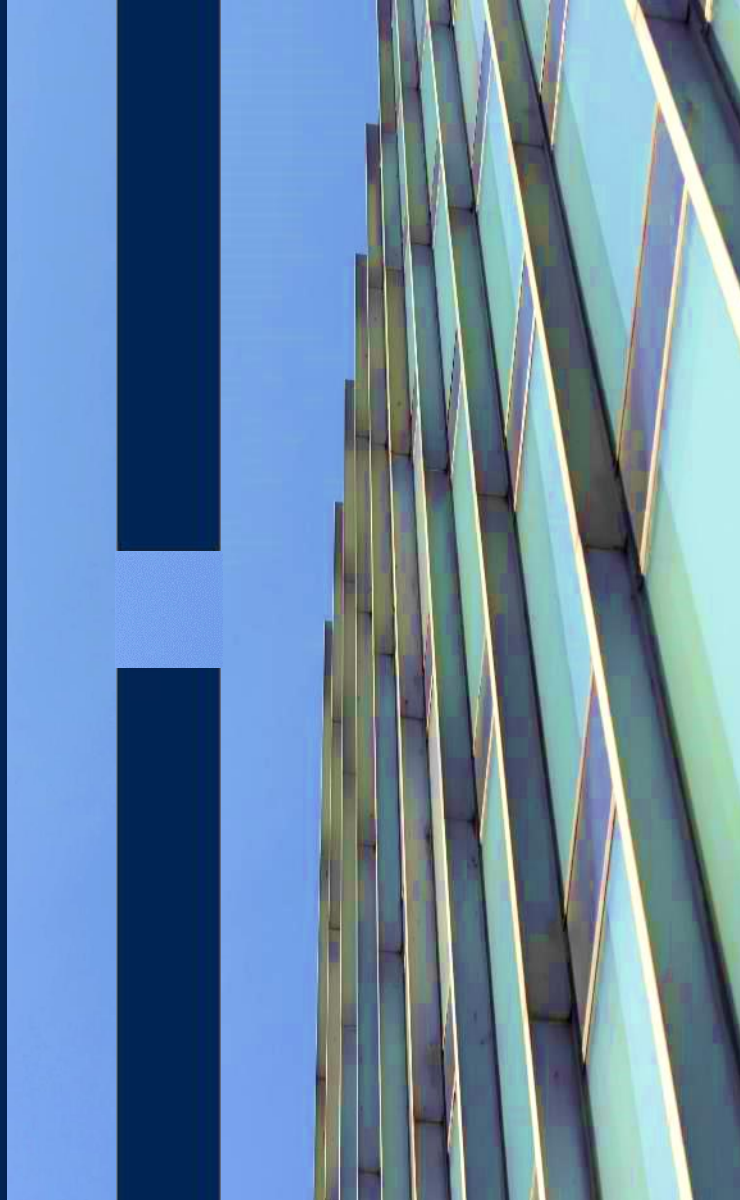
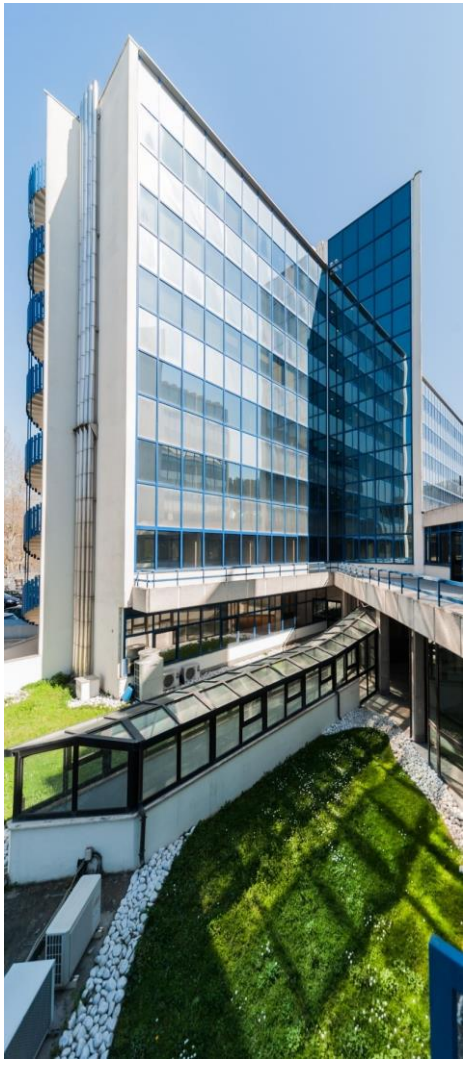
AEDES SIIQ
COMMERCIAL PROPERTIES

Financial Results 9M 2018

November 14, 2018





INDEX

- Financial Results 9M 2018
- Real Estate Portfolio 9M 2018
- Business Updates
- Corporate Updates
- Demerger Project

HIGHLIGHTS 9M 2018

€/mln

16.3
REVENUES

€/mln

11.9
GROSS REVENUE FROM RENTS

€/mln

2.3
EBITDA

€/mln

563.0*
TOTAL GAV

€/mln

448.9
CONS.GAV

€/mln

(189.3)
NFP

43.7%**
LTV

Share Price (€) November 14, 2018	*1,77*
Market Cap (€Mln) November 14, 2018	56.6

AEDES SIIQ
COMMERCIAL PROPERTIES

** Including the portion attributable to property held 100% by associates and unconsolidated real estate funds*
*** Gross Debt/ GAV. Taking into account the Gross Debt on real estate assets specifically the ratio decrease to 30.7%*

Financial Results
9M 2018

INCOME STATEMENT 9M 2018

€/000	9M2018	9M2017
Gross revenue from rents	11,885	13,322
Margin on property sales	2823	60
Margin on sales of non-property inventories	731	859
Margin on sales of shareholdings	0	0
Other revenues	848	995
Total Revenues	**16,287**	**15,236**
Total External Direct Costs	**(5,750)**	**(4,782)**
Net Operating Income	**10,537**	**10,454**
Direct personnel costs	(2,063)	(1,902)
Direct Internal capitalised costs on real estate	1,319	729
Total Internal Direct Costs	**(744)**	**(1,173)**
Cost of head office staff	(2,051)	(1,850)
Advisory services to Structure	(2,199)	(2,527)
G&A	(3,222)	(3,579)
Total Overheads	**(7,472)**	**(7,956)**
EBITDA	**2,321**	**1,325**
Adjustment to fair value of real estate investments	4,749	7,881
(Write-down)/write-back of inventories	(113)	(961)
Amortisation, depreciation provisions and impairment	(1,549)	(633)
Income/(expenses) from associates	(974)	(1,143)
EBIT (Operating Result)	**4,434**	**6,469**
Financial income/(charges)	(6,420)	(3,872)
EBT (Earing before taxes)	**(1,986)**	**2,597**
Taxes/Tax charges	-	-
Profit/(loss) from continuing operations	**(1,986)**	**2,597**
Profit/(loss) after taxes on non-current assets to be divested	-	(421)
Profit/(Loss)	**(1,986)**	**2,176**
Share of result of the minority shareholders	(110)	(256)
Group's share of the result	**(1,876)**	**2,432**

Total revenues as at 30 September 2018 amounted to € 16.3 million compared with € 15.2 million of the same period of the previous year. The increase of € 1.1 million is due to the positive contribution of the **sale of proprieties** for € 2.8 million, partially offset by the decrease of **gross rental revenues** of € 1.4 million and the decrease due to lower revenues from sale of inventories and other revenues of € 0.3 million.

Il **Net Operating Income** is positive for € 10.5 million in line with the previous year**.**

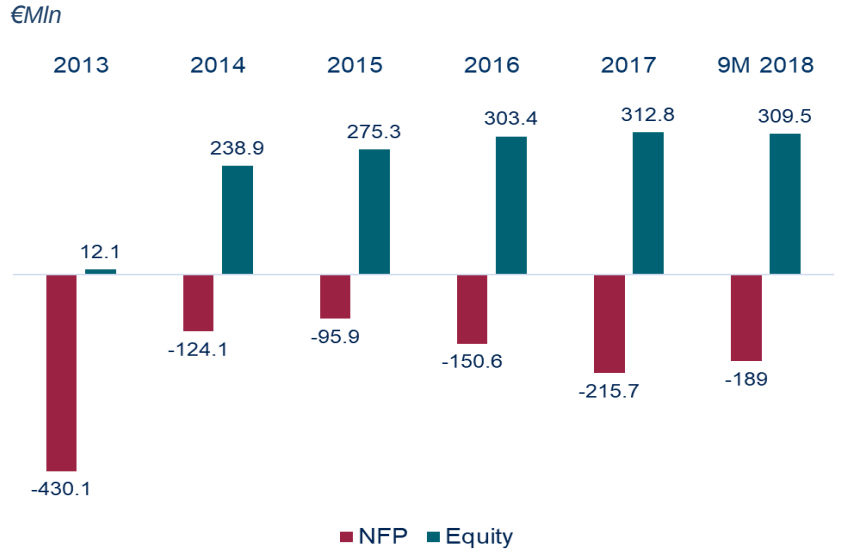
As a result, **EBITDA** is positive for € 2.3 million, up by € 1 million compared to € 1.3 million of the 2017.

EBIT is positive for € 4.4 million compared to € 6.5 million at 30 September 2017. The reduction is mainly attributable to lower adjustments to the fair value of property investments, and higher amortization and depreciation.

Financial charges net of financial income and including the effects of the fair value adjustment of derivatives to hedge interest rate risk, amount to € 6.4 million compared to € 3.9 million of the previous year.
The item is mainly composed of:
Financial income: + € 0.4 million (€ 0.6 million);
Financial charges: - € 6.8 million due to a higher level of average financial indebtedness in the first half of 2018 (- € 4.6 million);
Adjustment to the fair value of derivative instruments: essentially zero and in line with the previous period (+ € 0.1 million).

BALANCE SHEET 9M 2018

€/000	30/09/2018	31/12/2017
Fixed assets	493,840	485,596
Net working capital	9,386	46,806
Capital employed	**503,226**	**532,402**
Other non recurrent assets/liabilities	4,343	3,857
Equity	309,534	312,816
Net Debt	189,349	215,729
Total sources	**503,226**	**532,402**



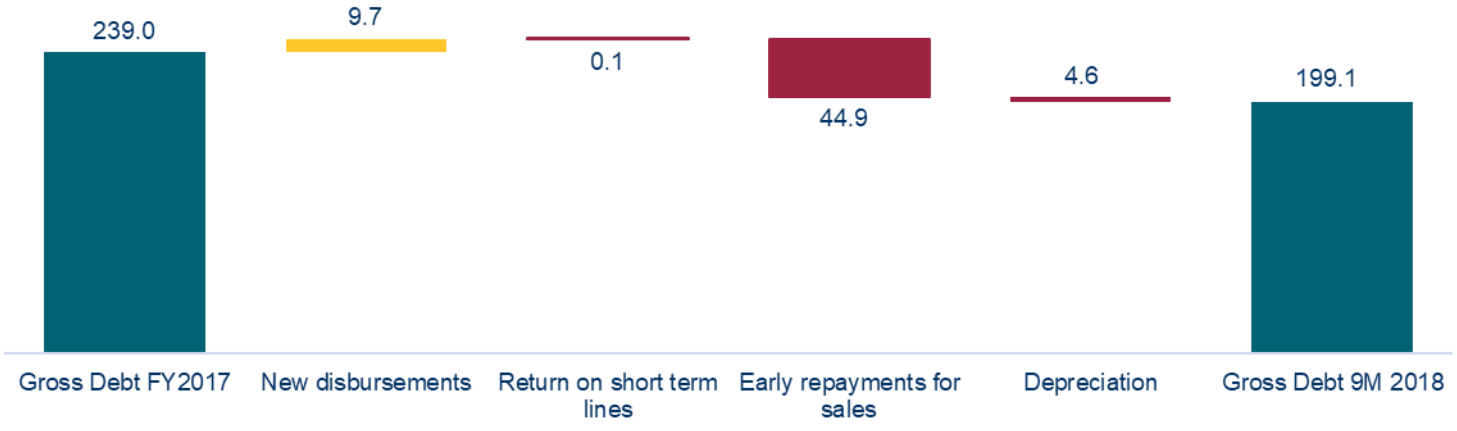
Consolidated shareholders' equity amounted to **€ 309.5 million** compared to € 312.8 million at 31 December 2017, with a negative change of € 3.3 million mainly due to the fair value measurement of derivative financial instruments considered as hedging instruments. (- € 0.5 million), to the impact on opening shareholders' equity deriving from the adoption of the new accounting standard IFRS 9 (- € 0.8 million) and to actuarial losses (- € 0.1 million) in addition to the loss of the period of € 2 million.

The Group's net financial debt at September 30, 2018 is € 189.4 million compared to € 215.7 million at December 31, 2017, with a decrease of € 26.3 million mainly due to the net effect of reimbursements related to sales of properties and new disbursements relating to development projects.
Net financial debt in 2018 derives from a difference between gross debts for € 199.1 million and bank deposits of € 9.7 million (valued in accordance with IFRS 9), compared to gross payables for € 238.9 million. million and bank deposits of € 23.2 million at the end of the previous year.
The indebtedness at September 30, 2018 has an average duration (duration) of 2.12 years and a percentage of gross debt at a variable rate equal to 43.7% of the Group's overall financial exposure.
At the date of approval of the semi-annual report there are no financial covenants or other clauses of the loan contracts not respected.

GROSS DEBT EVOLUTION 9M 2018

€Mln

GROSS DEBT



DURATION

2.12 years

FLOATING VS. FIXED

43.7% vs 56.3%

NFP/Equity

0.61

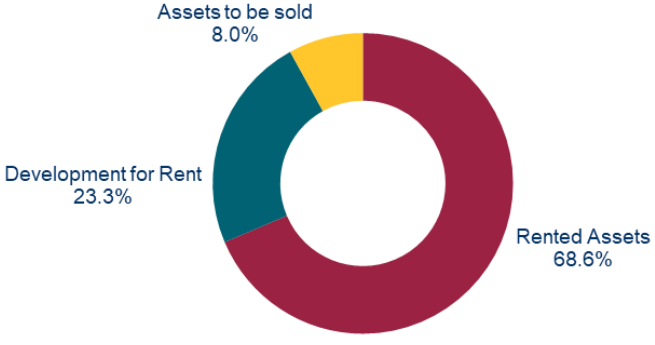
9M 2018
Real Estate Portfolio

GAV PORTFOLIO BY TYPE

€/000	GAV Consolidated	GAV Not consolidated Funds & JV	GAV Total Portfolio	% on Total Portfolio
Retail	144,930	86,819	231,749	41.2%
Office	141,226	483	141,708	25.2%
Other Uses	12,828	-	12,828	2.3%
Rented Assets	**298,983**	**87,302**	**386,285**	**68.6%**
Retail Development for Rent	103,757	-	103,757	18.4%
Other Uses Development for Rent	27,700	-	27,700	4.9%
Development for Rent	**131,457**	**-**	**131,457**	**23.3%**
Sub Total Portfolio Rented/for rent	**430,440**	**87,302**	**517,742**	**92.0%**
Other Uses	18,423	26,859	45,282	8.0%
Sub Total Portfolio to be sold	**18,423**	**26,859**	**45,282**	**8.0%**
TOTAL GROUP PORTFOLIO	**448,863**	**114,161**	**563,024**	**100.0%**

Minorities	GAV
Praga France Sarl (25%)	1,160
TOTAL CONSOLIDATED PORTFOLIO	**450,023**

GAV Total Portfolio



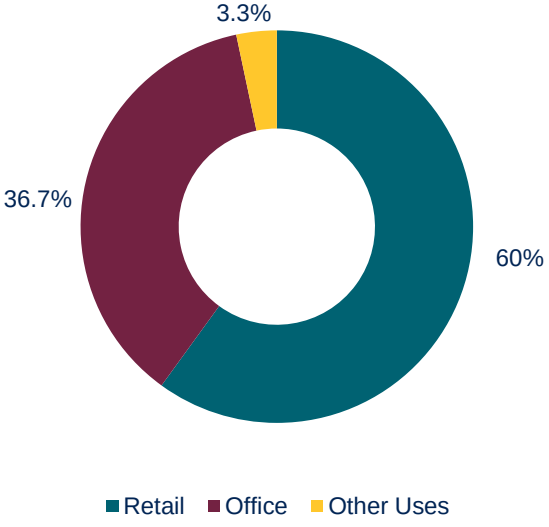
AEDES SIIQ
COMMERCIAL PROPERTIES

RENTED ASSETS BY USE

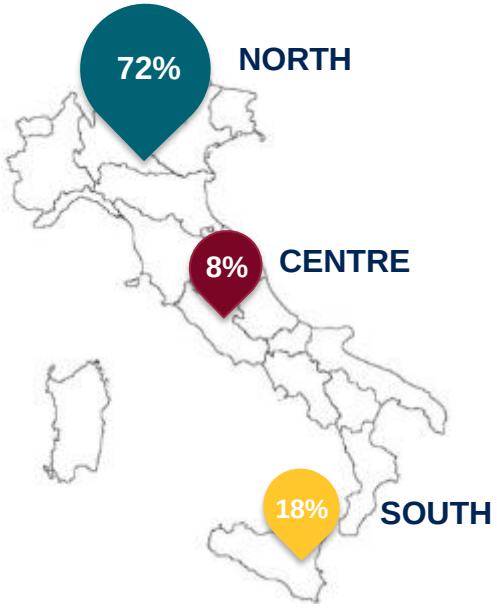
€/000	Consolidated	Not consolidated Funds & JV	Total Portfolio	% on Total Portfolio
Retail	144,930	86,819	231,749	41.2%
Office	141,226	483	141,708	25.2%
Other Uses	12,828	-	12,828	2.3%
Rented Assets	**298,983**	**87,302**	**386,285**	**68.6%**

BREAKDOWN OF TOTAL RENTED ASSETS BY:

TYPE



GEOGRAPHY*



* 1% Foreign

RENTED ASSETS

- Location: Roma, Via Veneziani
- Total GLA: 16,745 sqm
- Market Value September 30, 2018: € 27.5 mln

- Location: Serravalle, Outlet Phase 6
- Joint Venture with TH Real Estate Fund (49.9%)
- Total GLA: 8,726 sqm
- Market Value September 30, 2018 : € 74.2 mln*

- Location: Serravalle Retail Park
- Total GLA retail: 39,688 sqm
- Market Value September 30, 2018 : € 67.9 mln

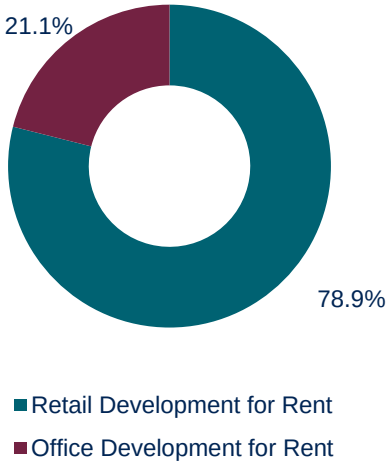
- Location: Catania, Via Etnea
- Total GLA: 7,935 sqm
- Market Value September 30, 2018: € 16.6 mln

Fair Value GAV referred to 50.1%

DEVELOPMENT FOR RENT

€/000	Consolidated	Not consolidated Funds & JV	Total Portfolio	% on Total Portfolio
Retail Development for Rent	103,757	-	103,757	18.4%
Other Uses Development for Rent	27,700	-	27,700	4.9%
Development for Rent	**131,457**	**-**	**131,457**	**23.3%**

DEVELOPMENT BY TYPE



AEDES SIIQ COMMERCIAL PROPERTIES

** 9% Foreign*

Business Updates

COM, CASELLE OPEN MALL 1/2

Caselle Open Mall («COM») is a **destination centre with a total Retail GLA of 114.200 sqm**, characterised by a new concept functional mix that will create a real shopping, entertainment, innovation, sport and leisure «village». In particular, the Open Mall will be made up of **130.842 sqm of G.U.S. with retail/entertainment** use and by **32.000 sqm of G.U.S. with office use and collateral services**.

COM will represent an absolutely innovative space, unique in the whole of Italy.

COM has been designed as a highly appealing venue, thanks to its real town feel of indoor and outdoor spaces and it will attract visitors that will enjoy an authentic shopping and edutainment/entertainment experience.

The Mall will combine contemporary hi-tech elements with walkways and facades made of natural local stone and luminous and airy arcades, subtly reminiscent of classic Turin streets and squares. The project green soul is underlined by pedestrian and cycle paths, ample green spaces, green roofs and electric vehicle charging stations.

COM, CASELLE OPEN MALL

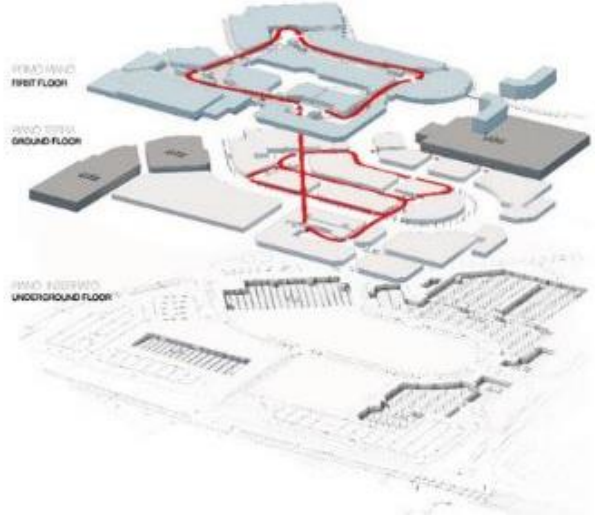
- ≈ **114.200** **sqm TOTAL RETAIL GLA**
- ≈ **83.900** sqm GLA SHOPS
- n.**133** small stores with international brands
- n. **36** medium specialist stores
- n. **4** big size units
- ≈ **9400** sqm GLA FOOD SPACES
- n. **45** bars and restaurants with a combination of traditional and international gastronomic excellences
- ≈ **18900** sqm GLA ENTERTAINMENT
- n. **5** innovative edutainment and entertainment concept space
- n. **1** multiplex cinema IMAX
- ≈ **2000** sqm GLA SERVICES

11.569 **sqm TOTAL OTHERS GLA**

6.392 sqm GLA Center facilities

5.177 sqm GLA Guesthouse, Offices

≈ **8000** PARKING SPACES

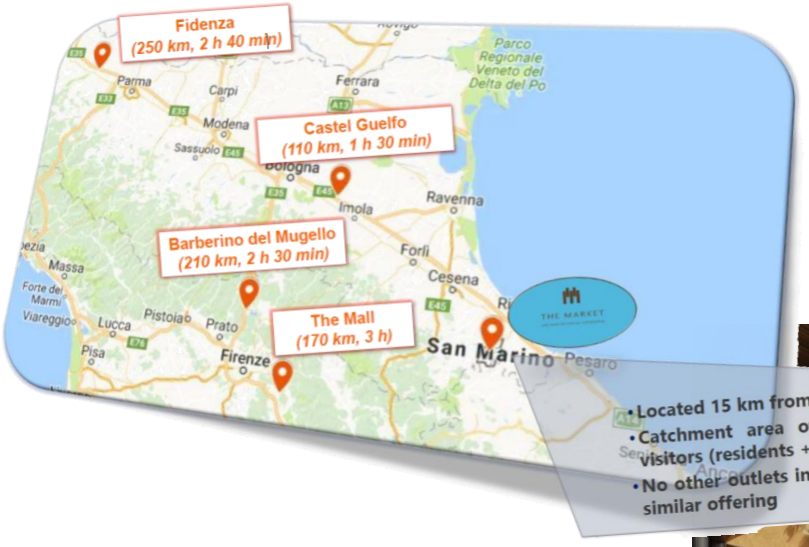


THE MARKET, SAN MARINO OUTLET EXPERIENCE 1/2

- Signed the closing agreement between Aedes SIIQ, BG Asset Management S.A. (Borletti Group), Dea Holding Srl, and VLG Capital Srl on October 25, 2017
- Aedes SIIQ underwrote capital commitments of ca € 23 million for:
  - the 40% of the company that plays the role of General Partner of the initiative;
  - the 40% of the equity invested in the project
- 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 in 2H 2022 to purchase the entire project

THE MARKET
SAN MARINO OUTLET EXPERIENCE

THE MARKET, SAN MARINO OUTLET EXPERIENCE



- Located 15 km from Rimini Airport
- Catchment area of 9m potential visitors (residents + tourists)
- No other outlets in the region with similar offering

THE MARKET
SAN MARINO OUTLET EXPERIENCE

TIMELINE TRACK RECORD 2016 - 2018

AEDES SIIQ
COMMERCIAL PROPERTIES

** The indicated value refers to the historical purchase price*

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.

June 25, 2018 - Aedes SIIQ has communicated that on 22 June 2018 Sator Immobiliare SGR SpA, management company of the Petrarca Real Estate Fund, of which Aedes holds 100% of the shares, signed the final sale contract for the building located in Milan in Viale Umbria 32. The transaction, which saw as a counterparty the Abitare In Development 3 srl company, wholly owned by Abitare In SpA, listed on the AIM Italia / Alternative Capital Market, took place at a price of € 3.7 million in line with the fair value of the property as of December 31, 2017.

CORPORATE UPDATES

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%.

August 8, 2018 – The Board of Directors of AEDES SIIQ approved the demerger project of the company, to separate the typical activities of a SIIQ (REIT) from the trading and opportunistic real estate activities

September 19, 2018 – The board of directors of Aedes SIIQ the long-term plans of the demerged company and the beneficiary company.

September 27, 2018 – The Extraordinary Shareholders' Meeting of Aedes SIIQ approved the grouping of the ordinary shares of Aedes SIIQ S.p.A. in a n. 1 to 10 ratio and the partial proportional demerger of Aedes SIIQ S.p.A. in favor of Sedea SIIQ S.p.A., which, effectively from the demerger, will change its name to Aedes SIIQ S.p.A.

CORPORATE UPDATES

October 31, 2018 – Were extended for futher 18 months, with matury on October 30, 2020 the bond issue of € 15 million and the shareholder's loan of € 10 million by the mayor shareholder Augusto S.p.A.

November 5, 2018 – Aedes SIIQ S.p.A. has proceeded to the grouping of n. 319,803,191 existing ordinary shares, in the ratio of n. 1 new ordinary share without indication of nominal value, regular dividend entitlement and with coupon no. 01, every n. 10 existing shares, without indication of nominal value, regular dividend entitlement n. 3 consequently reducing the outstanding shares - net of n. 1 share held by the shareholder Augusto S.p.A. canceled in order to allow the quadrature of the operation - from n. 319.803.191 to n. 31980319.

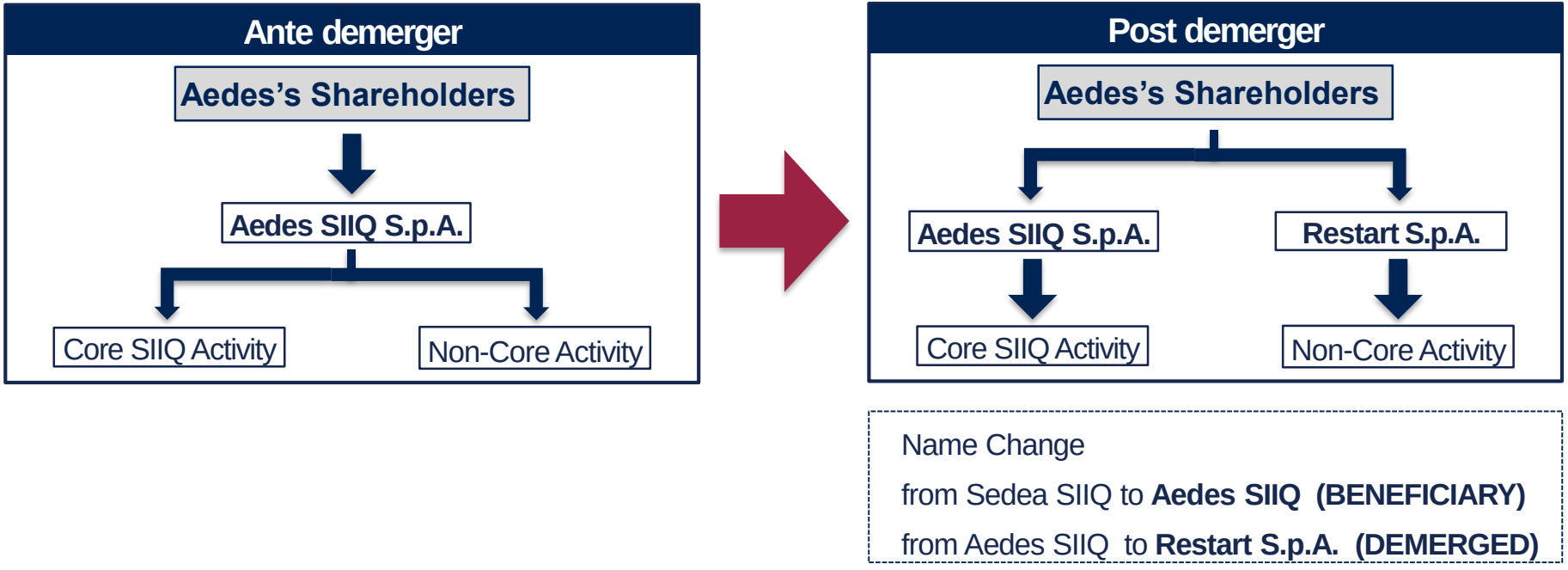
November 12, 2018 – The Board of Directors of Aedes SIIQ resolved the proposal to appoint the new Board of Directors of Sedea SIIQ, beneficiary of the demerger; having taken note of the resignation of the directors who will take up the position in the beneficiary company and of the appointment of the new directors in the division with effect from the demerger; renewed the liquidity support of the title, conferring the task to INTERMONTE.

November 13, 2018 – Sedea SIIQ filed an application for admission on the Electronic Stock Market.

Demerger Project

STRUCTURE OF THE OPERATION

August 8, 2018 (BoD) and September 27, 2018 (Shareholders Meeting) - Approved the demerger project of the company, to separate the typical activities of a SIIQ (REIT) from the trading and opportunistic real estate activities. At the end of the demerger, there will be two companies, both listed on the MTA.



Name Change

from Sedea SIIQ to **Aedes SIIQ (BENEFICIARY)**

from Aedes SIIQ to **Restart S.p.A. (DEMERGED)**

The **industrial purpose** of the demerger is to split the platform into 2 companies focused on their respective business sectors, with a separate development strategy to improve their results by leveraging on their strengths. The aim is **value maximization for all stakeholders.**

STRUCTURE OF THE TWO COMPANIES

BENEFICIARY COMPANY

Aedes SIIQ S.p.A. (today Sedea SIIQ S.p.A)

Focused on the typical "core" activities of the SIIQ model. The strategy will have as its objective the creation and maintenance in the medium-long term of an income real estate portfolio with a primarily commercial destination, such as to generate cash flows, accessing to the capital market in order to find the necessary resources for its growth.

June 30, 2018
- Consolidated Property Assets: € 432.5 mln
- Negative NFP : € 180.0 mln
- Equity: € 291.4 mln
- Total Revenues: € 15.2 mln
- Positive results of the period: € 2.0 mln

Target 2023:
- Total GAV ~ € 1.5 bilion
- Average LTV, under the plan, less than 50%
- Rental income ~ over € 90 million

DEMERGED COMPANY

Restart S.p.A. (today Aedes SIIQ S.p.A)

Expire from the SIIQ regime and will be called Restart S.p.A. will have the aim of acquiring, with an opportunistic approach, in competition with other partners, real estate assets in order to enhance them and sell them on the market, also proposing as the main supplier of all related specialized real estate services.

June 30, 2018
- Consolidated Property Assets: € 13.0 mln
- Consolidated Negative NFP: € 0.5 mln
- Equity: € 18.6 mln
- Total Revenues: € 2.7 mln
- Negative results of the period: € 3.4 mln

Target 2021:
- Equity ~ € 30 million
- Net revenues and income from investments € 12.0 million

AEDES SIIQ COMMERCIAL PROPERTIES

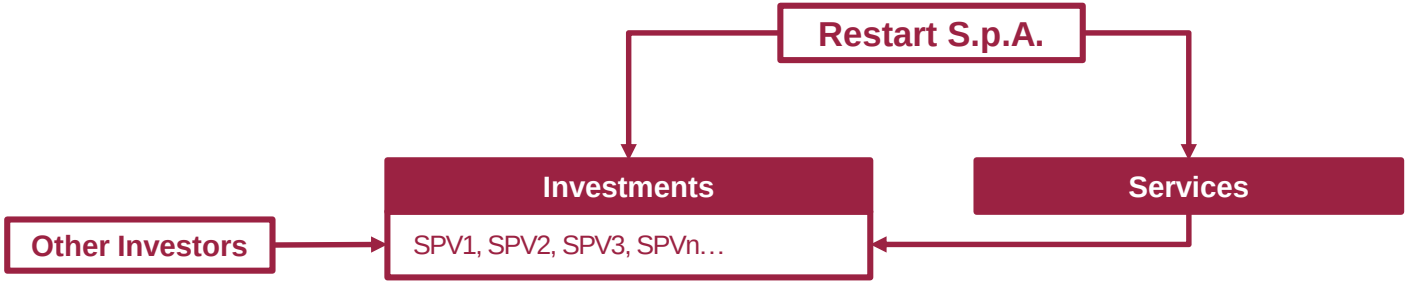
As a result of the demerger, Aedes SIIQ shareholders will be assigned shares of the beneficiary company proportionally to the number of shares held in Aedes SIIQ with a ratio of n. 1 newly issued ordinary share with regular dividend rights for each group of n. 10 existing ordinary shares.

STRATEGY AND BUSINESS MODEL OF THE DEMERGED (NOT SIIQ)

The main activities of Restart S.p.A. they will be:

- Acquisition and enhancement of companies active in the real estate market focused on Value Added and Opportunistic initiatives, special situations and real estate underwriting with NPL / UTP;
- Provision of advisory services to investee companies for the enhancement of assets.

Following the spin-off, a team of five resources will be present in Restart S.p.A. The Company's workforce is expected to be strengthened during the Planning period, directly proportional to the increase in business activity.



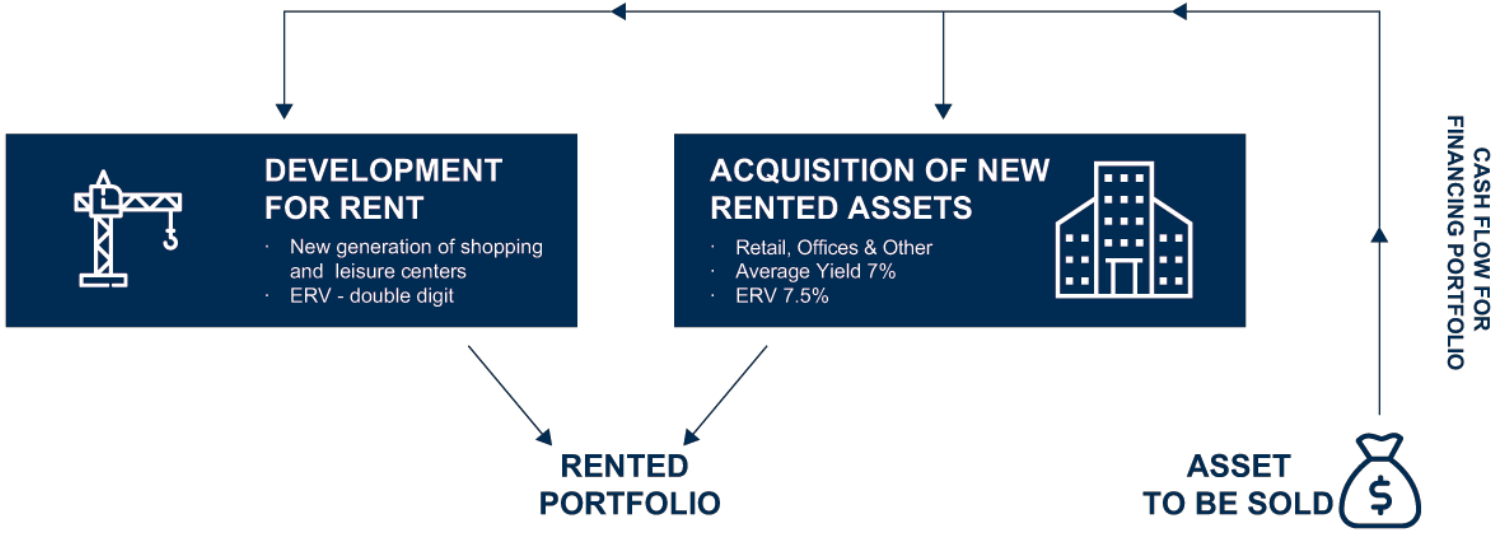
This model will be based on certain strategic pillars::

- Proactive approach to the market;
- Provision of specialized services functional to an active management of the underlying real estate;
- Acquisition of minority interests, with the participation of other national and international shareholders; Provision of specialized services functional to active portfolio management;
- Strong sectorial specialization regarding real estate services.

STRATEGY AND BUSINESS MODEL OF THE BENEFICIARY (SIIQ)

The strategy of **Aedes SIIQ** will have as its objective the creation and maintenance in the medium-long term of an income real estate portfolio with commercial purposes, mainly retail and office, with a sustainable recourse to indebtedness that will generate cash flows consistent with the SIIQ model, accessing the capital market in order to find the resources necessary for its growth that allow the distribution of dividends.

The strategy will be pursued through the partial rotation of the portfolio and the allocation of financial resources available in the rental portfolio and the development-for-rent portfolio, with a "circular" business model: from planning to development to income generation, always focusing to the creation of value for the Company and its members but also to create added value for the territories where the development takes place.



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