

AEDES SIIQ, PARTNERED WITH BORLETTI GROUP, DEA REAL ESTATE AND VLG CAPITAL, ENTERS “THE MARKET, SAN MARINO OUTLET EXPERIENCE” PROJECT

BG Asset Management S.A. (Borletti Group) the project's *leading sponsor*, Dea Holding S.r.l., and VLG Capital S.r.l. and Aedes SIIQ have signed an agreement for the development and management of “The Market, San Marino Outlet Experience”

The project entails the construction of an outlet with at least 25,000 sqm of GLA to be developed in two phases.

San Marino, 12 September 2017 - BG Asset Management S.A., as Leading Sponsor, together with Dea Holding S.r.l. and VLG Capital Srl on the one hand, and Aedes SIIQ S.p.A. (MTA: AE) on the other hand, declare on this day that they have signed an agreement for the entry of Aedes SIIQ, with a 40% share in the total initial investment of about € 5.6 million, in the capital of companies that will carry out The Market project

The strategic partnership between promoters, BG Asset Management S.A., Dea Holding S.r.l., VLG Capital Srl, and Aedes SIIQ, a leader recognized in Italy for developing successful projects such as the Serravalle Designer Outlet and the latest Serravalle Retail Park, will enable each of them to deliver extraordinary know-how in the development of retail space.

In particular, the agreements - including, amongst others, put and call option rights for the parties, of which the exercise price will be based on the fair market value of the underlying shares, with possible discounts or premia depending on the condition which has given rise to the exercise of its right, as well as the rules governing the exit from the investment of the parties - provide that the Aedes Group carries out project and construction management activities and development and asset management activities together with partners, while promoters will focus on marketing activities and the launch of the outlet.

The total investment is approximately € 150 million – it will be funded partly through equity raised from institutional investors and partly through financing under negotiation with a pool of primary banking institutions - and it is the most important economic development initiative in its scope within the territory of the Republic of San Marino.

The project, which will develop on a total commercial area of at least 25,000 sqm of GLA, will be done in two phases. The first phase, which started in October 2016, with an estimated investment cost of around € 100 million, involves the opening of 80 stores and 6 dining



spaces, with the creation of some 500 new jobs. The second phase, subject to the necessary permits, is expected to end in 2020, with an estimated investment of around € 50 million, for an additional area of approximately 10,000 sqm of GLA and the opening of 50 additional retail outlets.

At the end of development, expected by 2020, The Market will host about 130 fashion brands along with a high-end gourmet selection. The complex will offer visitors the opportunity to buy luxury and high-end products at advantageous conditions in an architectural structure integrated into the landscape and winner of The Plan Award 2016 as the best retail project.

The development and construction of The Market represents a great opportunity for the entire economic and employment fabric of San Marino, as well as a unique opportunity to consolidate the country's attractiveness as a quality tourist destination at national and international level. The outlet is expected to attract about 2 million new tourists, especially foreigners, thanks to its strategic position.

BG Asset Management S.A., Dea Holding S.r.l. and VLG Capital S.r.l. were assisted by Legance, project advisor, while the Chiomenti law firm assisted Aedes SIIQ S.p.A.

Maurizio Borletti, Founder of Borletti Group, states: "The agreement signed today with Aedes SIIQ confirms the potential of The Market. Aedes' consolidated experience and entrepreneurial ability are elements that will contribute substantially to the success of the project, which we hope will boost the tourism and economy of the Republic of San Marino. "

Luca de Ambrosis Ortigara, founder of DEA Real Estate, said: "I have always been fortunate enough to work on national and international projects, promoted by leading developers in the world such as McArthurGlen and Value Retail. When Maurizio Borletti introduced me to The Market in San Marino, I immediately realized the great potential of an outlet with those features and positioning in the area, characterized by a high flow of tourists and reduced retail supply in the luxury segment. I did not have many doubts about committing myself and involving my company in a surely successful project. "

Giuseppe Roveda, Managing Director of Aedes, states: "We are delighted to be part of this important development along with Borletti Group, Dea Real Estate Advisor, and VLG Capital, to which Aedes SIIQ will be able to contribute with its know-how in the development of consolidated retail projects, partly due to the development of the Serravalle Designer Outlet." Roveda goes on, "Aedes SIIQ's investment in the project is consistent with the business plan guidelines 2018-2023 approved last August."

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Borletti Group – With a long history of successful management of international department stores with the likes of La Rinascente (Milano) and Printemps (Parigi), Borletti Group is one of the leading players in the fashion business industry: its strong relationships with well-known brands, its ability to observe and define new trends, and its effective collaboration with the best Real Estate operators make it a reliable partner.

DEA Real Estate – Founded by Luca de Ambrosis Ortigara, DEA Real Estate is an independent company in the Real Estate sector that offers strategic consulting services regarding investments and brokerage of retail projects, with a particular focus on the high-end of the business and outlets. It employs a team of experienced national and international professionals, enabling it to work with a number of projects. DEA Real Estate's customers are the primary developer operators and the leading brands of luxury, both Italian and international.

VLG Capital – An investment and strategic consulting firm active in the field of real estate finance, and the management and development of complex real estate projects. VLG Capital is headed by Vincenzo Buonocore, who has gained a solid pan-European experience in leading market investment companies such as GE Capital (Paris), Tishman Speyer (Milan, Istanbul) and Pramerica (Milan, London).

Aedes SIIQ – Founded in 1905, Aedes was the first real estate company to be listed on the Milan Stock Exchange in 1924. Following the complete financial restructuring, successfully finalized in late 2014, today the company, which adopted the REIT model effective 1 January 2016, presents itself with a business model which in the medium-term will be focused on a for-rent portfolio real estate platform, composed mainly of assets destined to commercial purposes, to which the development of retail assets to be rented in the future can be added.

The Market

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