



## LETTER FROM THE CHIEF EXECUTIVE OFFICER

Milan, December 14<sup>th</sup>, 2020

Dear Shareholders, Investors, Tenants and Partners,

As we approach year end, I want to share an update on the results achieved by COIMA RES in 2020 and on the outlook for the medium term.

During the year, we continued to operate in line with our strategy aimed at consolidating a high-quality real estate portfolio mainly consisting of office properties located in Milan. Today, the office component of our portfolio is equal to 85% and the component located in Milan is equal to 90%. Furthermore, in recent years we have consolidated our position in the district of Porta Nuova where 50% of the COIMA RES portfolio is currently located. The tenant base of COIMA RES is mainly composed of medium-large sized multinational corporations with primary standing and reputation: this feature has allowed us to collect almost all the rents due for 2020 despite the complex health and macroeconomic context that has developed on the back of the COVID-19 pandemic.

A cornerstone of our strategy is sustainability, a factor that allows us to best position our offering with respect to tenants' demand and to help reduce the risk profile of COIMA RES. Approx. 72% of our office portfolio is either newly built or recently renovated and certified according to the LEED protocol (this percentage includes the Corso Como Place project which, despite the complexity associated with managing construction sites during the COVID-19 pandemic, is now being completed at no additional cost vs budget). The remaining 28% comprises properties that will be upgraded and renovated in the coming years to improve their energy performance and to maximise their appeal to tenants.

In line with its strategy, COIMA RES decided, in June 2020, to acquire a minority stake in the Gioia 22 property in Porta Nuova. The closing of the acquisition is expected for 2022. The Gioia 22 building, designed by Pelli Clarke Pelli Architects, presents innovation and sustainability features that are unique in the Italian market: for example, Gioia 22 is the largest building in Italy to obtain the Nearly Zero Energy Building (NZEB) certification as well as to qualify for the LEED, WELL and Cradle to Cradle certifications.

Furthermore, this year COIMA has started the process to obtain the LEED for Communities and WELL Community certifications for the entire Porta Nuova district in Milan, making it the first district redevelopment project globally aiming to obtain this double certification. These two complementary certifications will analyse the social, environmental, and economic aspects of the Porta Nuova development, documenting the commitment to the community in the creation of a district through the activation of public spaces, the creation of an innovative and replicable urban economic model and the development of tools to communicate with the community.



From a financial point of view, the year 2020 also saw the signing of a new asset management contract between COIMA RES and COIMA SGR. This includes a substantial improvement in the economic terms in favour of COIMA RES contributing to improve its profitability. With the same spirit, I have continued to renounce the remuneration related to my position as CEO.

COIMA RES also continued its path of transparency and dialogue with the market. In recognition of this, we were proud to receive the Gold Award from EPRA for our financial and sustainability reporting for the fourth consecutive year. In addition, the website [www.coimares.com](http://www.coimares.com) has improved its positioning in the Webranking research, for the third year in a row. This research is conducted by Comprend and Lundquist and evaluates the transparency of corporate communication of listed companies: today COIMA RES ranks number 18 out of a group of 122 listed Italian companies participating in the research.

It is evident that the COVID-19 pandemic has led to a rapid conversion of typical working models, with most employees working remotely with a seemingly limited impact on productivity. The experience of recent months has fuelled a debate on how work will be organized after the first contingent phase of the pandemic and the need for office space by companies has been questioned, especially at a time when the global economic crisis will lead companies to revise their hiring plans, their organisational models, and their cost base.

We believe that the foreseeable increase in the adoption of the practice of remote work in Italy and Milan will affect the demand of tenants for office space both from a qualitative and quantitative point of view. Our view is that aggregate demand for office space could decrease marginally, but that at the same time tenants will be more attentive to the quality of the space they lease: this will support the demand for office space and properties with advanced features from the point of view of environmental sustainability and which are able to put people at the centre by encouraging collaboration and creativity, acting as real productivity tools for businesses.

In particular, we believe that the polarization between neighbourhoods will further consolidate and accelerate, and that qualified neighbourhoods (i.e. neighbourhoods which are well connected to the public transport network, equipped with a good availability of services, wellness options and the presence of quality public spaces, and characterized from a high degree of diversification in terms of end uses) will continue to meet strong interest from office tenants, maintaining a limited level of vacancy.

The current economic and market context is not without challenges: COIMA RES is ready to transform these challenges into opportunities with the aim of generating value for its customers, for its shareholders and in a broader sense for the citizens of the territories in which we operate.

Best regards,

**Manfredi Catella**

Founder and Chief Executive Officer, COIMA RES



COIMA RES is a Real Estate Investment Trust (REIT) founded in 2015 and listed on the Italian Stock Exchange since 2016. COIMA RES' strategy is focussed on the development and active management of a high-quality real estate portfolio with a high sustainability content that is positioned to meet the current and future demand from tenants. At present, COIMA RES owns and manages a real estate portfolio mainly concentrated on the Milan office segment.

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