludes fair value adjustments of €2.0 millions and negative goodwill of €2.1 millions
(3) Includes non-recurring general costs related to the inception of the Company, the IPO process and other non-recurring costs related to the Reifs

EPRA PERFORMANCE MEASURES

		September 30, 2016	Pro-forma for Full Year, 2016 (1)
EPRA Earnings	Millions of Euros	2.3	13.0
EPRA Earnings per share	Cents	0.06	0.36
EPRA NAV	Millions of Euros	356.2	356.2
EPRA NAV per share	Euros	9.9	9.9
EPRA NNNAV	Millions of Euros	356.0	356.0
EPRA NNNAV per share	Euros	9.9	9.9
EPRA Net Initial Yield (NIY)	%	5.2%	5.2%
EPRA topped-up NIY	%	5.3%	5.3%
EPRA Vacancy Rate	%	2.9%	2.9%
EPRA cost Ratios (including direct vacancy costs)	%	57%	41.4%
EPRA cost Ratios (excluding direct vacancy costs)	%	57%	41.5%

(1) Pro Forma measures assume all acquisitions closed on January 1, 2016

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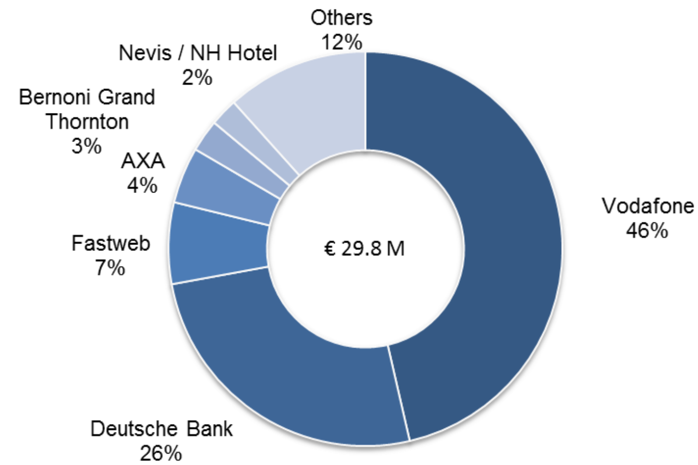
PORTFOLIO OVERVIEW (1/3)

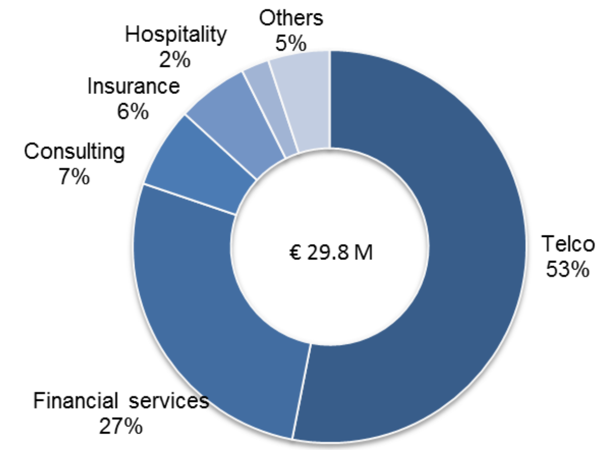
Portfolio Value	491.2 million Euros
Portfolio Origin (% on value)	42% Vodafone Asset (secured; off-market) 29% Gioiaotto and Palazzo Sturzo (off-market acquisition) 29% bank branch portfolio (seeded; Qatar Holding)
Net Rentable Area excluding parkings (sqm)	128,314
Main tenants	vodafone, Deutsche Bank, FASTWEB, AXA, Bernoni Grant Thornton, NH HOTELS
WALT (years)	8.9
Occupancy (% of Fair Value)	97.1%
Gross Initial Yield(1)	5.9%
Expected Gross Stabilized Yield(2)	6.5%
EPRA Net Initial Yield(3)	5.2%
Expected Net Stabilized Yield(4)	5.7%

Breakdown of total stabilized rent by tenant*



***Approx. 80% of total stabilized rent is provided by international tenants that are Investment Grade**

Breakdown of total stabilized rent by industry



(1) Gross Initial Rent / fair value

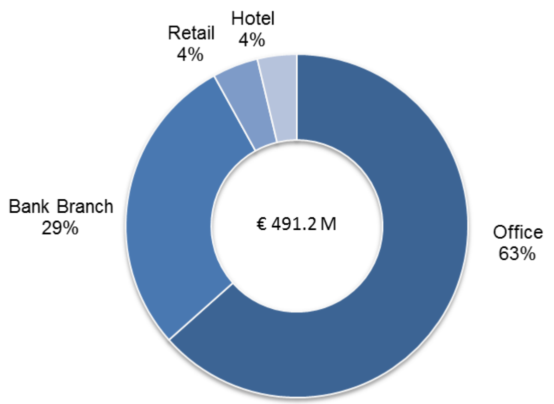
(2) Gross Stabilized Rent including active management activities / fair value

(3) Net Initial Rent / fair value

(4) Net Stabilized Rent including active management activities / fair value

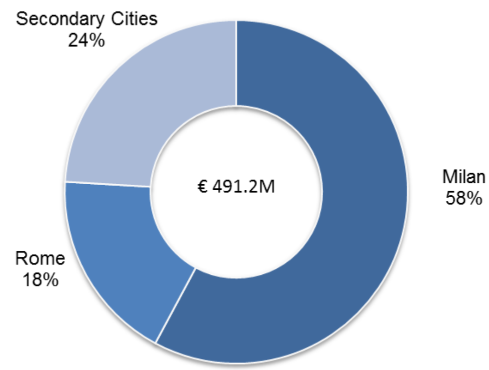
PORTFOLIO OVERVIEW (2/3)

Breakdown of fair value by use



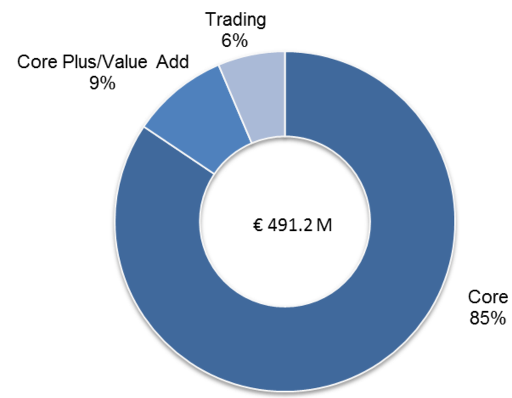
Approx. 92% of portfolio destined to office & bank branch use

Breakdown of fair value by geography

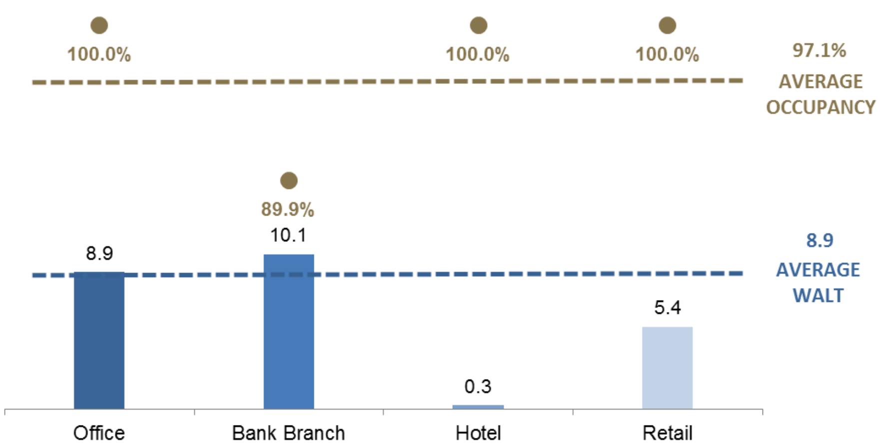


Approx. 70% of portfolio located in Lombardy

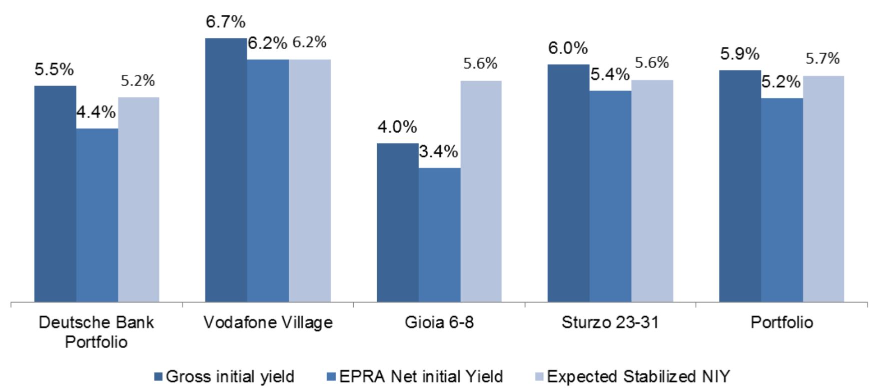
Breakdown of fair value by strategy



Occupancy and WALT by destination of use



Yield by asset



PORTFOLIO OVERVIEW (3/3)

	Deutsche Bank Portfolio 	Vodafone Properties 	Gioiaotto 	Palazzo Sturzo 	Portfolio as at September 30 2016
Location	Various	Milan	Milan	Rome	Various
Product Type	Bank branch	Office	Office, Hotel, Retail	Office, Hotel, Retail	Mainly Office
Tenant	Deutsche Bank	Vodafone	NH Hotels, Roland Berger, QBE, Bernoni, Nova Mobili, others	Fastweb, Axa, Confindustria Energia, others	Various
Net Rentable Area excluding parkings (sqm)	61,761	39,991	13,032	13,530	128,314
# of Assets	96	3	1	1	101
Fair Value	140.1	206.3	64.3	80.5	491.2
WALT	10.1	10.3	4.6	5.8	8.9
EPRA occupancy rate	90%	100%	100%	100%	97.1%
Indexation CPI	75%	75%	75%-100%	75%-100%	75%-100%
Gross Initial Rent	7.7	13.8	2.6	4.9	29.0
Gross Initial Yield(1)	5.5%	6.7%	4.0%	6.0%	5.9%
Expected Gross Stabilized Yield(2)	6.3%*	6.7%	6.3%	6.3%	6.5%
EPRA Net Initial Yield(3)	4.4%	6.2%	3.4%	5.4%	5.2%
Expected Net Stabilized Yield(4)	5.2%*	6.2%	5.6%	5.6%	5.7%

(1) Gross Initial Rent / fair value

(2) Gross Stabilized Rent including active management activities / fair value

(3) Net Initial Rent / fair value

(4) Net Stabilized Rent including active management activities / fair value

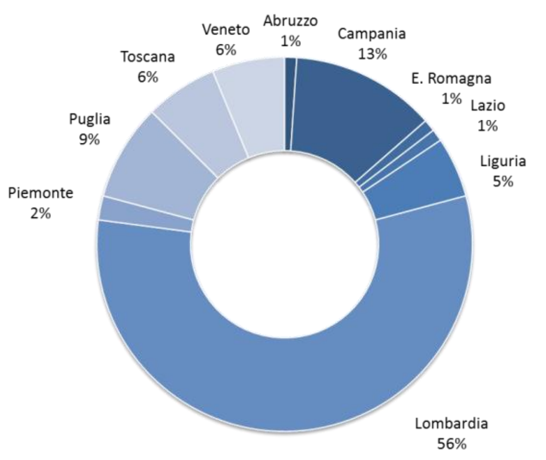
(*) Calculated assuming i) rent increase for 220 thousand Euros/year and ii) disposal of vacant assets

DEUTSCHE BANK PORTFOLIO - SALE OF NON-CORE ASSETS

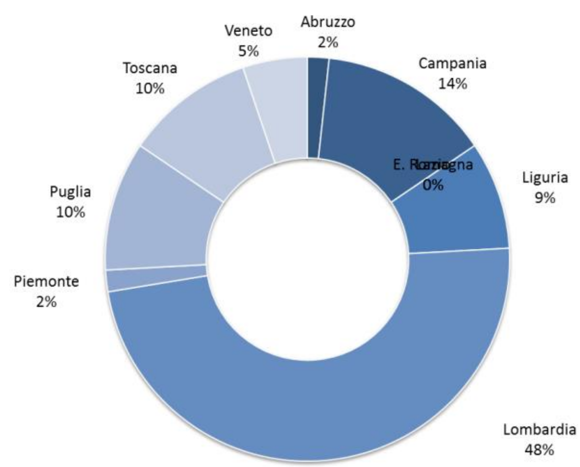
Active plan to maximize assets performance and reduce risk profile

- Disposal program activated on selected assets
  - Approximately 50 non-core assets, equal to 25% (ca. 35 million Euros) of total portfolio values: alternative use carefully underwritten;
  - 4 brokers selected for sub-portfolio in different regions;
  - Lecco Via alla Spiaggia – vacant asset: executed preliminary sales agreement for 1.5 million Euros (+3.4% vs NAV);
  - after completion of disposal plan, portfolio risk profile will reduce with high concentration of # **of assets** in North of Italy.

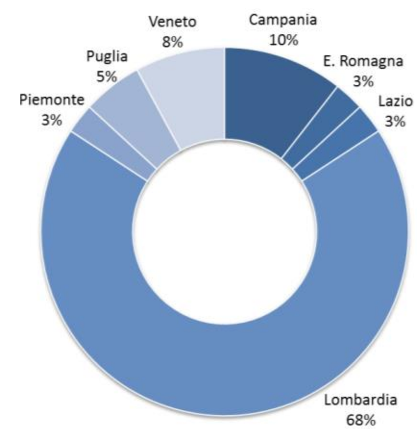
Curretnt portfolio, € 140.5M



Portfolio under disposal, € 35M

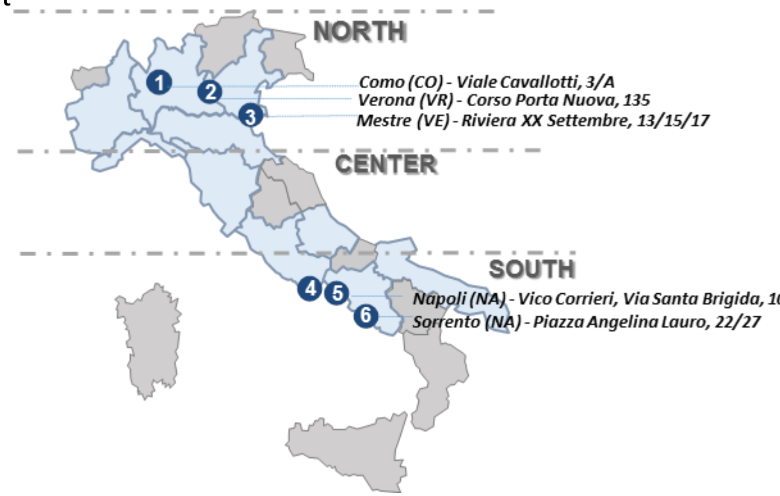


Holding Portfolio, € 105.5



ACTIVE ASSET MANAGEMENT

- **Lease re-negotiations under way**
- Deutsche Bank assets: rent increase of **220 thousand Euros/y**, +3% rental uplift (6 assets):
  - effective date 1st November 2016;
  - total rent of the portfolio increased to **7.9 million Euros (+3%);**
  - positive impact of the net yield of +0.16% on the overall DB Portfolio.
- Gioiaotto: NH Hotel lease expiring in Dec ’16:
  - active negotiation on-going;
  - alternative office re-conversion scenario: approximatey 10 million Euros capex plan with yield on costs assumed at approximately 6%;
  - re-negotiation with hotel and office conversion will boost gross rental yields of approximately **120bps to expected gross stabilized yield of ca. 6.3%.**
- **Optimization of the financing related to MHREC fund**
- Current financing, executed during the refurbishment phase at 175bps of margin:
  - activated discussions to optimize the financing terms with the actual banks;
  - alternatively the execution plan foresees a competitive tender for a new loan.



Assets with re-negotiated lease agreements

GIOIAOTTO building

COIMA RES FOCUSED ON REAL ESTATE FUNDAMENTALS

- Portfolio focus on real estate fundamentals
- Investment returns underpinned by high-quality tenant base
- Each asset has strong real estate characteristics to encourage tenant retention and/or releasing

High-quality Tenant Base

Tenant Investment Grade	% Stabilized Rent on the Portfolio	Rating
vodafone	46.4%	BBB+/BBB+/Baa1
Deutsche Bank	25.7%	BBB+/A-/Baa2
AXA	4.5%	A+/AA-/Aa3
QBE	1.2%	A-/A-
Total	**78%**	

Strong assets that encourage tenant retention

- **Vodafone Village:**
  - Vodafone invested approximately 40 million Euros (1,000 €/sqm) for fit-out;
  - flagship and iconic complex.
- **Deutsche Bank Portfolio:**
  - prime locations,
  - small liquid assets.
- **Gioiaotto:**
  - contracts recently signed;
  - Axelero and Bernoni consolidated their premises in the building;
  - NH, if renewed, will invest in an important capex plan to upgrade premises in a long term view;
  - alternative asset re-positioning under consideration.
- **Palazzo Sturzo:**
  - Fastweb consolidated in the building (additional premises leased in July 2016), investing approximately an additional 2 million Euros (€ 350/sqm or ca. 2.5% of total asset value) in fit-out

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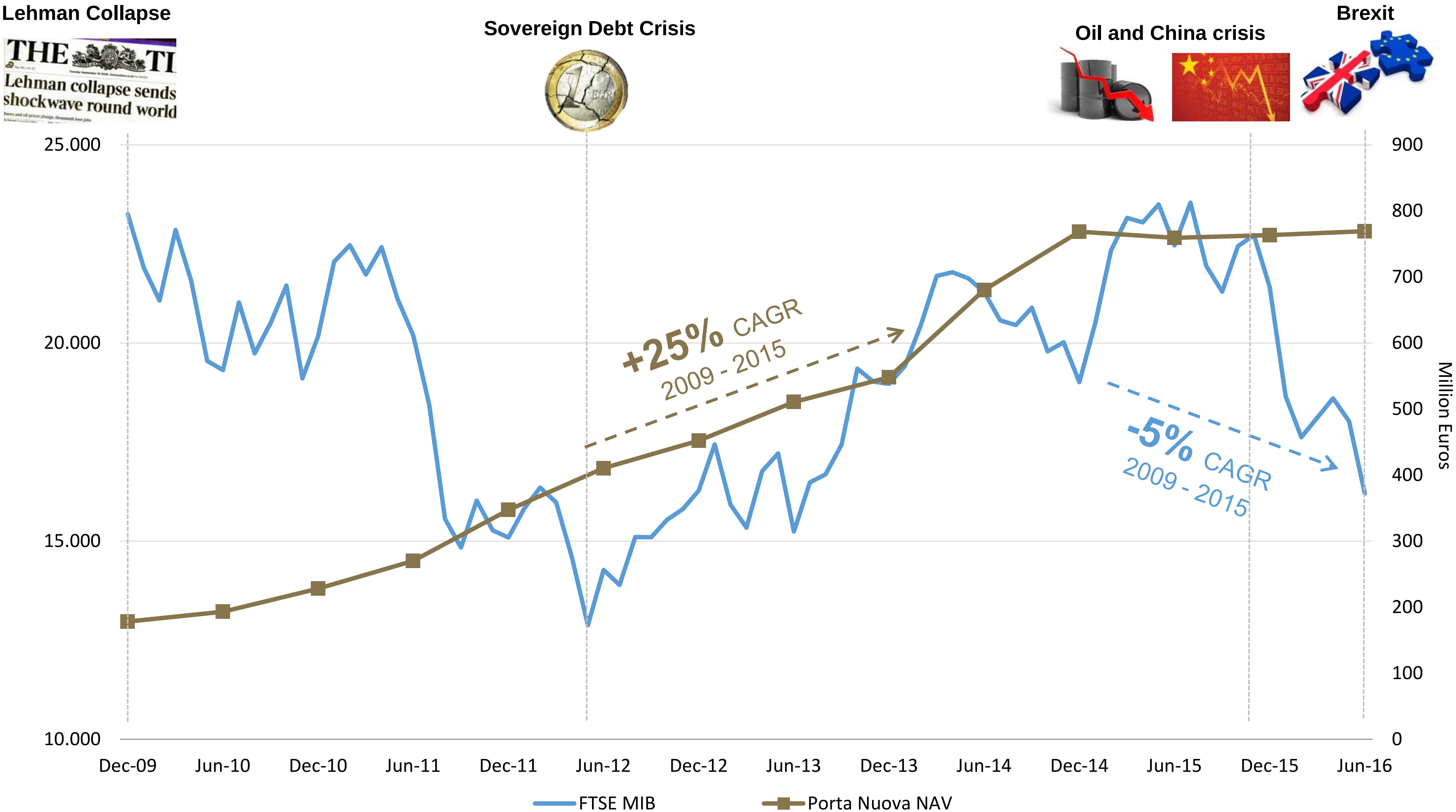
UniCredit
AXA

VALUE CREATION ON FUNDAMENTALS

Porta Nuova: anti cyclical value creation despite adverse market conditions

Strong focus on fundamentals and accurate asset management to consistently generate long term value

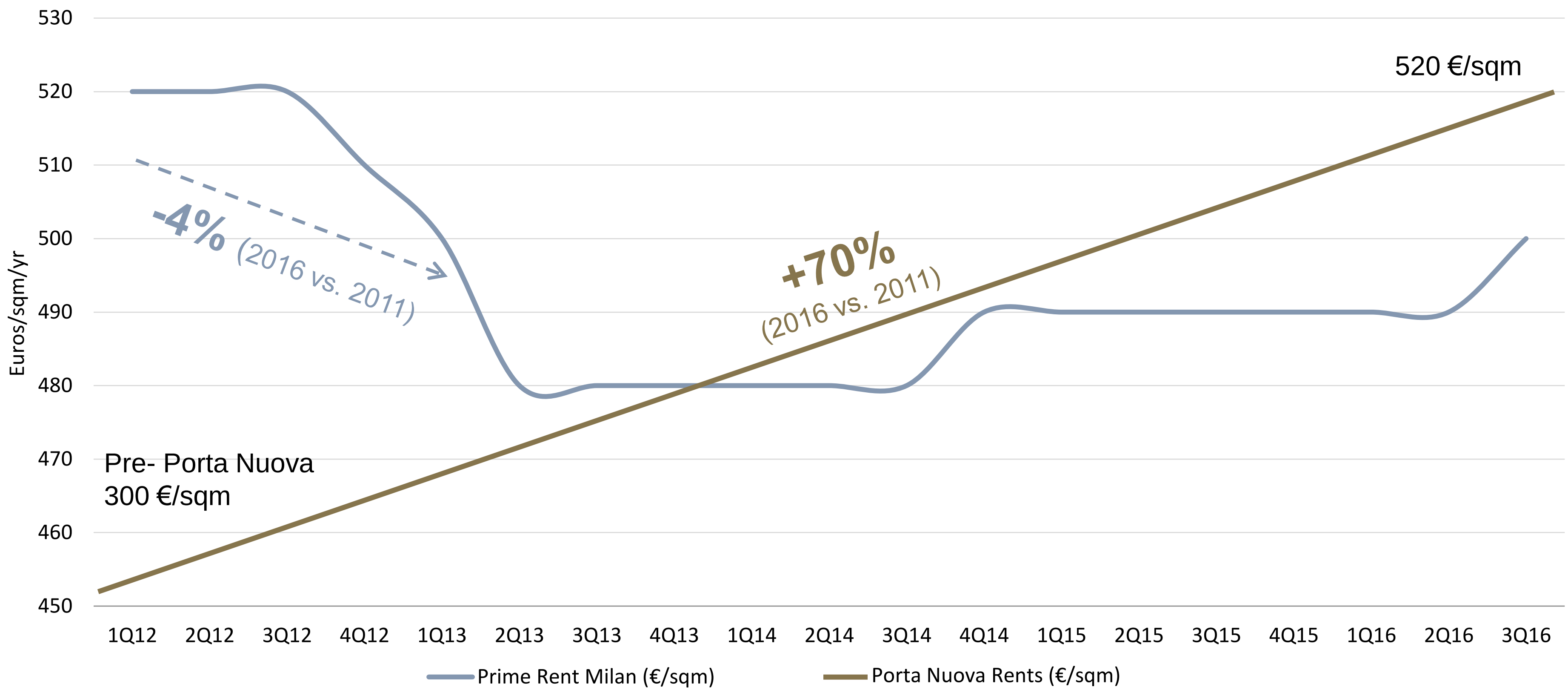


Source: Elaboration on internal database and Bloomberg data

VALUE CREATION ON FUNDAMENTALS (CONT'D)

Porta Nuova: value creation through rental premium

Porta Nuova has set the new prime rent of Milan, which currently amounts to approx. €520/sqm/yr, at premium to the surrounding area and the traditional CBD, corresponding to a premium of 10% on prime Milan and 45% on surrounding



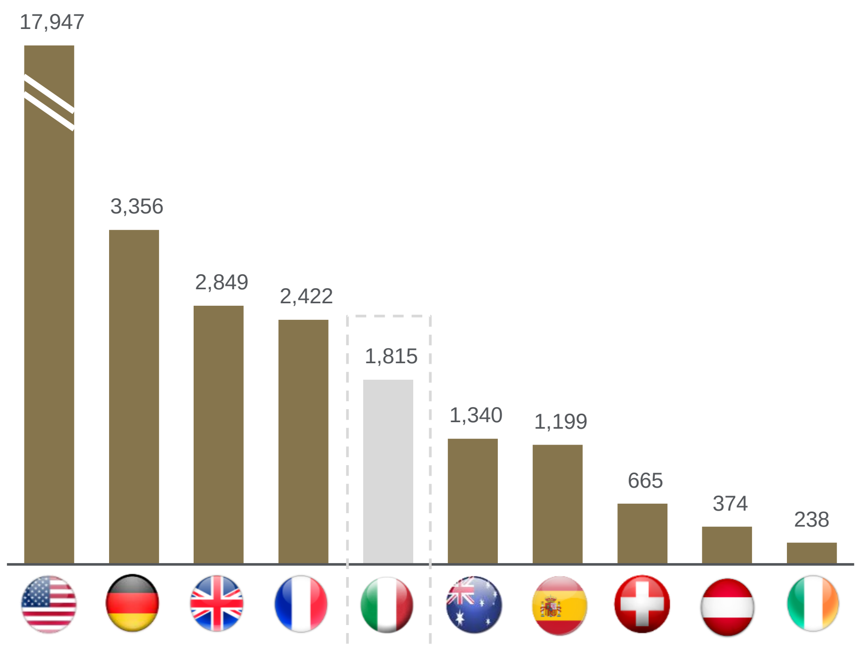
Source: Elaboration on internal database and CBRE Research (Q3 2016)

UNTAPPED POTENTIAL FOR ITALIAN PUBLIC REAL ESTATE MARKET

Italy a G8 member, amongst the largest world economies

Italian economy the third largest in the Eurozone

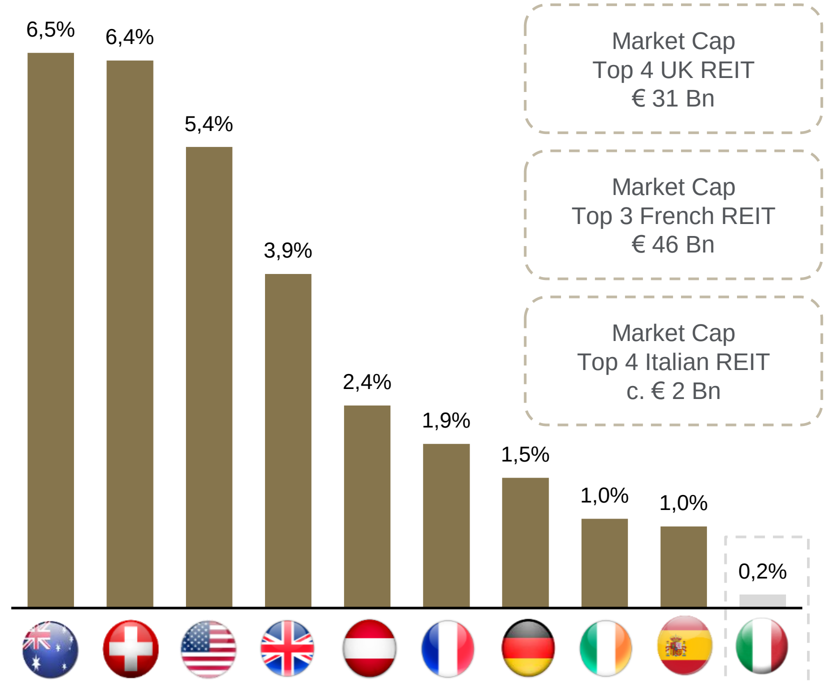
National GDP ($ Bn)



Italian listed real estate still very limited in size

Yet Italian real estate market significantly undercapitalized

Listed RE to GDP (%)



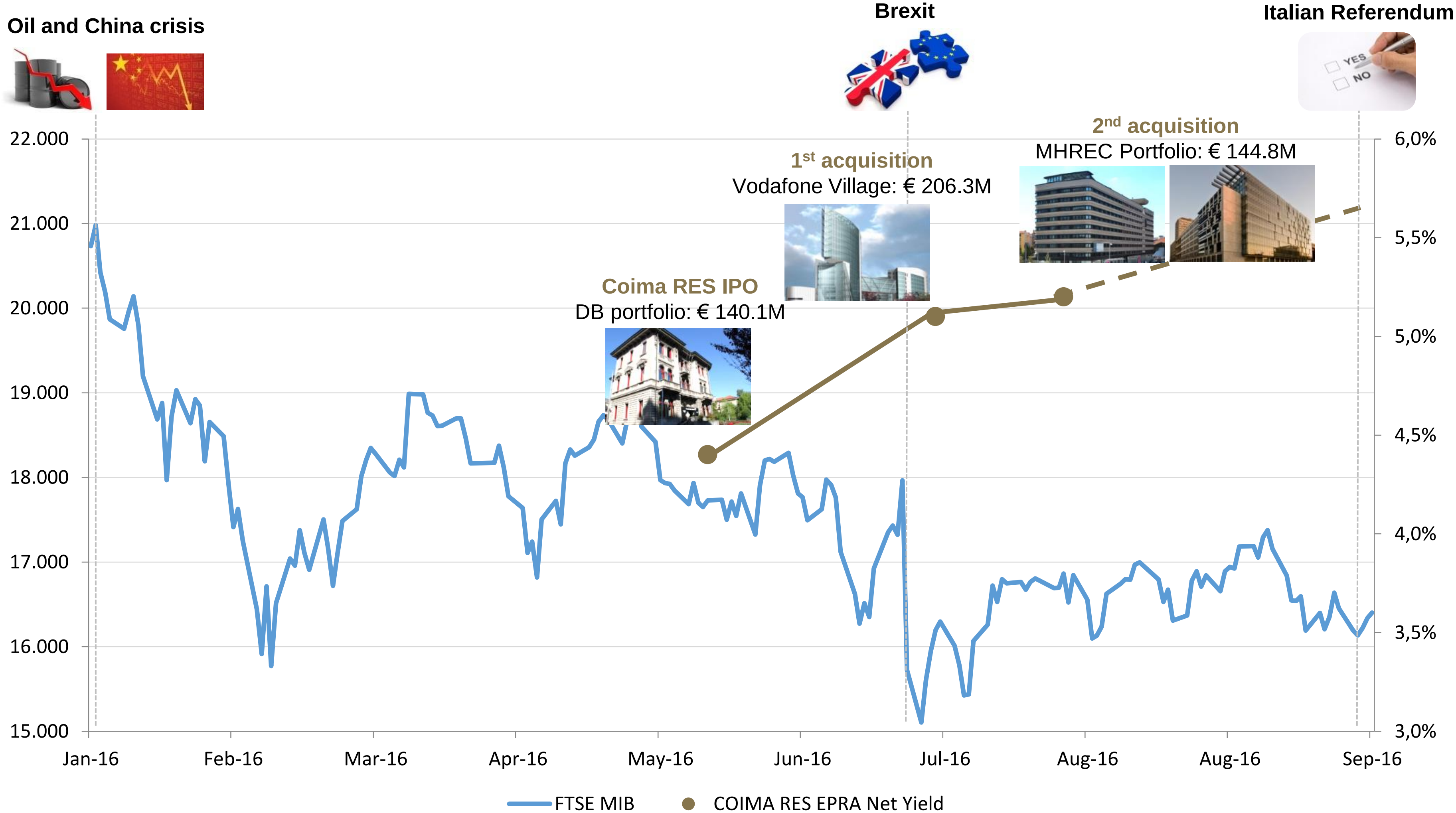
- The Italian Real Estate public market presents a unique untapped growth potential
- Public REITs offer compelling advantages:
  - Access to global capital markets
  - Permanent capital
  - Transparent, high profile and efficient vehicle increasing access to investment opportunities

Source: Bloomberg/World Bank GDP Data (2015)

COIMA RES: INVESTMENT TRACK RECORD

COIMA RES Among The Most Active Players On The Market

Although capital markets are currently characterized by peaks and troughs, COIMA RES is successfully catching the untapped value opportunity across the spectrum of real estate investments, with core opportunities gaining strong momentum as demand for prime property continues to be high, balanced by a steady supply



Source: Elaboration on internal database and CBRE Research (Q3 2016)

INVESTMENT OPPORTUNITIES COMPARISON

COIMA RES share

Type	REIT
Emission date	May 13, 2016
Rating	N.A.
Seniority	Equity
Country exposure	Italy
Liquidity	Listed on MTA
Portfolio WALT	8.5 years
EPRA Net Initial Yield	5.2%

ENI Corporate Bond

Type	Corporate Bond
Emission date	September 13, 2016
Rating	BBB+
Seniority	Senior unsecured
Country exposure	Italy
Liquidity	Listed on MOT
Maturity	12 years
Net Yield	1.125%(1)

Italian BTP 10 years

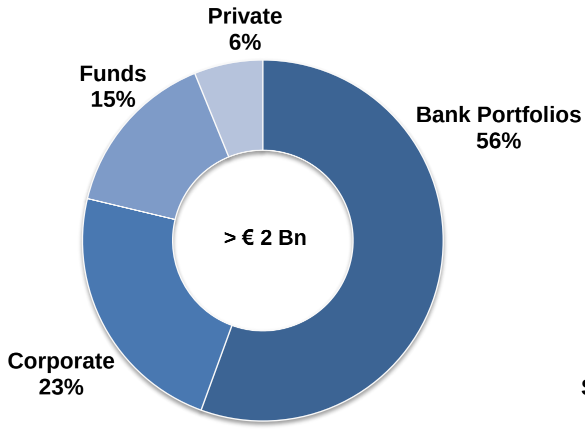
Type	Govt Bond
Emission date	September 30, 2016
Rating	BBB-
Seniority	N.A.
Country exposure	Italy
Liquidity	Listed on MOT
Maturity	10 years
Net Yield	1.25%

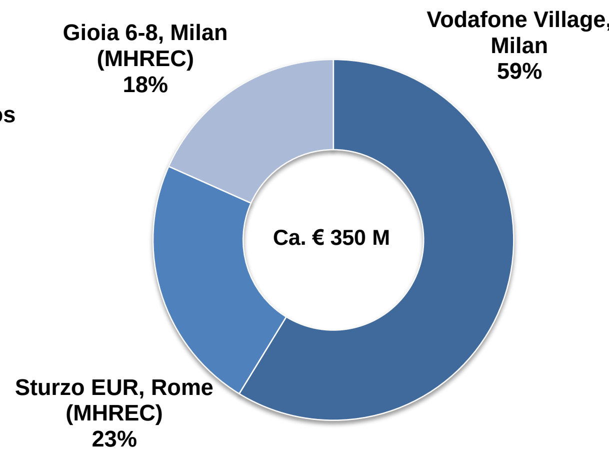
Source: COIMA RES data, Bloomberg
(1) Re-offer price at 98.824%

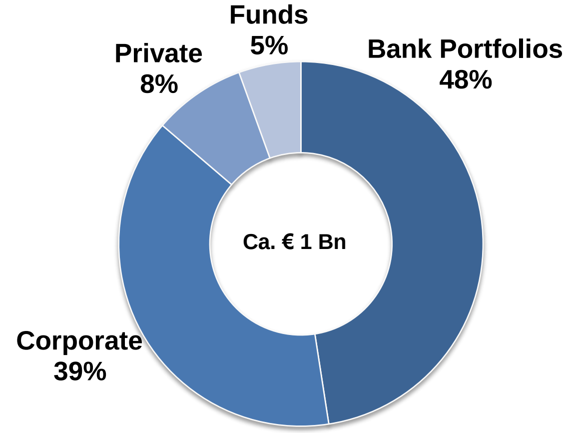
COIMA RES: INVESTMENT PIPELINE

■ **Untapped value creation choosing the most attractive products among a wide range of investment opportunities**

IPO – Q3 2016		Q4 2016 on-ward
Investment pipeline: breakdown by origin	**Acquisitions from IPO: breakdown by asset**	**Potential pipeline: breakdown by origin**







- Accelerated investment period, 80% of capital invested in 5 months comparing to expected 18 months
- Pipeline analyzed in excess of 2 billion Euros
- Acquisitions from IPO in excess of 350 million Euros, of which:
  - approximately 40% coming from funds (off-market)
  - approximately 60% coming private players (off-market)

- Residual firepower equal to approximately 180 million Euros
- Pipeline under analysis in excess of 1 billion Euros:
  - approximately 50% off-market
  - On-going exclusivity
  - Focus on high yield/growth opportunities

Source: Elaboration on internal database

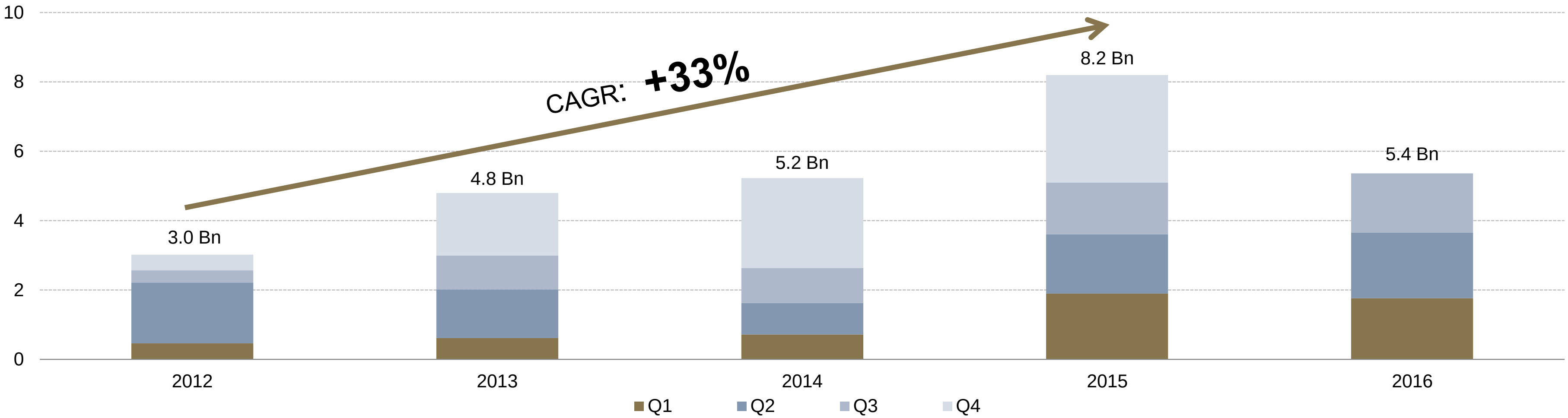
ITALY REAL ESTATE: AN ATTRACTIVE OUTLOOK

Improved investors sentiment towards Italian market

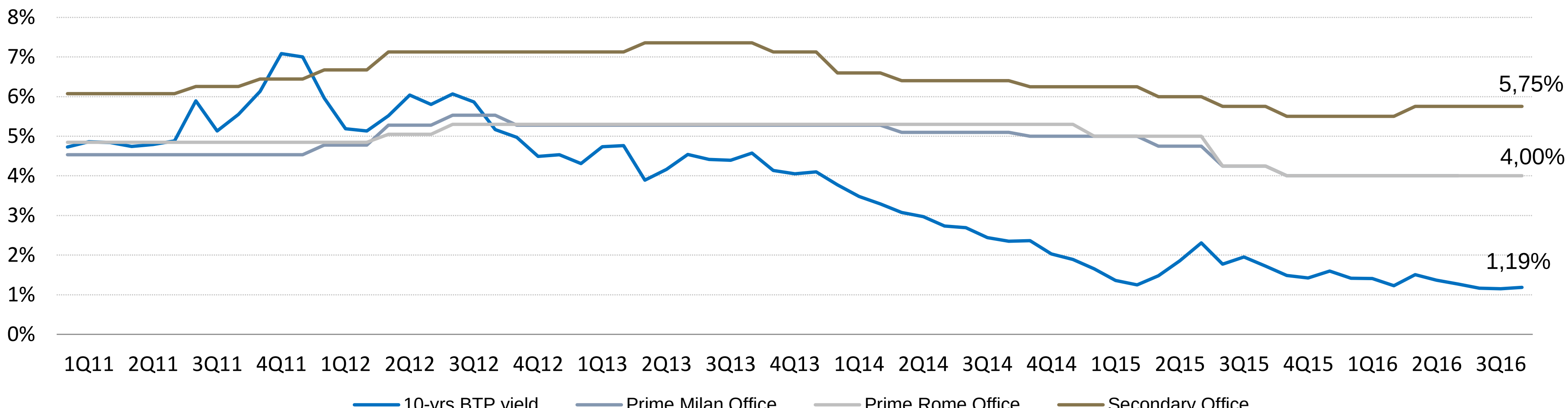
Ca. 75% of the 8.2 billion Euros invested in 2015 are of foreign origin

Italian Real Estate market continues to yield attractive returns

Italy CRE Investment Volume (€ Bn)



10-Year Italian Government Bond vs. Prime Yields Evolution

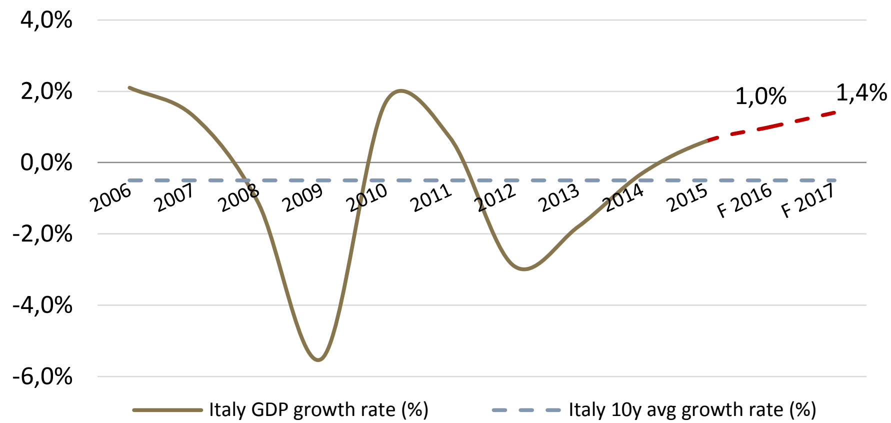


Source: CBRE Market Research (Q3 2016)

IS THE ITALIAN LOW GROWTH OUTLOOK A REAL CHALLENGE?

After several years of decline, fundamentals for the Italian economy show signs of stabilization

Italian GDP growth rate (%)



The Lombardy region proves to be the growth engine of Italy

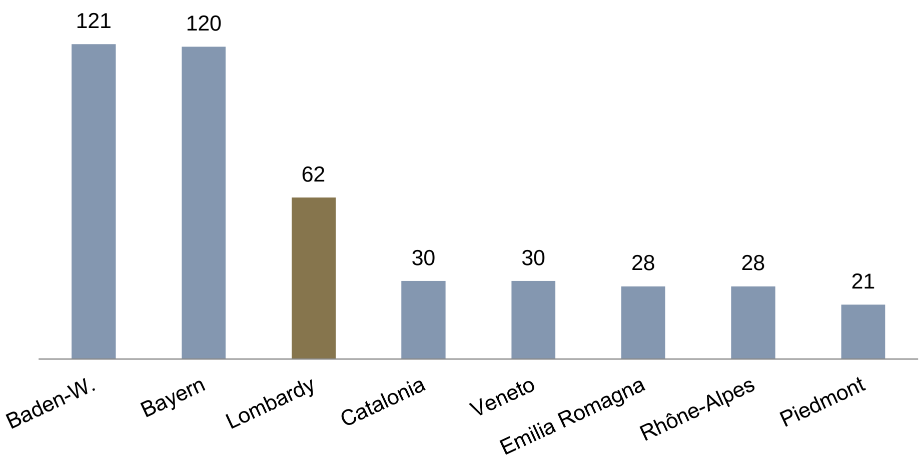
Italy vs Lombardy GDP growth rates (%)

Italy (2015) Historical Average	
Last 3y	(0.50)%
Last 10y	(0.50)%
Last 15y	0.00%

Lombardy (2015) Historical Average	
Last 3y	0.50%
Last 10y	1.30%
Last 15y	2.10%

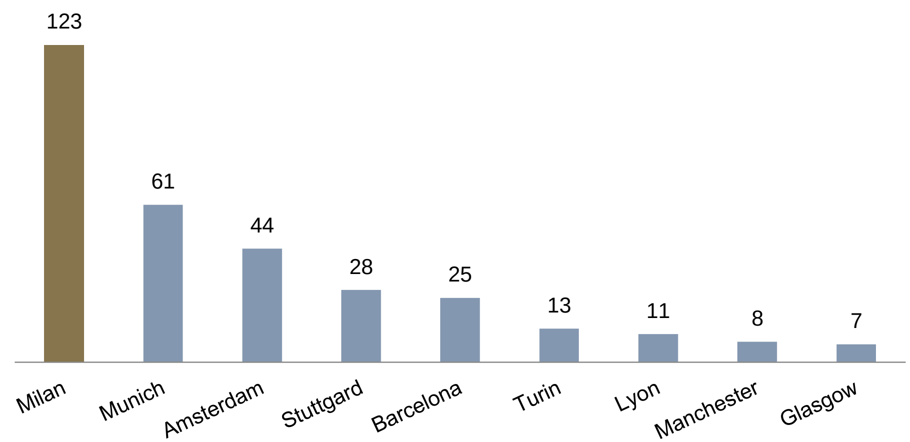
Manufacturing gross value added by region (€ Bn)

In terms of manufacturing production, Lombardy is ahead of all Italian regions and of most of European economic regions



International enterprises with turnover > 1 billion Euros

Twice those in Munich and six times more than Barcelona, Milan is the European city with the highest number of multinational companies

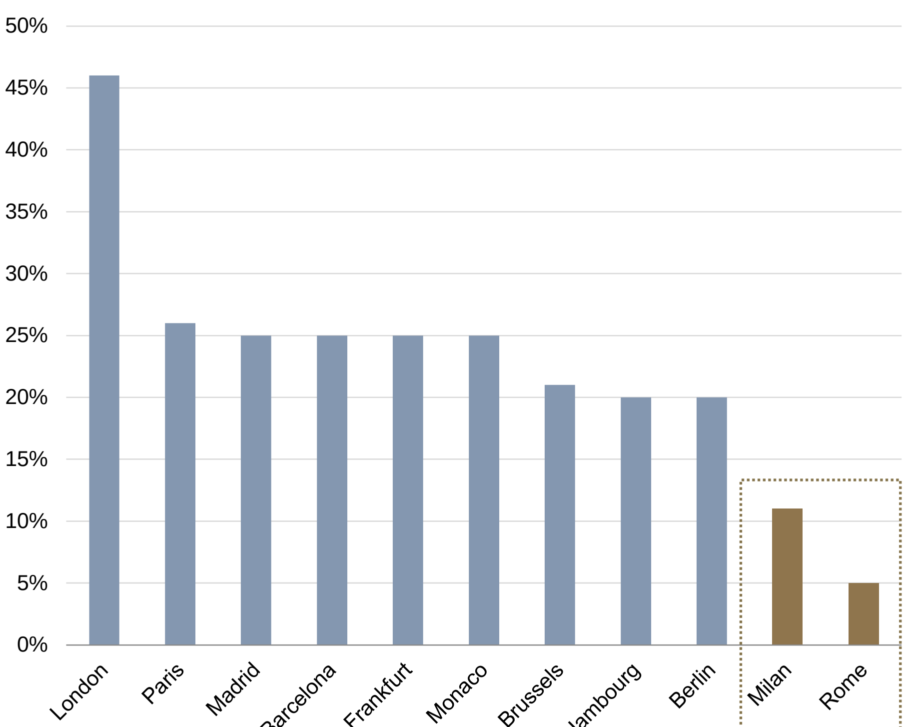


Source: Assolombarda database (2015)

QUALITY PRODUCTS GAP: AN UNMATCHED DEMAND

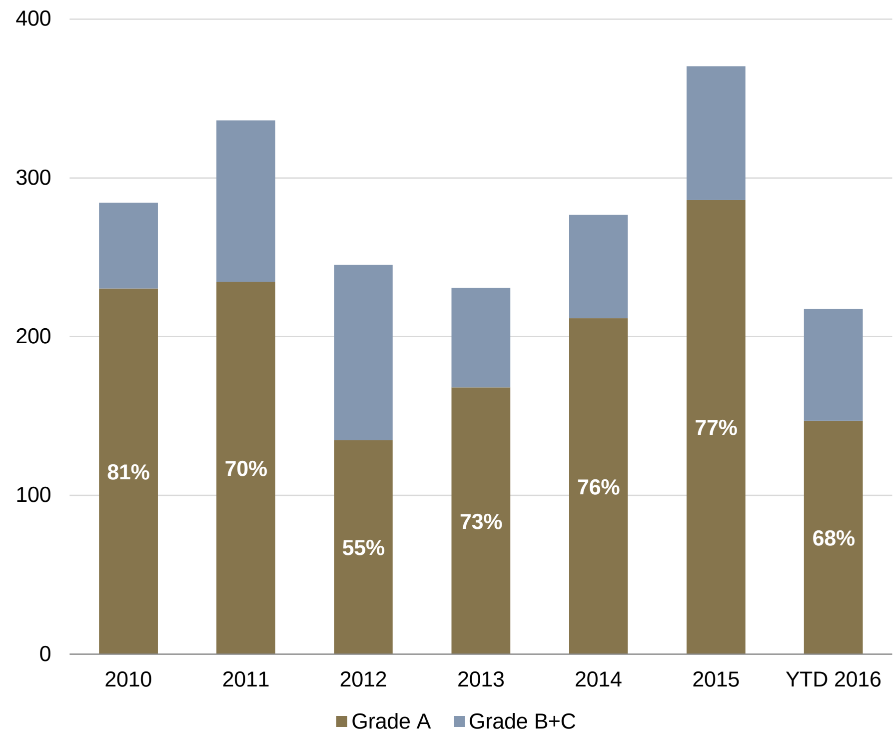
Quality products supply conditions appear constrained

Italian grade A stock is far below main European markets' standards



Office space demand driven by quality assets

At current absorption rates, Grade A availability is expected to drain out in few years



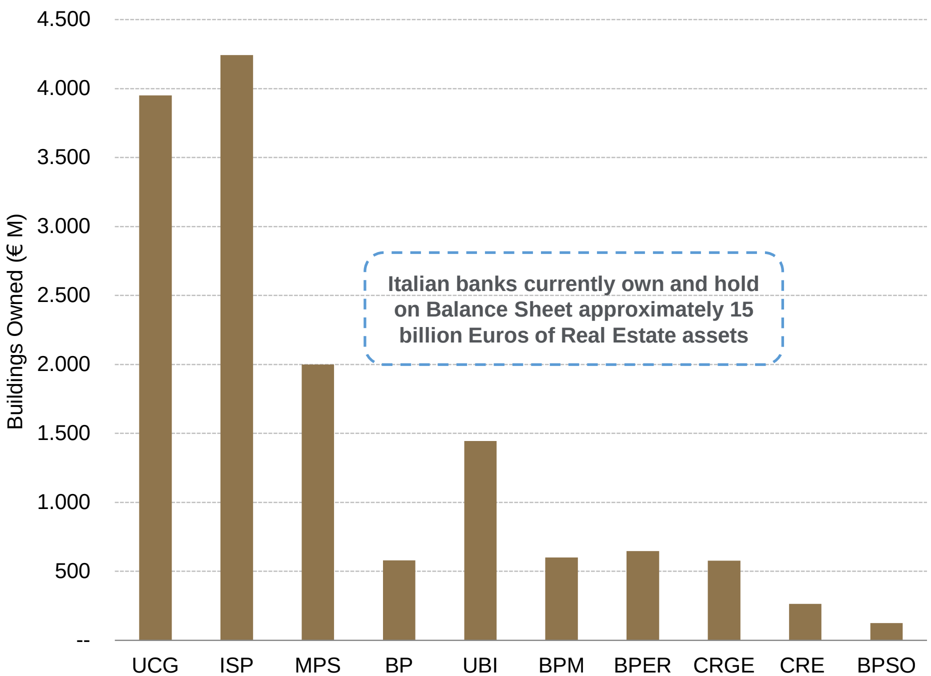
- Italy has the lowest percentage of grade A buildings among European top markets. As a matter of fact, supply growth rate has been far below European average in the last 15 years
- Quality products supply conditions appear constrained, reflecting a stock not in line with tenant demand

Source: JLL Market Report – 2015; CBRE Market Research – Q3 2016

OPPORTUNITIES: PUBLIC AND BANKS ASSETS DISPOSAL

Banks will put real estate portfolios on the market

Italian Banks – Real Estate Assets on Balance Sheet

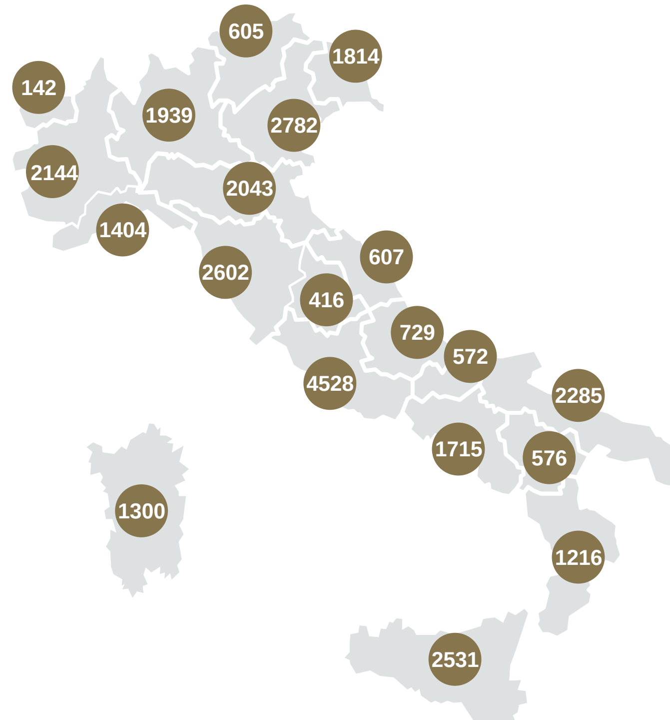


- Historically Italian banks prides sizeable real estate assets portfolios, including trophy assets in Rome and Milan city centers, which are being progressively placed on the market

Source: Respective Italian bank annual reports (2015) and financial statements

Re-calibration of public sector costs, asset sales and privatizations offers attractive investment opportunities

Number of Public Assets by Region



- The overall value of Italian public real estate heritage amounts to approximately 500 billion Euros, with approximately 40 billion Euros potentially saleable in the medium-term
- Public assets include, among others, trophy assets and various buildings located in strategic positions

Source: Italian Ministry of Treasury/Agenzia del Demanio/OpenDemanio

CLOSING REMARKS

1
- ✓ Investment Strategy focused on Milan, office, high yield
- ✓ Evaluating 1 billion Euros of deals – over 50% off market
- ✓ Looking to selectively invest 180 million Euros in firepower
- ✓ Targeted LTV at decreased from 50% to below 45 % to limit macro risk correlation

2
- ✓ Market providing opportunities to invest in growth assets: core + and value added
- ✓ Given current firepower and prudent debt strategy, exploring possible JV with world class investors

3
- ✓ Continue implementing active management plan to maximize performance and reduce risk
  - ➢ Deutsche Bank non-core asset disposal
  - ➢ Re-negotiation of hotel lease contract
  - ➢ Identify additional source of revenues at asset level

4
- ✓ Confident about:
  - ➢ Team performance - management track record unprecedented in Italy
  - ➢ Solid portfolio - approximately 500 million Euros real estate with quality assets and quality tenants
  - ➢ Solid company financial base – anticipated dividend distribution scheduled for April 2017
  - ➢ Unique play on Italian market

5
- ✓ Team focused on:
  - ➢ Creation of value for shareholders of COIMA RES
  - ➢ Analysing best market opportunities
  - ➢ Extending best-in-class private market reputation to listed market

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