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COIMA RES - PRESS RELEASE

BOARD OF DIRECTORS APPROVES RESULTS AS OF DECEMBER 31st, 2019

EPRA EARNINGS 11% AHEAD OF GUIDANCE AT EURO 0.39 PER SHARE

NAV PER SHARE GROWTH OF 5.0% AND RETURN ON EQUITY OF 7.6%

DIVIDEND OF EURO 0.30 PER SHARE FOR 2019

90% OF PORTFOLIO IN MILAN AND 50% IN PORTA NUOVA

Solid financial results in 2019

- Gross rents up by 3.0% year-on-year to Euro 37.3 million
- NOI margin increased by 50 bps year-on-year to 89.6%
- EBITDA Adj. up by 3.9% year-on-year to Euro 24.6 million
- EPRA Earnings 11% above guidance at Euro 0.39 per share
- EPRA NAV per share up 5.0% to Euro 12.29
- Return on Equity equal to 7.6%
- Net LTV marginally increased by 5.3 p.p. to 38.8%
- Proposed dividend of Euro 0.30 per share for 2019, in line with 2018

Solid performance of the real estate portfolio in 2019

- Portfolio made for 85% of office assets, 90% in Milan and 50% in Porta Nuova
- High sustainability profile with 64% of portfolio LEED certified
- Rental growth of 1.0% on a like for like basis
- Capital value growth of 2.7% on a like for like basis
- EPRA occupancy rate increased by 260 bps to 98.0%

Active portfolio management in line with strategy

- Increased diversification through disposal of 50% of Vodafone complex
- Acquisition of Microsoft and Philips headquarters in Milan
- Continued disposal of bank branches reducing overall exposure below 10%
- Corso Como Place project validated through Accenture and Bending Spoons pre-let

Record year for the Milan office market

- Investment volumes up 76% to Euro 3.7 billion
- Take up increased by 26% at 480,000 sqm
- Persistent low vacancy at 1.9% for Grade A properties
- Positive rental growth outlook, especially for Porta Nuova

Manfredi Catella, Founder and CEO of COIMA RES, commented: *“In the last twelve months we continued to execute our strategy by increasing the quality and diversification of our real estate portfolio and by further concentrating our exposure to Milan, the most liquid commercial real estate segment in Italy, and to the high growth district of Porta Nuova. Going forward we will continue to optimise and improve our portfolio, also through targeted refurbishment programs, with the aim to deliver attractive office space to tenants and an attractive risk-return profile to shareholders.”*



Milan, February 21st, 2020 – The Board of Directors of COIMA RES approved the consolidated financial statements as at December 31st, 2019, at a meeting held yesterday under the chairmanship of Massimo Capuano.

Financial Highlights, as of December 31st, 2019

Balance Sheet (Euro million)	Dec-19	Dec-18	Delta (%)	Delta
Investment Properties	767.7	623.5	23.1%	144.2
EPRA NAV	443.9	421.6	5.3%	22.3
EPRA NNNNAV	438.8	415.4	5.6%	23.4
EPRA NAV per share (Euro)	12.29	11.71	5.0%	0.58
EPRA NNNNAV per share (Euro)	12.15	11.54	5.3%	0.61
LTV	38.8%	33.5%	n.m.	5.3 p.p

Income Statement (Euro million)	2019	2018	Delta (%)	Delta
Gross Rents	37.3	36.3	3.0%	1.0
Net Operating Income (NOI)	33.4	32.3	3.5%	1.1
NOI margin	89.6%	89.1%	n.m.	50 bps
EBITDA	23.5	25.0	(6.2)%	(1.5)
EBITDA Adj. for non-recurring items	24.6	23.6	3.9%	0.9
Net Profit	32.0	46.3	(30.9)%	(14.3)
EPRA Earnings	14.0	15.1	(7.2)%	(1.1)
Recurring FFO	17.6	17.7	(0.2)%	(0.1)
EPRA Earnings per share (Euro)	0.39	0.42	(7.4)%	(0.03)
Recurring FFO per share (Euro)	0.49	0.49	(0.5)%	flat

Other Data	Dec-19	Dec-18	Delta (%)	Delta
EPRA Net Initial Yield	4.6%	5.2%	n.m.	(60) bps
EPRA Topped-up Net Initial Yield	5.3%	5.3%	n.m.	stable
EPRA Vacancy Rate	2.0%	4.6%	n.m.	(260) bps
WALT (years)	5.3	6.2	n.m.	(0.9)



Solid financial results in 2019

Gross rents increased by 3.0% in 2019 to Euro 37.3 million, mainly due to the increased consolidation perimeter as a result of the acquisitions of the Tocqueville, Pavilion, Philips and Microsoft properties, partially offset by the disposal of the Eurcenter property. On a like for like basis, gross rents increased by 1.0% in 2019.

The NOI increased by 3.5% to Euro 33.4 million in 2019, the NOI margin increases by 50 bps and stands at 89.6% mainly thanks to the different asset mix.

EBITDA decreased by 6.2% to Euro 23.5 million in 2019, mainly due to the “one off” positive impact of the gain related to the sale of the Eurcenter booked in 2018, partially offset by higher NOI, a 5% decrease in recurring overhead costs and the by the accrual in 2018 of the promote fee in favour of COIMA SGR and the coupon in favour of the key managers (not accrued in 2019). The EBITDA adjusted for non-recurring items has grown by 3.9% to Euro 24.6 million.

Recurring financial expenses increased by Euro 0.7 million in 2019 due to the higher level of gross debt between 2019 and 2018. The remaining Euro 2.7 million increase in financial expenses mainly pertains to non-recurring items related to the anticipated repayment of outstanding loans in June 2019 related to the Vodafone transaction (of which only 50% relates to COIMA RES).

Net Profit decreased by 30.9% to Euro 32.0 million in 2019 mainly due to “one off” impact of the Pavilion revaluation recorded in 2018, lower EBITDA, increased financial expenses and the effect of the disposal of a 50% stake in the Vodafone complex which has increased minorities.

Recurring FFO and EPRA Earnings decreased respectively by 0.2% to Euro 17.6 million and by 7.2% to Euro 14.0 million in 2019 mainly due to higher financial expenses (and the effect of the increase in minorities on the EPRA Earnings).

EPRA NAV, as of December 31st, 2019, stood at Euro 443.9 million (or Euro 12.29 per share), an increase of 5.3% in 2019. The increase is related to the contribution of EPRA Earnings of Euro 14.0 million and net revaluations and gains for Euro 18.5 million (on a pro-rata basis) and other items for Euro 0.6 million, partially offset by the dividend payment of Euro 10.8 million. As of December 31st, 2019, the net LTV of COIMA RES stood at 38.8%.

Proposed dividend for 2019 of Euro 0.30 per share

COIMA RES intends to offer its shareholders a stable and sustainable dividend that is balanced with the requirements deriving from refurbishment activities on some properties in the portfolio and with potential requirements for the acquisition of new properties.

The COIMA RES Board of Directors resolved to distribute to shareholders a dividend for the fiscal year 2019 of Euro 0.30 per share (Euro 10,831,967.40), an amount in line with the dividend paid for the fiscal year 2018. The proposed dividend (of which Euro 0.10 already paid in November 2019 as interim dividend) includes a component of Euro 0.06 per share related to the capital gain realised in 2019 in relation to the transaction on the Vodafone complex. An additional dividend related to such transaction, of approx. Euro 0.06 per share, will be paid in 2021.

Considering the interim dividend of Euro 0.10 per share already paid in November 2019, the final dividend of Euro 0.20 per share will be paid with an ex-dividend date on April 27th, 2020, record date on April 28th, 2020, and payment date on April 29th, 2020.



Real estate portfolio overview

As of December 31st, 2019, the COIMA RES portfolio consists of 9 office properties located in Milan and 58 bank branches located in the North and Centre of Italy. The portfolio is valued at Euro 688.4 million (on a pro-rata basis), 90% of which is in Milan, 50% in Milan Porta Nuova and 85% is for office use. Our portfolio has a high sustainability profile: approximately 56% of the portfolio is currently LEED certified, increasing to 64% including the Corso Como Place project where the aim is to achieve a LEED Gold certification.

The value of the portfolio increased by Euro 34.0 million in 2019 (on a pro rata-basis), due to acquisitions for Euro 138.2 million, capex for Euro 9.8 million and revaluations on the current portfolio for Euro 16.5 million, partially offset by disposals for Euro 130.5 million. Capital value grew by 2.7% on a like for like basis.

Acquisitions

In line with its strategy of focussing on high quality office properties in Milan, COIMA RES acquired in 2019, through an “off market” transaction, two office properties in Milan, fully let, for an aggregate value of Euro 158 million at a blended EPRA Topped-up Net Initial Yield of 5.0% (EPRA Net Initial Yield of 4.5%). The two properties were the Microsoft headquarters in Milan Porta Nuova valued at Euro 97.5 million and the Philips headquarters in Milan Bicocca valued at Euro 60.7 million. The acquisition of the two properties was performed through COIMA Core Fund VI (a fund which is 88% owned by COIMA RES), which acquired units in funds held by a group of Italian investors. Because of the transaction structure, COIMA RES acquired a stake of 83.5% in the Microsoft headquarters and of 78.3% in the Philips headquarters (on a look-through basis).

Disposals

In 2019, COIMA RES continued to reduce its exposure to non-strategic and mature assets and to reduce its tenant and asset concentration.

Bank branches: in November 2019, COIMA RES signed a preliminary agreement for the sale of a portfolio of 11 bank branches located in the North of Italy. The agreed sale price for the portfolio is Euro 23.5 million, a value in line with the book value as appraised by the independent appraiser. On January 15th, 2020, the sale of 8 of the 11 branches was completed. The sale of the remaining 3 branches will be completed by June 2020. In addition, in 2019, COIMA RES sold one bank branch in Pisa and one floor at a bank branch located in Genova for Euro 1.3 million. Since IPO, COIMA RES has sold 48% of the initial portfolio for Euro 66 million at a valuation in line with the contribution value.

Vodafone complex: in June 2019, Meritz Financial Group, a financial holding company from South Korea, acquired a 50% stake in the Vodafone complex from COIMA RES. The transaction valued the complex at a 4% premium to acquisition price and at a 2% premium to the previous appraisal value, representing an EPRA Net Initial Yield of 6.1% and a 13% levered IRR (8% unlevered IRR). COIMA RES continues to consolidate the Vodafone complex given the governance structure.



Leasing activity

In 2019, new leases worth Euro 10.0 million per annum were signed, including the significant lettings for the Corso Como Place project.

Corso Como Place: between August and September 2019, Accenture and Bending Spoons signed two preliminary leasing agreements for the entire office portion of the project (building A and C) for a total of 18,000 sqm. The pre-lets were signed 12 months in advance of the delivery of the building. The agreements with Accenture and Bending Spoons will generate a gross rent of Euro 8.9 million per annum at a stabilised level. The delivery of the property is scheduled for 2020.

Tocqueville: Sisal, the main tenant of the Tocqueville property, has agreed to an amendment to the lease agreement that extends the expiration date to December 31st, 2021, against an increase, of Euro 1.0 million, in the gross rent for 2021.

Gioiaotto: Alexion Pharma signed a leasing agreement for 770 sqm previously occupied by axélero for Euro 410,000 per annum on a stabilised basis. The rental level agreed with Alexion Pharma represents a premium of 50% vs the previous in place rent.

Bank branches: COIMA RES signed two leasing agreements for two bank branches previously vacant representing a total surface area of c. 6,000 sqm (c. 60% of the total vacant surface within the bank branches portfolio) and additional gross rents of Euro 660,000 on a stabilised basis. The two bank branches are in Milan and Turin. The bank branch in Milan was part of the perimeter of the disposal announced in November 2019.

Development projects

Corso Como Place: the project is well on track for delivery in 2020 within the overall budgeted cost of approx. Euro 169 million, including the initial Euro 89 million acquisition price, capex and other capitalised costs of approx. Euro 71 million and other costs (including tenant incentives) of approx. Euro 9 million. As of December 31st, 2019, the project advancement rate was approx. 60%. Considering the pre-letting activity performed, the estimated Gross Yield on Cost for the project is c. 6.7%, i.e. 90 bps higher than the assumption at the time of the acquisition of 5.8%.

Outlook and guidance

COIMA RES continues to focus on Milan offices, the largest, most resilient, liquid and transparent real estate market in Italy. As far as the current portfolio is concerned, COIMA RES will consider further disposals of mature, non-strategic and non-core assets on an opportunistic basis as well as refurbishment plans in the medium term. COIMA RES continues to carefully and selectively assess asset acquisition opportunities. Based on the current portfolio perimeter, COIMA RES estimates to achieve EPRA Earnings per share of approx. Euro 0.40 in 2020. The guidance will be updated over the course of 2020 to reflect any meaningful update.

Reinvestment by COIMA SGR of the promote fee

In 2019, COIMA SGR reinvested the 2018 promote fee in COIMA RES shares acquired in the market. The stake held by COIMA RES' Founders (Manfredi Catella, Gabriele Bonfiglioli, Matteo Ravà, COIMA SGR and COIMA Srl) has doubled from 0.7% to 1.4% since IPO to today for a total investment equal to Euro 5 million.

Others

The Annual General Meeting will be convened pursuant to current laws and regulations to deliberate on the following items:

- Approval of the financial statements at December 31st, 2019 and presentation of the consolidated financial statements at December 31st, 2019
- Allocation of the operating result and proposed dividend distribution
- Report on the remuneration policy and the remuneration paid
- Appointment of the Board of Directors for the 2020 financial year
- Authorisation to purchase and dispose of own shares pursuant to art. 2357 of the Italian Civil Code, subject to revocation of the previous authorisation

With reference to this last point, the Annual General Meeting will propose to authorise the Board of Directors to purchase and dispose of own shares, subject to revocation of the authorisation granted by the Annual General Meeting of April 17th, 2019. In particular, it will be proposed to authorise purchases of own shares for a period of 18 months, while authorisation for disposal is required without time limits. Purchases of own shares may be made up to the maximum permitted by law, equal to 20% of the share capital, for the following purposes: (i) support for the liquidity of the security; (ii) carry out medium and long-term liquidity investment transactions, also to establish long-term investments, or in any case to seize opportunities to maximize the value that may derive from market trends; (iii) allow the use of own shares in the context of operations related to current management or extraordinary operations in line with the strategic guidelines of COIMA RES; (iv) fulfil the obligations possibly deriving from debt instruments convertible into shares; (v) fulfil the obligations deriving from any future option programs on shares or other assignments of shares to employees or members of the administrative bodies of COIMA RES and / or companies directly or indirectly controlled, as well as from any free assignment programs of shares to shareholders.

Purchases must be made at a price not higher than the highest price between the price of the last independent transaction and the price of the highest independent offer currently on the MTA. The disposal of own shares, if carried out through cash transactions, cannot be made at a price 20% lower than the reference price recorded by the security on the MTA in the stock exchange session preceding each individual transaction.

The Board of Directors also resolved to modify the By-laws to adapt it to the new rules on gender quotas in the composition of the corporate bodies introduced by Law no. 160 of December 27th, 2019 (Budget Law 2020). The updated By-laws will be made available to the public in the manner and within the timeframe provided for by current legislation.

CONSOLIDATED STATEMENT OF PROFIT/(LOSS) FOR THE YEAR

(in thousands Euro)	December 31 st , 2019 (unaudited)	<i>of which related parties</i>	December 31 st , 2018	<i>of which related parties</i>
Income statements				
Rents	37,340	-	36,261	-
Net real estate operating expenses	(4,032)	(605)	(4,015)	(453)
Net rents	33,308	(605)	32,246	(453)
Income / (losses) from real estate disposals	10	-	5,587	-
Costs of sales	-	-	-	-
Net revenues from disposal	10	-	5,587	-
G&A expenses	(9,667)	(5,940)	(10,445)	(6,728)
Other operating expenses	(197)	-	(2,373)	(2,290)
Gross operating income	23,454	(6,545)	25,015	(9,471)
Net depreciation	(307)	(81)	(1,154)	-
Net movement in fair value	10,514	-	28,339	-
Net operating income	33,661	(6,626)	52,200	(9,471)
Net income attributable to non-controlling interests	9,357	-	2,396	-
Income / (loss)	1,050	-	-	-
<i>of which non-recurring</i>	<i>1,050</i>	<i>-</i>	<i>-</i>	<i>-</i>
Financial income	291	-	13	-
Financial expenses	(9,676)	(6)	(6,295)	-
Profit before tax	34,683	(6,633)	48,314	(9,471)
Income tax	-	-	-	-
Profit	34,683	(6,633)	48,314	(9,471)
Minorities	(2,710)	-	(2,047)	-
Profit for the Group	31,973	(6,633)	46,267	(9,471)



EARNINGS PER SHARE

(in Euro)	December 31 st , 2019 (unaudited)	December 31 st , 2018
Earnings per share		
Basic, net income attributable to ordinary shareholders	0.89	1.28
Diluted, net income attributable to ordinary shareholders	0.89	1.28

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(in thousands Euro)	December 31 st , 2019 (unaudited)	December 31 st , 2018
Profit for the year	34,683	48,314
Other comprehensive income to be reclassified to profit of the period in subsequent periods	(1,010)	(1,474)
Other comprehensive income not to be reclassified to profit of the period in subsequent periods	-	-
Other comprehensive income	33,673	46,840
Referable to:		
Group shareholders	31,203	44,772
Minorities	2,470	2,068
Total amount	33,673	46,840

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands Euro)	December 31 st , 2019 (unaudited)	<i>of which related parties</i>	December 31 st , 2018	<i>of which related parties</i>
Assets				
Real estate investments	764,924	-	611,590	-
Other tangible assets	1,582	771	319	-
Intangible assets	188	-	73	-
Investments accounted for using the equity method	33,675	-	21,473	-
Financial assets at fair value	4,593	-	-	-
Non-current deferred tax assets	10	-	10	-
Derivatives	158	-	893	-
Long term financial assets	1,620	1,620	1,620	1,620
Total non-current assets	806,750	2,391	635,978	1,620
Inventories	2,780	-	11,930	-
Trade and other current receivables	9,958	100	8,233	46
Cash and cash equivalents	42,693	-	82,221	-
Total current assets	55,431	100	102,384	46
Non-current assets held for sale	23,500	-	-	-
Total assets	885,681	2,491	738,362	1,666
Liabilities				
Capital stock	14,482	-	14,451	-
Share premium reserve	336,273	-	335,549	-
Valuation reserve	(1,677)	-	(957)	-
Interim dividend	(3,611)	-	(3,601)	-
Other reserves	62,670	-	27,039	-
Profit / (loss) for the year	31,973	-	46,267	-
Total Group shareholders' equity	440,110	-	418,748	-
Minorities	71,175	-	13,492	-
Shareholders' equity	511,285	-	432,240	-
Bank borrowings and other non-current lenders	340,233	-	291,340	-
Non-current financial liabilities	1,301	779	-	-
Payables for post-employment benefits	71	-	43	-
Provisions for risks and charges	373	373	130	-
Derivatives	1,888	-	1,026	-
Trade payables and other non-current liabilities	1,833	998	1,705	998
Total non-current liabilities	345,699	2,150	294,244	998
Bank borrowings and other current lenders	16,140	-	-	-
Trade payables and other current liabilities	12,536	1,952	11,832	4,939
Current tax payables	21	-	46	-
Total current liabilities	28,697	1,952	11,878	4,939
Total liabilities	374,396	4,102	306,122	5,937
Total liabilities and shareholders' equity	885,681	4,102	738,362	5,937

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands Euro)	Capital stock	Share premium reserve	Valuation reserve	Other reserves / (interim dividend)	Profit / (loss) carried forward	Profit / (loss) for the period	Total Group Shareholders' equity	Minorities	Total Shareholders' equity
Balance as of January 1st, 2018	14,451	335,549	29	4,493	-	28,889	383,411	11,915	395,326
Adjustments ¹	-	-	(13)	(348)	1,009	-	648	100	748
Allocation of profit for the year	-	-	-	20,373	2,034	(22,407)	-	-	-
Distribution of dividends 2017 ²	-	-	-	-	-	(6,482)	(6,482)	(591)	(7,073)
2018 interim dividend	-	-	-	(3,601)	-	-	(3,601)	-	(3,601)
Available for sale reserve	-	-	(973)	(522)	-	-	(1,495)	21	(1,474)
Profit / (loss) for the period	-	-	-	-	-	46,267	46,267	2,047	48,314
Balance as of December 31st, 2018	14,451	335,549	(957)	20,395	3,043	46,267	418,748	13,492	432,240
Allocation of profit for the year	-	-	-	39,067	-	(39,067)	-	-	-
Distribution of dividends 2018 ³	-	-	-	-	-	(7,200)	(7,200)	(1,459)	(8,659)
2019 interim dividend	-	-	-	(3,611)	-	-	(3,611)	-	(3,611)
Derivatives valuation	-	-	(720)	(50)	-	-	(770)	(240)	(1,010)
Capital increase	31	724	-	-	-	-	755	-	755
Change in interests in subsidiaries	-	-	-	-	215	-	215	56,672	56,887
Profit for the period	-	-	-	-	-	31,973	31,973	2,710	34,683
Balance as of December 31st, 2019 ⁴	14,482	336,273	(1,677)	55,801	3,258	31,973	440,110	71,175	511,285

¹ The amounts relate to the effects due to the application of the new international accounting standards from January 1st, 2018.

² Excluding the interim dividend on 2017 results amounting to Euro 3,241 thousand, paid in November 2017.

³ Excluding the interim dividend on 2018 results amounting to Euro 3,601 thousand, paid in November 2018.

⁴ 2019 unaudited.

CONSOLIDATED CASH FLOW STATEMENT

(in thousands Euro)	2019 (unaudited)	2018
Profit for the year before tax	34,683	48,314
Adjustments to reconcile the profit to net cash flow:		
Net depreciation	193	1,154
Severance pay	436	62
Net movement in fair value property	(10,514)	(28,339)
Net income attributable to non-controlling interests	(9,357)	(2,396)
Badwill	(1,050)	-
Financial income	(51)	(12)
Financial expenses	1,126	1,432
Net movement in fair value of financial instrument	-	755
Changes in working capital:		
(Increase) / decrease in trade and other current receivables	1,559	(892)
(Increase) / decrease in deferred tax assets	-	(1)
Increase / (decrease) in trade payables and other current liabilities	(2,527)	1,179
(Increase) / decrease in current tax payables	(25)	(22)
Increase / (decrease) in trade payables and other non-current liabilities	(138)	364
Other changes in working capital	-	-
Net cash flows generated (absorbed) from operating activities	14,335	21,598
Investment activities		
(Acquisition) / disposal of real estate properties	975	18,159
(Acquisition) / disposal of other tangible and intangible assets	(146)	(55)
(Increase) / decrease in financial activities	-	1,447
Purchase in subsidiaries (net of cash acquired)	(105,058)	-
Purchase of associated companies	(3,464)	(2,197)
Net cash flow generated (absorbed) from investment activities	(107,693)	17,354
Financing activities		
Shareholders' contribution / (dividends paid)	(10,811)	(10,082)
Dividends paid to minorities	(68)	(591)
(Acquisition) / closing of derivatives	(470)	(1,224)
Change in interests in subsidiaries	48,126	-
Increase / (decrease) in bank borrowings and other non-current lenders	150,800	99,452
Repayment of borrowings	(133,747)	(71,328)
Net cash flows generated (absorbed) from financing activities	53,830	16,227
Net increase / (decrease) in cash and cash equivalents	(39,528)	55,179
Cash and cash equivalents at the beginning of the period	82,221	27,042
Cash and cash equivalents at the end of the period	42,693	82,221

STATEMENT OF PROFIT/(LOSS) FOR THE YEAR

(in Euro)	December 31 st , 2019 (unaudited)	<i>of which related parties</i>	December 31 st , 2018	<i>of which related parties</i>
Income statements				
Rents	16,271,130	-	18,771,609	-
Net real estate operating expenses	(1,637,457)	(693,107)	(1,901,522)	(1,143,386)
Net rents	14,633,673	(693,107)	16,870,087	(1,143,386)
Income / (losses) from real estate disposals	3,561,868	-	-	-
Net sales revenues	3,561,868	-	-	-
G&A expenses	(6,841,968)	(3,930,908)	(8,025,920)	(5,158,772)
Other operating expenses	(27,890)	-	(2,313,464)	(2,286,030)
Gross operating income	11,325,683	(4,624,015)	6,530,703	(8,588,188)
Net depreciation	(647,469)	(81,139)	(38,963,650)	-
Net movement in fair value	4,472,898	-	25,869,732	-
Net operating income	15,151,112	(4,705,154)	(6,563,215)	(8,588,188)
Income from investments	9,355,582	9,355,582	47,039,755	47,039,755
Financial income	530	-	12,634	-
Financial expenses	(4,330,403)	2,470,246	(3,599,335)	-
Profit before taxes	20,176,821	7,120,674	36,889,839	38,451,567
Income taxes	-	-	-	-
Profit	20,176,821	7,120,674	36,889,839	38,451,567

OTHER COMPREHENSIVE INCOME STATEMENT

(in Euro)	December 31 st , 2019 (unaudited)	December 31 st , 2018
Profit for the year	20,176,821	36,889,839
Other comprehensive income to be reclassified to profit of the period in subsequent periods	(544,923)	(1,574,953)
Other comprehensive income not to be reclassified to profit of the period in subsequent periods	-	-
Other comprehensive income	19,631,898	35,314,886

STATEMENT OF FINANCIAL POSITION

(in Euro)	December 31 st , 2019 (unaudited)	<i>of which related parties</i>	December 31 st , 2018	<i>of which related parties</i>
Assets				
Real estate investments	193,900,000	-	398,600,000	-
Other tangible assets	1,061,256	770,994	318,352	-
Other intangible assets	185,580	-	68,751	-
Investments in subsidiaries	285,450,315	-	197,581,939	-
Investments in associated companies	19,518,446	-	16,054,159	-
Long term financial receivables	1,650,785	1,650,785	-	-
Derivatives	33,701	-	841,914	-
Total non-current assets	501,800,083	2,421,779	613,465,115	-
Trade and other current receivables	10,542,188	5,520,261	8,068,885	2,520,670
Short term financial receivables	490,899	490,899	-	-
Cash and cash equivalents	12,466,758	-	28,633,146	-
Total current assets	23,499,845	6,011,160	36,702,031	2,520,670
Total assets	525,299,928	8,432,939	650,167,146	2,520,670
Liabilities				
Capital stock	14,482,292	-	14,450,800	-
Share premium reserve	336,272,528	-	335,549,475	-
Valuation reserve	(1,676,529)	-	(956,533)	-
Interim dividend	(3,610,656)	-	(3,600,700)	-
Other reserve	34,338,484	-	8,293,679	-
Profit/ (loss) carried forward	2,309,789	-	2,091,782	-
Profit/ (loss) for the year	20,176,821	-	36,889,839	-
Shareholders' equity	402,292,729	-	392,718,342	-
Bank borrowings and other non-current lenders	99,131,633	-	246,764,222	-
Non-current financial liabilities	778,502	778,502	-	-
Payables for post-employment benefits	71,093	-	42,608	-
Provision for risk and charges	372,803	372,803	130,000	-
Derivatives	1,747,198	-	1,025,788	-
Trade payables and other non-current liabilities	1,141,210	998,000	1,124,740	998,000
Total non-current liabilities	103,242,439	2,149,304	249,087,358	998,000
Bank borrowings and other current lenders	16,139,657	-	-	-
Trade payables and other current liabilities	3,614,184	1,576,157	8,350,527	4,882,639
Current tax payables	10,919	-	10,919	-
Total current liabilities	19,764,760	1,576,157	8,361,446	4,882,639
Total liabilities	123,007,199	3,725,461	257,448,804	5,880,639
Totale liabilities and shareholders' equity	525,299,928	3,725,461	650,167,146	5,880,639

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in Euro)	Capital stock	Share premium reserve	Valuation reserve	Other reserves (Interim dividend)	Profit / (loss) carried forward	Profit / (loss) for the year	Total Shareholders' equity
Balance as of January 1 st , 2018	14,450,800	335,549,475	16,784	1,206,978	-	16,261,816	367,485,853
Adjustments ⁵	-	-	(12,953)	(44,377)	57,330	-	-
Allocation of profit for the year	-	-	-	4,505,474	2,034,452	(6,539,926)	-
Distribution of dividends 2017 ⁶	-	-	-	3,240,193	-	(9,721,890)	(6,481,697)
2018 interim dividend	-	-	-	(3,600,700)	-	-	(3,600,700)
Derivatives valuation	-	-	(960,364)	(614,589)	-	-	(1,574,953)
Profit / (loss) for the period	-	-	-	-	-	36,889,839	36,889,839
Balance as of December 31st, 2018	14,450,800	335,549,475	(956,533)	4,692,979	2,091,782	36,889,839	392,718,342
Allocation of profit for the year	-	-	-	25,869,732	218,007	(26,087,739)	-
Distribution of dividends 2018 ⁷	-	-	-	3,600,700	-	(10,802,100)	(7,201,400)
2019 interim dividend	-	-	-	(3,610,656)	-	-	(3,610,656)
Derivatives valuation	-	-	(719,996)	175,073	-	-	(544,923)
Capital increase	31,492	723,053	-	-	-	-	754,545
Profit / (loss) for the period	-	-	-	-	-	20,176,821	20,176,821
Balance as of December 31st, 2019 ⁸	14,482,292	336,272,528	(1,676,529)	30,727,828	2,309,789	20,176,821	402,292,729

⁵ The amounts relate to the effects due to the application of the new international accounting standards from January 1st, 2018.

⁶ Excluding the interim dividend on 2017 results amounting to Euro 3,241 thousand, paid in November 2017.

⁷ Excluding the interim dividend on 2018 results amounting to Euro 3,601 thousand, paid in November 2018.

⁸ 2019 unaudited.

CASH FLOW STATEMENT

(in Euro)	2019 (unaudited)	2018
Profit for the period before tax	20,176,821	36,889,839
Adjustments to reconcile the profit to net cash flow:		-
Net depreciation	566,329	38,963,650
Severance pay	435,413	62,477
Net movement in fair value	(4,472,898)	(25,869,732)
Financial income	-	(11,492)
Financial expenses	1,034,608	167,598
Net movement in fair value of financial instruments	-	755,000
Changes in working capital:		
(Increase) / decrease in trade and other current receivables	(2,473,303)	(4,141,971)
(Increase) / decrease in trade payables and other current liabilities	(3,981,798)	3,107,330
(Increase) / decrease in trade payables and other non-current liabilities	(147,655)	94,564
Net cash flows generated (absorbed) from operating activities	11,137,517	50,017,263
Investment activities		
(Acquisition) / disposal of real estate investments	(265,234)	(103,830,268)
(Acquisition) / disposal of other tangible and intangible assets	(147,017)	(48,876)
(Increase) / decrease in financial activities	-	1,447,184
Purchase of subsidiaries	(6,738,311)	-
Purchase of associated companies	(3,464,287)	(2,203,937)
Net cash flow generated (absorbed) from investment activities	(10,614,849)	(104,635,897)
Financing activities		
Shareholders' equity contribution / (dividends paid)	(10,812,056)	(10,082,397)
(Acquisition) / closing of derivatives	70,000	(1,224,000)
Increase in bank borrowing and other non-current lenders	-	99,451,977
Repayment borrowing	(5,947,000)	(23,400,000)
Net cash flows generated (absorbed) from financing activities	(16,689,056)	64,745,580
Net increase / (increase) in cash and cash equivalents	(16,166,388)	10,126,946
Cash and cash equivalents at the beginning of the period	28,633,146	18,506,200
Cash and cash equivalents at the end of the period	12,466,758	28,633,146



COIMA RES will discuss its results during a public conference call on February 21st, 2020, at 15:00 (Italian time). The call will be held in English and the presentation will be available on the company website (http://www.coimares.com/_EN/investor-relations/results-and-publications.php). To participate in the call, please call on of the following numbers:

Italy: +39 028020902
UK: +44 2030595875
USA: +1 7187058795

This press release may contain forecasts and estimates which reflect the current management expectations on future events and developments and, therefore, by their nature, forecasts and estimates involve risks and uncertainties. Considering such risks and uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements which should not be considered as forecasts of actual results. The ability of COIMA RES to achieve the expected results depends on many factors outside of management's control. Actual results could cause the results to differ materially (and to be more negative) from those expressed or implied in the forward-looking statements. Such forecasts and estimates involve risks and uncertainties that may significantly affect the expected results and are based on certain key assumptions. The forecasts and estimates expressed herein are based on information made available to COIMA RES as of the date hereof. COIMA RES does not assume any obligation to publicly update and review these forward-looking statements to reflect new information, events or other circumstances, subject to compliance with applicable laws.

The Executive responsible for the preparation of the company's accounting documents, Fulvio Di Gilio, declares that, pursuant to the art. 154-bis comma 2 of the Consolidated Financial Act, the accounting information given in this press release corresponds to accounting documents, books and entries.

For further information on the company: www.coimares.com.

COIMA RES is a real estate company listed on Borsa Italiana. COIMA RES manages real estate assets in Italy, primarily focusing on commercial properties. The company operates with the beneficial tax status granted to SIIQs (Società di Investimento Immobiliare Quotate), which is equivalent to the Real Estate Investment Trust (REIT) regime in other jurisdictions. The investment strategy of COIMA RES is focused on creating a high-quality portfolio of real estate assets with the objective of offering stable and sustainable returns to investors.

Contacts

COIMA RES

Alberto Goretti (Director, Investor Relations) – alberto.goretti@coimares.com

COIMA SGR

Kelly Russell (Managing Director, Marketing & Communication) – kelly.russell@coimasgr.com

Lorenzo Barbato (Director, Marketing & Communication) – lorenzo.barbato@coimasgr.com

Italy

SEC Relazioni Pubbliche +39 02 624 999 1

Daniele Pinosa – pinosa@segrp.com – +39 335 723 3872

Fabio Leoni – leoni@segrp.com – +39 348 869 1144

International

Newgate Communications - +44 (0)20 3757 6767

Giles Croot, Elisabeth Cowell, Polly Warrack - COIMAFinancial@newgatecomms.com

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