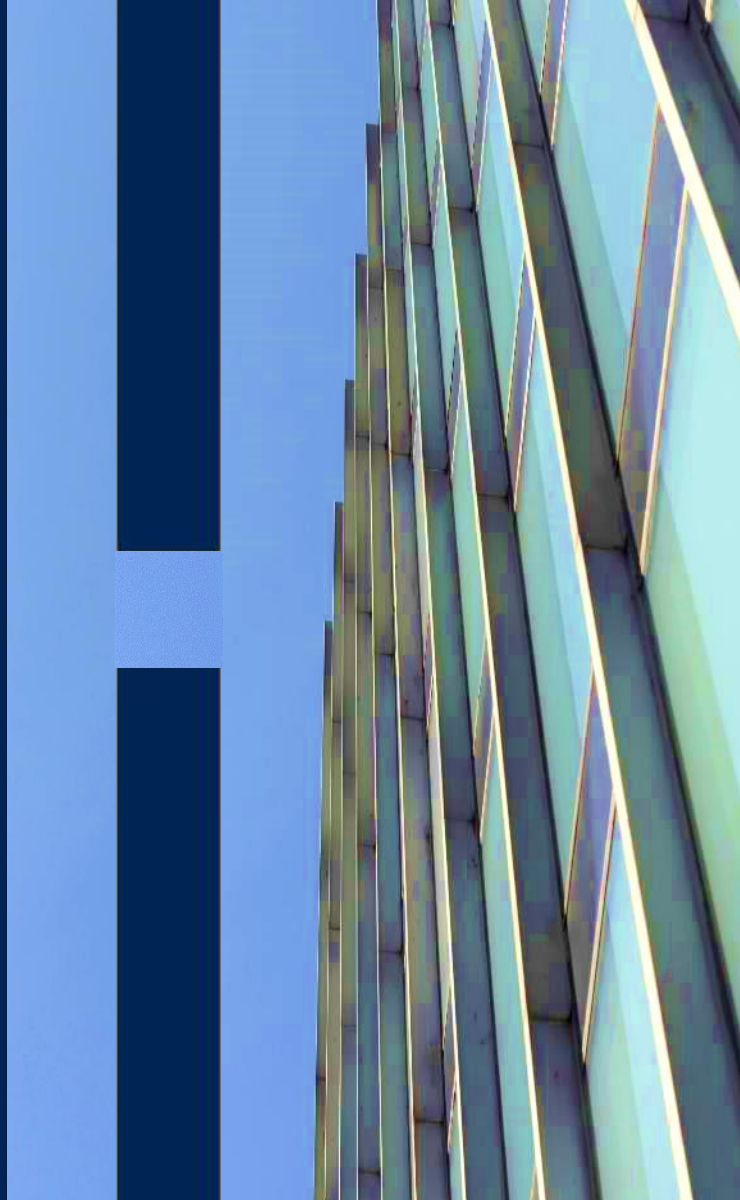
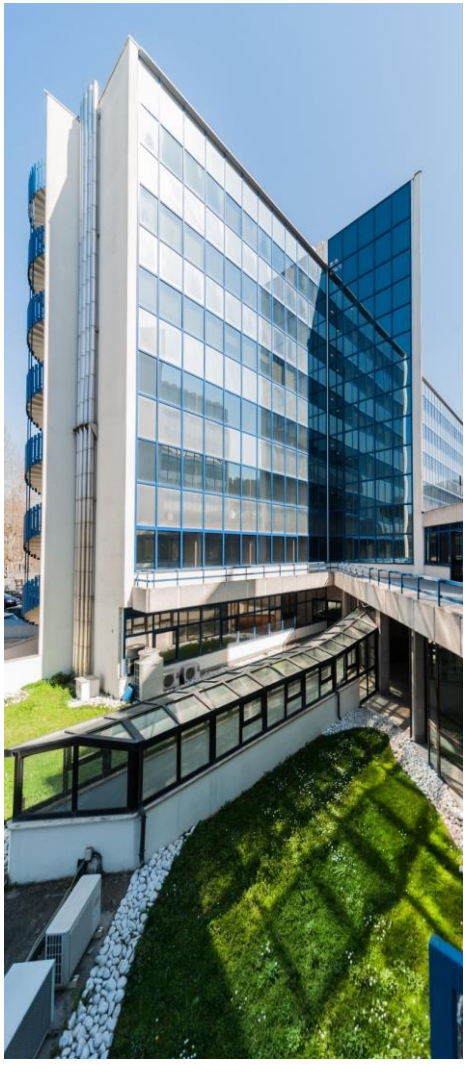
AEDES SIIQ
COMMERCIAL PROPERTIES

Financial Results
1H 2018

August 1, 2018





INDEX

- EPRA NNNAV 1H 2018
- Financial Results 1H 2018
- Business Plan Guidance
- Real Estate Portfolio 1H 2018
- Business Updates
- Corporate Updates
- Investment Opportunities

HIGHLIGHTS 1H 2018

€/mln
11.0
REVENUES

€/mln
7.8
GROSS REVENUE FROM RENTS

€/mln
~ 16
GROSS REVENUE FROM RENTS ANNUAL BASIS

€/mln
1.4
EBITDA

€/mln
560.3*
TOTAL GAV

€/mln
447.3
CONS.GAV

€/mln
(179.2)
NFP

43.7%**
LTV

NNNAV € 315.0 mln

NNNAV per share € 0.99

Share Price (€) July 31, 2018	*0.315*
Discount on EPRA NNNAV June 30, 2018	68.2%
Market Cap (€mln) June 30, 2018	100,7

AEDES SIIQ
COMMERCIAL PROPERTIES

** Including the portion attributable to property held 100% by associates and unconsolidated real estate funds*
*** LTV calculated as the ratio between gross debt and Real Estate Portfolio at fair value 30.7%*

Financial Results
1H 2018

INCOME STATEMENT 1H 2018

€/000	1H2018	1H2017
Gross revenue from rents	7,842	8,493
Margin on property sales	2794	60
Margin on sales of non-property inventories	300	465
Margin on sales of shareholdings	0	0
Other revenues	27	299
Total Revenues	**10,963**	**9,317**
Total External Direct Costs	**(4,287)**	**(3,230)**
Net Operating Income	**6,676**	**6,087**
Direct personnel costs	(1,420)	(1,251)
Direct Internal capitalised costs on real estate	1,020	597
Total Internal Direct Costs	**(400)**	**(654)**
Cost of head office staff	(1,438)	(1,367)
Advisory services to Structure	(1,458)	(1,487)
G&A	(1,970)	(2,360)
Total Overheads	**(4,866)**	**(5,214)**
EBITDA	**1,410**	**219**
Adjustment to fair value of real estate investments	5,372	7,881
(Write-down)/write-back of inventories	(90)	(961)
Amortisation, depreciation provisions and impairment	(1,226)	(372)
Income/(expenses) from associates	(1,071)	(982)
EBIT (Operating Result)	**4,395**	**5,785**
Financial income/(charges)	(4,626)	(2,425)
EBT (Earing before taxes)	**(231)**	**3,360**
Taxes/Tax charges	203	(82)
Profit/(loss) from continuing operations	**(28)**	**3,278**
Profit/(loss) after taxes on non-current assets to be divested	-	(421)
Profit/(Loss)	**(28)**	**2,857**
Share of result of the minority shareholders	(114)	(340)
Group's share of the result	**86**	**3,197**

Total revenues for the first half of 2018 amounted to € 11 million, up 18% compared to the figures for the same period of the previous year equal to € 9.3 million. The increase of € 1.6 million is due to the positive contribution of the **sale of properties** for € 2.7 million, partially offset by the decrease in **gross rental revenues** of € 0.7 million, and the decrease due to lower revenues from sale of inventories and other revenues of € 0.4 million.

Net Operating Income is positive for € 6.7 million compared to € 6.1 million in the previous year, with an improvement of around € 0.6 million.

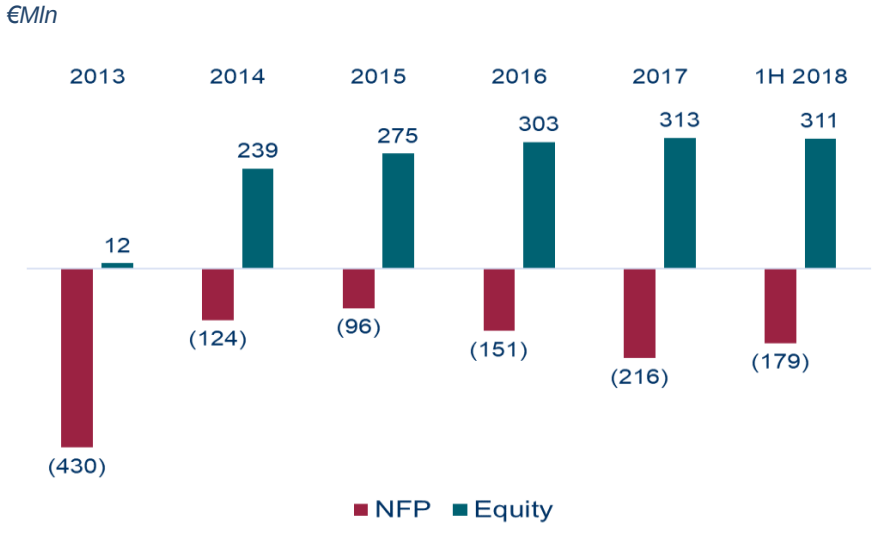
EBITDA is positive for € 1.4 million and improved compared to the figure for 2017 of € 0.2 million.

The adjustment to the fair value of real estate investments in the first half of 2018 is equal to € 5.4 million, mainly due to the revaluation following the signing of new leases whose effects in terms of rentals will be appreciated starting from the second half of 2018, compared to € 7.9 million in the previous year, that included the revaluation of the fair value during the acquisition of the Serravalle Retail Park for € 4.6 million and the revaluation of the development area located in the municipality of Caselle, as a result of the signing of the Urban Planning Agreement with the Municipality for € 3.5 million.

Financial charges net of financial income and including the effects of the fair value adjustment of derivatives to hedge interest rate risk, amount to € 4.6 million (€ 2.4 million) of which Financial charges: - € 4.9 million due to a higher level of average financial indebtedness compared to the first half of 2017 (- € 2.9 million).

BALANCE SHEET 1H 2018

€/000	30/06/2018	31/12/2017
Fixed assets	489,698	485,596
Net working capital	5,336	46,806
Capital employed	**495,034**	**532,402**
Other non recurrent assets/liabilities	4,516	3,857
Equity	311,340	312,816
Net Debt	179,178	215,729
Total sources	**495,034**	**532,402**



Consolidated shareholders' equity amounted to € 311.3 million compared to € 312.8 million at 31 December 2017, with a negative change of € 1.5 million mainly due to the fair value measurement of derivative financial instruments considered as hedging instruments. (- € 0.6 million), to the impact on opening shareholders' equity deriving from the adoption of the new accounting standard IFRS 9 (- € 0.8 million) and to actuarial losses (- € 0.1 million).

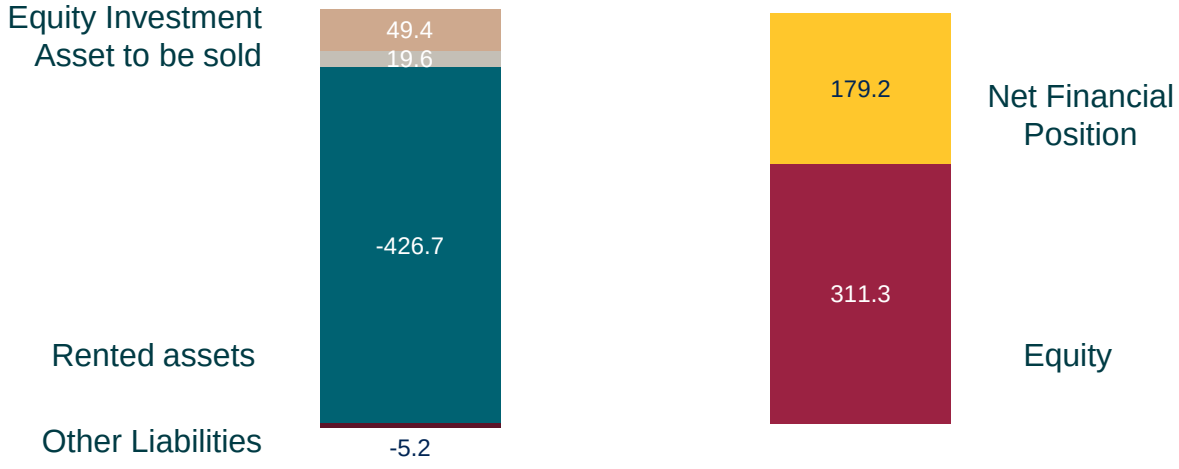
The **Group's net financial debt** at 30 June 2018 is € 179.2 million compared to € 215.7 million at 31 December 2017, with a decrease of € 36.6 million mainly due to the net effect of reimbursements related to sales of properties and new disbursements relating to development projects. The net financial debt of 2018 derives from a difference between gross payables for € 195.6 million and cash equal to € 16.4 million (valued in accordance with IFRS 9), compared to gross debts for € 238.9 million and cash at € 23.2 million at the end of the previous year. The indebtedness at June 30, 2018 has an average duration (duration) of 2.31 years compared to 2.63 years at December 31, 2017. At 30 June 2018, the percentage of gross variable-rate debt was 43.0% of the Group's total financial exposure, compared to 66.8% of debt at the floating rate as at 31 December 2017. At the date of approval of the semi-annual report there are no financial covenants or other clauses of the loan contracts not respected.

BALANCE SHEET 1H 2018

€Mln

TOTAL ASSETS
490.5 mln

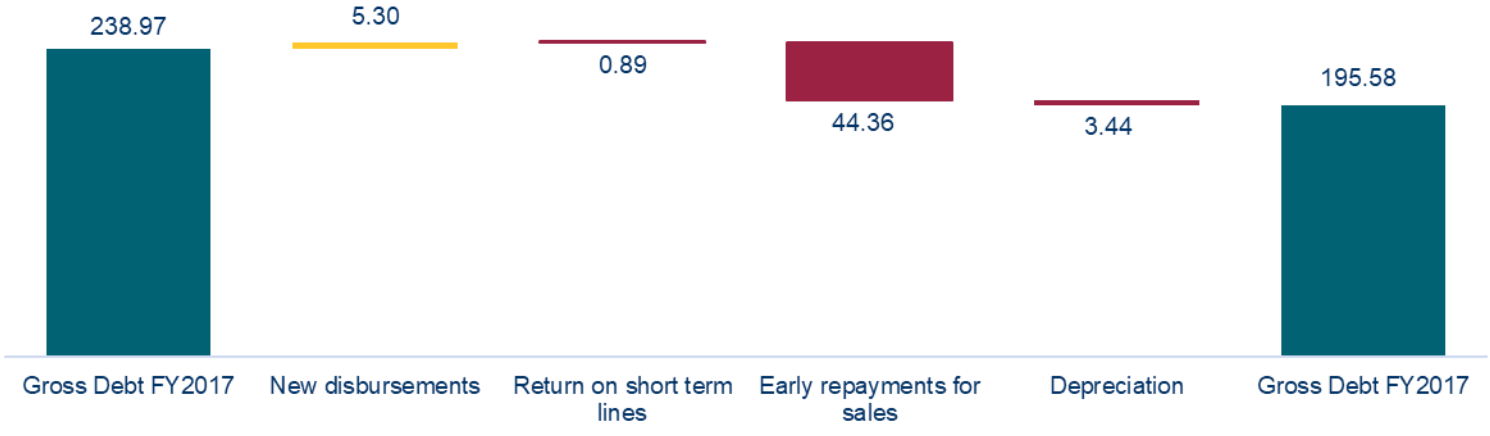
EQUITY AND NFP
490.5 mln



GROSS DEBT EVOLUTION 1H 2018

€Mln

GROSS DEBT



LTV*

43.7%

NFP/Equity

0.58

DURATION

2.31 years

FLOATING VS. FIXED

43% vs 57%

AVERAGE COST OF DEBT

3.26%

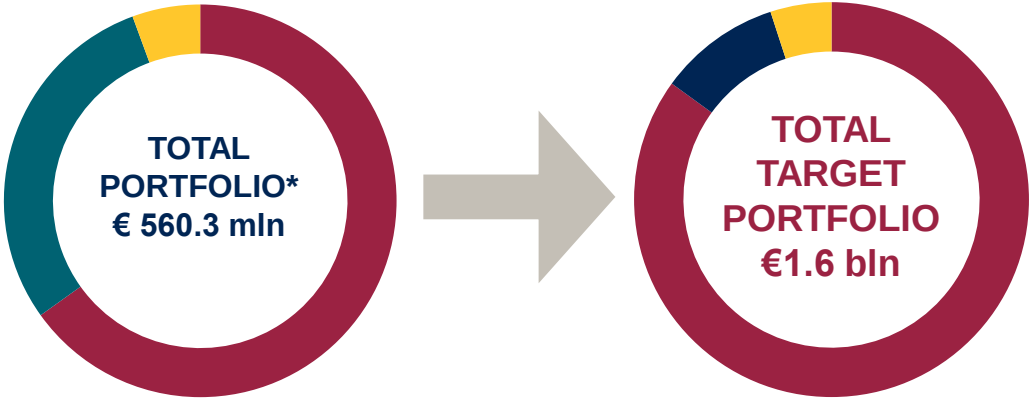
AEDES SIIQ
COMMERCIAL PROPERTIES

* LTV calculated as the ratio between gross debt and Real Estate Portfolio at fair value 30.7%

Business Plan Guidance

GUIDANCE 2018-2023

- Economic margin improving thanks to leasing activity
- LTV equal to about 50%
- Occupancy rate > 95%
- Portfolio GAV in 2023 equal to € 1.6 bln



	2017	2018 - 2023
RENTED ASSETS	68.4%	Target ~ 85%
DEVELOPMENT FOR RENT	23.4%	Target ~ 10%
ASSET TO BE SOLD	8.2%	Target ~ 5%

AEDES SIIQ
COMMERCIAL PROPERTIES

*Including the portion attributable to property held 100% by associates and unconsolidated real estate funds

EPRA NNNAV
1H 2018

EPRA NNNAV 1H 2018

€/000	30/06/2018	31/12/2017
Outstanding shares*	319.680.191	316.773.191
EPRA Net Asset Velue		
Equity Group	311,839	313,201
NAV		
Including:		
Real Estate investment revaluations	0	0
Development projects revaluations	1,565	15
Other investments revaluations (associates)	1,618	1,584
Inventories revaluations	228	1,919
Excluding:		
Fair value of financial derivative instruments	891	238
EPRA NAV	**316,141**	**316,957**
EPRA NAV per share	**0.99**	**0.99**
Fair value of financial derivative instruments	(891)	(238)
Fair value of financial debt	(266)	(24)
EPRA NNNAV	314,984	316,695
EPRA NNNAV per share	0.99	0.99

AEDES SIIQ COMMERCIAL PROPERTIES

**Excluding* treasury shares

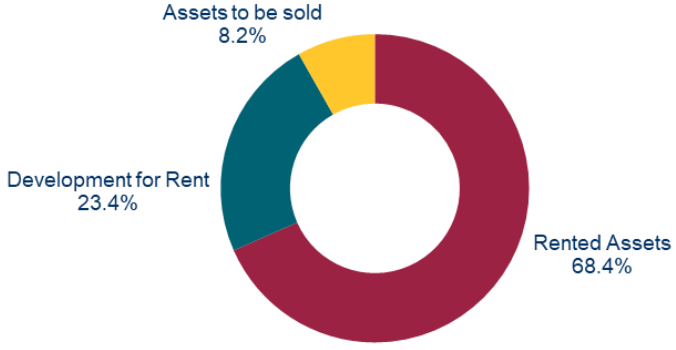
Real Estate Portfolio
1H 2018

GAV PORTFOLIO BY TYPE 1H 2018

€/000	GAV				NAV			
	Consolidated	Not consolidated Funds & JV	Total Portfolio	% on Total Portfolio	Consolidated	Not consolidated Funds & JV	Total Portfolio	% on Total Portfolio
Retail	142,510	86,869	229,379	40.9%	88,843	36,497	125,340	35.4%
Office	140,650	483	141,133	25.2%	93,372	222	93,594	26.5%
Other Uses	12,828	-	12,828	2.3%	7,581	-	7,581	2.1%
Rented Assets	**295,988**	**87,352**	**383,340**	**68.4%**	**189,796**	**36,718**	**226,515**	**64.1%**
Retail Development for Rent	103,357	-	103,357	18.4%	86,951	-	86,951	24.6%
Other Uses Development for Rent	27,700	-	27,700	4.9%	20,208	-	20,208	5.7%
Development for Rent	**131,057**	**-**	**131,057**	**23.4%**	**107,159**	**-**	**107,159**	**30.3%**
Sub Total Portfolio Rented/for rent	**427,045**	**87,352**	**514,397**	**91.8%**	**296,955**	**36,718**	**333,674**	**94.4%**
Other Uses	19,103	26,826	45,928	8.2%	12,173	7,734	19,907	5.6%
Sub Total Portfolio to be sold	**19,103**	**26,826**	**45,928**	**8.2%**	**12,173**	**7,734**	**19,907**	**5.6%**
TOTAL GROUP PORTFOLIO	**446,147**	**114,178**	**560,325**	**100.0%**	**309,129**	**44,452**	**353,581**	**100.0%**

Minorities	GAV	NAV
Praga France Sarl (25%)	1,160	832
TOTAL CONSOLIDATED PORTFOLIO	**447,307**	**309,961**

GAV Total Portfolio

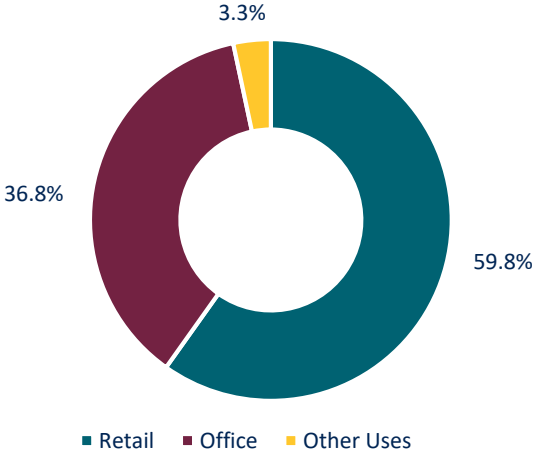


RENTED ASSETS BY USE 1H 2018

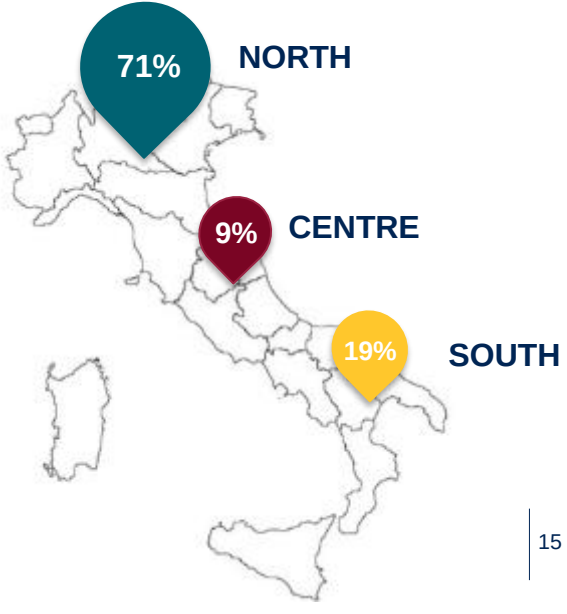
€/000	Consolidated pro quota	Not consolidated Funds & JV	Total Portfolio	% on Total Portfolio
Retail	142,510	86,869	229,379	40.9%
Office	140,650	483	141,133	25.2%
Other Uses	12,828	-	12,828	2.3%
Rented Assets	**295,988**	**87,352**	**383,340**	**68.4%**

BREAKDOWN OF TOTAL RENTED ASSETS BY:

TYPE



GEOGRAPHY*



AEDES SIIQ COMMERCIAL PROPERTIES

** 1% Foreign*

RENTED ASSETS 1H 2018

- Location: Catania, Via Etnea
- Total GLA: 7,935 sqm
- Market Value June 30, 2018: € 16.6 mln

- Location: Roma, Via Veneziani
- Total GLA: 16,745 sqm
- Market Value June 30, 2018: € 28.7 mln

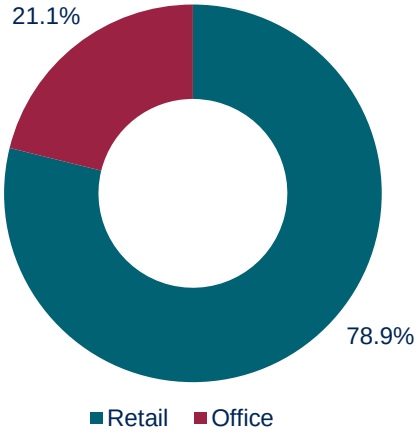
- Location: Serravalle, Outlet Phase 6
- Joint Venture with TH Real Estate Fund (49.9%)
- Total GLA: 8,726 sqm
- Market Value June 30, 2017: € 74.3 mln*

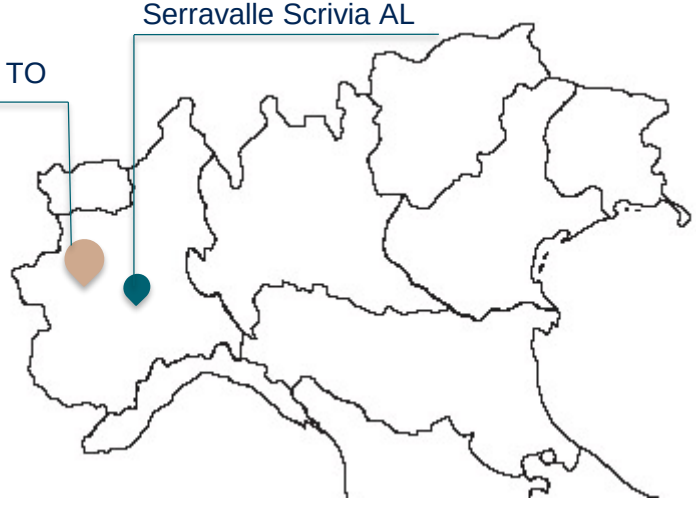
*Fair Value GAV referred to 50.1%

DEVELOPMENT FOR RENT 1H 2018

€/000	Consolidated pro quota	Not consolidated Funds & JV	Total Portfolio	% on Total Portfolio
Retail Development for Rent	103,357	-	103,357	18.4%
Other Development for Rent	27,700	-	27,700	4.9%
Development for Rent	**131,057**	**-**	**131,057**	**23.4%**

DEVELOPMENT BY TYPE





Business Updates

THE MARKET, SAN MARINO OUTLET EXPERIENCE

- Signed the closing agreement with BG Asset Management S.A. (Borletti Group), Dea Holding Srl, and VLG Capital Srl on October 25, 2017
- Aedes SIIQ underwrote a capital increase of € 2.7 million, corresponding to a 40% ownership of the companies that will play the role of General Partner of the initiative
- The project will develop in two phases on a commercial area of at least 27.000 sqm of GLA (including retail and food)
- Aedes SIIQ has a call option at the end of 2022 to purchase the entire outlet

THE MARKET
SAN MARINO OUTLET EXPERIENCE

Caselle Open Mall

113,000
SQM GLA

200
SHOPS, WITH INTERNATIONAL BRANDS

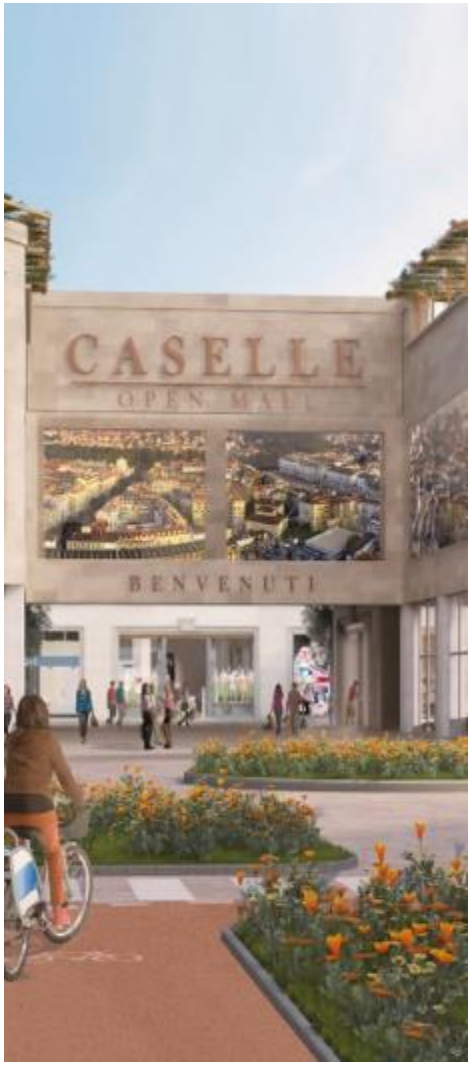
45
MSU

6,000
SQM FOOD SPACE

40
BARS AND RESTAURANTS OF TRADITIONAL & INTERNATIONAL GASTROECONOMIC EXCELLENCE

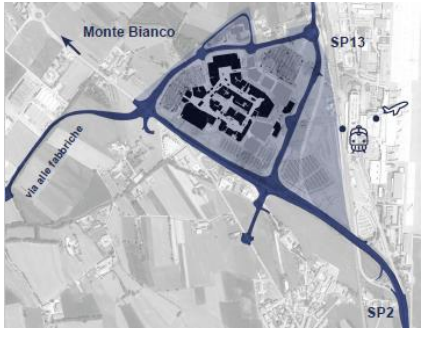
15,000
SQM DEDICATED TO AN ENTERTAINMENT CONCEPT THAT IS TOTALLY NEW TO ITALY

8,000
PARKING SPACES



THE PROJECT

COM Caselle Open Mall is an innovative concept, based on an open, yet largely “covered” structure, incorporating a network of pedestrian streets, passages, porticoes and plazas, reminiscent of the socializing atmosphere of urban districts.



A STRATEGIC LOCATION

The development site is adjacent to the “Sandro Pertini” Airport of Caselle Torinese and ease of access is ensured by direct connection with the main road system, to be further improved by new roadworks.

COM's OFFER MIX

Caselle Open Mall

RETAIL

A **wide range** of proposals, to respond to the expectations of a **diverse** visitors' population: from **fast fashion to premium brands**, to large specialty stores (e.g. sports and electronics), to food stores and temporary stores, for a total area of 87.000 sqm

ENTERTAINMENT

- Through a partnership with iP2 Entertainment, an agreement with National Geographic Partners LLC has been signed, for the **development and management of the first Family Edutainment Center in Europe**, for a total area of 5.000 sqm
- Atelier of recreational experiences with high educational content, organized and managed by Reggio Children, catering to small children up to 5 years , for a total area of 5.000 sqm
- An indoor theme park and a state-of-the-art multiscreen movie theatre, for a total area of 5.000 sqm

FOOD AND BEVERAGE

- 4.800 sqm concentrated in the food court
- 1.200 sqm distributed throughout the mall

Corporate Updates

CORPORATE UPDATES

January 24, 2018 – The Board of Directors, in implementation of the Shareholders' Meeting resolution of 27 April 2017 authorizing the purchase and disposal of treasury shares, resolved to renew until October 27, 2018, the liquidity support program of the Aedes SIIQ stock, conferring the assignment of Liquidity provider to INTERMONTE SIM SpA.

February 28, 2018 – Aedes SIIQ, following the framework agreement signed in December 2017, finalized the lease for the entire Tower located in Milan in Viale Richard 3, with WPP Marketing Communications (Italy) Srl, a WPP Group company. primary multinational communication group whose parent company WPP PLC is listed on the NYSE. The lease will have a renewable term of 9 years of additional 6 years, with a fee of € 1.8 million per year.

March 2, 2018 – Aedes SIIQ S.p.A has increased the provision made available to Intermonte SIM to € 200,000 to purchase and sell, under conditions of independence, on behalf and undertaking risk for the Group, Aedes SIIQ's shares

April 27, 2018 - The Shareholders' Meeting has appointed the new Board of Directors, confirming Carlo A. Puri Negri as Chairman of the Board, and the new Board of Statutory Auditors.

CORPORATE UPDATES

April 27, 2018 - The Board of Directors has appointed the following Committees - envisaged by the Corporate Governance Code for listed companies:

- Control, Risks and Operations Committee with Related Parties
- Remuneration and Appointments Committee
- Finance and Investment Committee

In addition, the Board of Directors, in implementation of the shareholders' meeting resolution of April 2018 authorizing the purchase and disposal of treasury shares, resolved to continue the program to support the liquidity of the Aedes SIIQ share, using Intermonte SIM S.p.A.

May 9, 2018 – The Board of Directors confirmed Giuseppe Roveda as Chief Executive Officer, and Benedetto Ceglie as Vice Chairman and Director in charge of the internal control and risk management system.

June 14, 2018 - Aedes REIT inaugurated the renovated and expanded Serravalle Retail Park, after the acquisition by Aedes SIIQs occurred in 2017.

CORPORATE UPDATES

June 25, 2018 - The Board of Directors has appointed the following Committees - envisaged by the Corporate Governance Code for listed companies:

- Control, Risks and Operations Committee with Related Parties
- Remuneration and Appointments Committee
- Finance and Investment Committee

In addition, the Board of Directors, in implementation of the shareholders' meeting resolution of April 2018 authorizing the purchase and disposal of treasury shares, resolved to continue the program to support the liquidity of the Aedes SIIQ share, using Intermonte SIM S.p.A.

June 29, 2018 – Aedes SIIQ S.p.A. (MTA:AE) announces to have signed, with a primary institutional investor the sale of the building located in Milan in Via Agnello 12, at a price of € 50.75 million, equivalent to a Net Cap Rate of approximately 3.3%.

Investment Opportunities

INVESTMENT OPPORTUNITIES

CONTACT

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