- **THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY DRAFT FINANCIAL STATEMENTS AT DECEMBER 31, 2017**

- **ACHIEVED, A YEAR EARLIER THAN FORESEEN BY THE GRACE PERIOD, THE ECONOMIC AND PORTFOLIO REQUIREMENTS PROVIDED BY THE SIIQ/REIT REGIME**

- **Rental income: € 17.4 million (€ 15.1 m)[1] + 15%**
- **Improvement of the WALT on the retail portfolio at 7.7 years (4.4 years)**
- **EBITDA: € 0.8 million (€ 0.8 million) with a significant increase in non-recurring revenues**
- **Profit for the year: € 9.4 million (€ 30.2 million) mainly due to lower revaluations at fair value and lower income from associated companies**
- **Consolidated Real Estate GAV € 481.6 million (€ 398.6 million) with an important increase of 20.8% compared to the end of 2016**
- **Total Real Estate GAV[2]: € 596.5 million (€ 501.0 million)**
- **Net Financial Debt: € 215.7 million (€ 150.6 million); LTV 49.6%[3]**
- **NNNAV € 316.7 m (€ 300.1 million); NNNAV per share € 0.99 (€ 0.95)**

- **CALLED THE ORDINARY SHAREHOLDERS ON 27 APRIL 2018**

Milan March 14, 2018 - The Board of Directors of Aedes SIIQ S.p.A. (MTA: AE), which met today, under the chairmanship of Carlo A. Puri Negri, approved the Consolidated Financial Statements and the Parent Company Draft Financial Statements for the year ended December 31, 2017.

CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2017

Total revenues for 2017 amounted to € 20.6 million, up 6% from the previous year. In line with the property company model, the increase in rental revenues improved, reaching 84% of total revenues compared to 78% of the previous year.

Gross rental income amounted to € 17.4 million compared to € 15.1 million at December 31, 2016. The increase of € 2.3 million, + 15%, is the result of acquisitions of rented assets and portfolios, carried out by the Group starting from the second half of 2015 and continued in 2016 and 2017. This has allowed the Group to reach approximately € 19 million in rent revenues on an annual basis.
The WALT on income-generating properties with retail destination improved from 4.4 years in 2016 to 7.7 years in 2017, thanks essentially to the purchase of the Serravalle Retail Park phase A and B and to the renewal of the lease on the property of Catania rented in COIN. In addition, the WALT on office property income rose from 2.5 years in 2016 to 2.7 years at the end of 2017 thanks to the efficiency of the management of rental contracts.

External direct costs amounted to € 7.0 million at December 31, 2017, compared to € 5.4 million at

[1] The financial figures shown in brackets refer to December 31, 2016

[2] Includes the shares of ownership of real estate holdings and real estate JVs

[3] LTV calculated as the ratio between gross debt and Real Estate Portfolio at fair value

December 31, 2016. The increase of € 1.6 million is mainly due to higher property taxes as a result of growth in real estate assets and management commissions of the Petrarca Fund previously managed by Aedes SGR, now deconsolidated as a result of the sale.

As a result of the aforementioned items, the **Net Operating Income** is positive for € 13.6 million compared to € 14.0 million at 31 December 2016.

Total direct costs amount to € 1.2 million compared to € 1.1 million in 2016 and show an increase in personnel costs (€ 2.8 million in 2017 and € 2.2 million in 2016) as a consequence of the strengthening of the organizational structure following the expansion of the rented portfolio and the pipeline to build rented assets.

EBITDA is positive for € 0.8 million, in line with the margin for 2016.

The fair value adjustment of property investments amounted to € 20.9 million due to revaluations for the fair value adjustment of € 23.6 million and net impairment losses of € 2.7 million. The revaluations made on the basis of an appraisal prepared by the independent expert CBRE are respectively: for € 8.3 million on the development area of Caselle, following the signing with the Municipality of Caselle of the Urban Planning Agreement; for € 5.7 million on the Serravalle Retail Park, and for € 9.6 million on properties purchased in 2017, including the two towers in Via Richard in Milan. On December 31, 2016, this item had a balance of € 29.8 million essentially attributable to the fair value adjustment of the real estate assets of Redwood for € 18.1 million and the revaluation of the property in Rome in Via Veneziani for € 15.8 million.

Depreciation/Recoveries of inventories at December 31, 2017 show a negative balance of € 1.8 million (€ 0.8 million in 2016), with a negative change between the two years of € 1.0 million.

The item **amortization, depreciation, provisions and write-downs** at December 31, 2017 is substantially zero compared to € 2.5 million at the end of 2016, with an improvement of € 2.5 million. This item is made up as follows:

- € 0.6 million of depreciation charges (€ 0.7 million in 2016);
- € 0.2 million of income from write-backs on write-downs of trade receivables written down in previous years (€ 0.2 million in 2016);
- € 0.4 million of income from provisions for risks and charges (€ 1.6 million of provisions in 2016, mainly attributable to the provision for the arbitration award Fih S.a.g.l.).

Income/(Expenses) from associates and joint ventures at December 31, 2017 shows a negative balance of € 3.4 million (€ 3.0 million positive balance at December 31, 2016) mainly attributable to the result of the Leopardi fund. The 2016 figure included € 4.9 million adjustment to market values, in line with the policies adopted by the Group, of the real estate assets of the associated company Pragasei S.r.l., owner of the Serravalle Outlet shopping center opened to the public from November 3, 2016.

EBIT is positive for € 16.3 million, compared to € 30.3 million in 2016 due to the lower fair value adjustment noted above and a worsening of income / charges from associated companies.

Net financial charges, including the effects of adjusting the fair value of derivatives to hedge interest rate risk, amount to € 6.2 million with an increase of around € 2.6 million, compared to € 3.6 million in 2016. In detail, this item consists of:

- Financial income: € 0.8 million in line with 2016;

- Financial charges: € 7.1 million compared to € 4.0 million in 2016, the difference is the consequence of the increase in gross debt for the purchase of new portfolios;
- Adjustment to the fair value of derivatives: positive for € 0.1 million compared to € 0.5 million in 2016.

The **net profit** for 2017 shows a profit of € 9.4 million (of which € 9.7 million is attributable to the Group), compared to a profit of € 30.2 million (of which € 29.1 million is attributable to the Group), in 2016. This decrease of approximately € 20.8 million is due to lower revaluations for fair value adjustments of approximately € 9 million, lower income / expenses from associates of € 6.5 million, higher financial charges for € 2.5 million. millions and approximately € 2.8 million of other charges.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2017

Capital employed as at December 31, 2017, equal to **€ 532.4 million** compared to € 460.1 million at the end of 2016, is financed from equity for € 312.8 million, € 215.7 million from net financial debt and € 3.9 million from other non-current net liabilities, and is composed of:

- **Fixed Capital** for **€ 485.6 million** (€ 398.4 million at the end of 2016) and consists of:
  - Property investments and other tangible assets for € 432.4 million from, € 344.2 million at December 31, 2016. The change of € 88.2 million is mainly due to the acquisition of the Serravalle Retail Park and the two buildings in Via Richard in Milan, in addition to fair value adjustments, and capitalization for € 19.7 million;
  - Capital invested in associates and joint ventures for € 53.1 million, compared to € 54.0 million at December 31, 2016. The reduction is due to the distribution of the capital of the associated company Dante Retail and to adjustments for the period;
  - Other financial assets worth € 0.1 million in line with the previous period;
  - Substantially null intangible assets in line with the previous year.

- **Net working capital** amounted to **€ 46.8 million** (€ 61.7 million at the end of 2016) and consists of:
  - Inventories amounting to € 50.2 million, compared to € 56.3 million at the end of 2016;
  - Trade receivables and other receivables for € 21.6 million compared to € 27.0 million in 2016;
  - Trade payables and other payables for € 25.0 million, compared to € 21.6 million at the end of 2016.

At December 31, 2017 there were no overdue or unpaid debit positions beyond the applicable terms of a financial, tax, social security or employee nature. As for trade payables, on the same date the Aedes Group recorded € 2,1 million past due, for which there are no disputes or legal initiatives, nor suspension of supply relationships.

Consolidated shareholders' equity amounted to **€ 312.8 million** compared to € 303.4 million at December 31, 2016, with a positive change of € 9.4 million attributable to the result for the period of € 9.4 million, € 1,6 million for the sale of treasury shares held in portfolio, and € 1.7 million to the capital contribution of the remaining 35% of the Petrarca fund purchased at the end of the year.

The Group's net financial debt at December 31, 2017 is **€ 215.7 million** compared to € 150.6 million at December 31, 2016. The change is largely due to the new loan agreements signed with the financial institutions, in addition to bonds issued in 2017 and to the shareholder loan received from Augusto S.p.A.. The 2017 net figure derives from a difference between gross debt of € 238.9 million and bank deposits of € 23.2 million, compared to gross debt of € 163.2 million and bank deposits of € 12.6 million at the end of the previous year.

The increase in gross debt is linked to the issue of two bonds for a total of € 44 million, to the refinancing of existing properties in the rented portfolio for € 13 million and to a new loan granted for the purchase of Serravalle Retail Park for about € 31.1 million. The percentage of gross variable-rate debt is approximately 66.8% of the Group's total financial exposure. The average duration stands at 2.63 years. The LTV went from 40.9% at December 31, 2016 to 49.6% at December 31, 2017.

At the date of approval of the Parent company draft financial statements and the consolidated financial statements there are no relevant events relating to contractual covenants that could limit the Group’s financial resources considering the present Net Cash, within the existing exposure.

GROUP PORTFOLIO

At December 31, 2017, the consolidated Gross Asset Value (GAV), equal to **€ 481.6 million**, increased compared to the same figure as at December 31, 2016 by over 20%, also due to the purchases of properties carried out in 2017 - Serravalle Retail Park phase A and B, the two tower buildings located in Via Richard in Milan.

The real estate assets owned by the Group, including the portion of properties owned by non-controlling subsidiaries and real estate funds, amounted to a market value of € 596.5 million, an increase of approximately 19% compared to the figures at December 31, 2016 (€ 501.0 million).

	REAL ESTATE GAV				REAL ESTATE NAV			
€/000	Consolidated	Not consolidated Funds & JV	Total Portfolio	% on Total Portfolio	Consolidated	Not consolidated Funds & JV	Total Portfolio	% on Total Portfolio
Retail	115,410	87,467	202,877	34.0%	62,199	37,095	99,294	28.6%
Office	185,000	534	185,534	31.1%	101,910	273	102,183	29.5%
Other Uses	4,310	-	4,310	0.7%	2,496	-	2,496	0.7%
Rented Assets	**304,720**	**88,001**	**392,721**	**65.8%**	**166,605**	**37,368**	**203,973**	**58.8%**
Retail Development for Rent	115,405	-	115,405	19.3%	97,147	-	97,147	28.0%
Other Uses Development for Rent	9,330	-	9,330	1.6%	6,440	-	6,440	1.9%
Development for Rent	**124,735**	**-**	**124,735**	**20.9%**	**103,587**	**-**	**103,587**	**29.9%**
Sub Total Portfolio Rented/for rent	**429,455**	**88,001**	**517,456**	**86.7%**	**270,192**	**37,368**	**307,560**	**88.7%**
Office	3,700	-	3,700	0.6%	1,924	-	1,924	0.6%
Other Uses	47,210	28,142	75,352	12.6%	28,232	9,051	37,283	10.8%
Sub Total Portfolio to be sold	**50,910**	**28,142**	**79,052**	**13.3%**	**30,156**	**9,051**	**39,207**	**11.3%**
TOTAL GROUP PORTFOLIO	**480,365**	**116,144**	**596,509**	**100.0%**	**300,348**	**46,418**	**346,767**	**100.0%**

Minorities	GAV	NAV
Praga France Sarl (25%)	1,240	850
TOTAL CONSOLIDATED PORTFOLIO	**481,605**	**301,198**

RENTED ASSETS

At December 31, 2017, the consolidated pro-rata of the Group Rented Assets at market value amounted to € 304.7 million and represented 63.2% of the total consolidated portfolio. The breakdown by destination of use shows 38% for Retail, 61% for Office and the remaining 1% for Other Uses. The leverage on Income Properties is on average equal to 45%.

DEVELOPMENT FOR RENT

The pro-quota consolidation of the portfolio denominated Development for Rent, amounting to € 124.7 million at December 31, 2017, consists of development areas, mainly for commercial use, which are expected to be developed shortly and subsequently leased. Leverage is on average lower than the rest of the portfolio and stands at 17%.

Asset to be sold

The pro-quota consolidation of the portfolio to be sold, which is expected to be sold during the current Business Plan, is € 50.9 million. At December 31, 2017, financial leverage stood at 41% on average.

Area Servizi

The Aedes Group has decided to concentrate on activities aimed solely at the Group's investments through the Prague RES (established by the merger of Prague Service Real Estate into Prague Construction).

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GROUP NAV

The total assets owned by the Aedes Group at December 31, 2017 at current values amounted to **€ 316.7 million**, including the proportion of equity held through joint ventures, real estate funds and associated companies, taking into account the market value of properties owned by them.
The NAV and the NNNAV (triple Net Asset Value) of the Aedes Group as at December 31, 2017 are shown below (data in millions of euros):

€/000	31/12/2017	31/12/2016
Outstanding shares*	319.773.191	316.303.191
EPRA Net Asset Velue		
Equity Group	313,201	296,408
NAV		
Including:		
Real Estate investment revaluations	0	0
Development projects revaluations	15	120
Other investments revaluations (associates)	1,584	1,525
Inventories revaluations	1,919	1,415
Excluding:		
Fair value of financial derivative instruments	238	375
EPRA NAV	**316,957**	**299,843**
EPRA NAV per share	**0.99**	**0.95**
Fair value of financial derivative instruments	(238)	(375)
Fair value of financial debt	(24)	650
EPRA NNNAV	316,695	300,118
EPRA NNNAV per share	0.99	0.95

The EPRA NAV and the EPRA NNNAV diluted are not significant as the outstanding warrants, being out of the money at the balance sheet date, would have an anti-dilutive effect. Therefore, it was not necessary to carry out the relative calculation.

EPRA PERFORMANCE INDICATORS

Starting from the Consolidated Financial Statements at December 31, 2016, Aedes SIIQ S.p.A introduced the EPRA performance indicators - an association which includes the listed European real estate companies (European Public Real Estate Association). With the adoption of EPRA performance indicators, Aedes SIIQ wants to comply with the international standards used by European listed REITs, in order to be more easily analysed and compared with other listed real estate companies, to be appreciated, not only by the domestic market, but also by international analysts and investors.
The table with the EPRA indicators is shown below; in the paragraph of the NAV, the calculation according to the EPRA standards is also reported.

	EPRA - PERFORMANCE MEASURE	Definition	2017	2016
1	EPRA EARNINGS (Euro/000)	Adjusted net income from operating activities	(7,569)	(3,935)
2	EPRA NAV (Euro/000)	Net Asset Value including real estate investments at the fair value and excludes the fair value of financial instruments	316,957	299,843
3	EPRA NNNAV (Euro/000)	EPRA NAV adjusted to include the fair value of the financial instruments and debt instruments	316,695	305,072
4	(I) EPRA NET INITIAL YIELD (%)	Relationship between annualised lease rents, net of non-recoverable charges, and the gross market value of real estate investments	4.4%	4.7%
	(II) EPRA 'TOPPED-UP' NIY (%)	Relationship between annualised and stabilized lease rents, net of non-recoverable charges, and the gross market value of real estate investments	4.5%	5.1%
5	EPRA VACANCY RATE (%)	Relationship between market value (ERV) of vacant properties and the market value of the entire portfolio	37.23%	17.81%
6	EPRA COST RATIO (including costs of vacant properties)	Relationship between operating costs of the company and lease rents	127%	132%
	EPRA COST RATIO (excluding costs of vacant properties)		111%	112%

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ECONOMIC FINANCIAL FIGURES AT DECEMBER 31, 2017 OF THE PARENT COMPANY AEDES SIIQ SPA

The parent company, Aedes SIIQ S.p.A., closed 2017 with a profit of € 3.2 million, down by € 14.1 million compared to the figure of December 31, 2016, equal to € 17.3 million. The Company's shareholders' equity amounted to € 289.9 million, against a value of € 285.0 million at the end of 2016. The change is mainly attributable to the profit for the year 2017 in addition to the sale of treasury shares in portfolio.

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KEY EVENTS IN 2017

March 30, 2017 – Aedes SIIQ S.p.A. announced that it has signed, with the Municipality of Caselle, the agreement for urban development of the area in the Turin Caselle Torinese, held through its wholly-owned Satac SIINQ SpA.. In the area, which covers an area of about 300,000 square meters, Aedes SIIQ will develop an Open Mall of approximately 120,000 square meters of GLA, characterized by a functional mix of Retail and Entertainment, in line with the most innovative international concept already successfully opened abroad.

April 11, 2017 – Aedes SIIQ announced that it has signed with ING Bank N.V. – branch of Milan and UniCredit S.p.A. a contract for a mortgage loan of € 56 million on a rented portfolio valued about € 111 million. The loan with an LTV of approximately 50%, will run for five years, allowing an increase in the average maturity of Aedes Group's debt of about one year.

April 12, 2017 – Aedes SIIQ S.p.A. signed with professional investors a contract for the issue of non-convertible bonds of € 15 million, to date subscribed for € 10 million with date of issue and/or subscription of the other € 5 million by December 31, 2017. The loan has a maturity in Q4 2018, extended - at the option of Aedes and upon payment of an extension fee - of a further 18 months and a 3-month Euribor rate plus a spread of 5%.

April 20, 2017 – Aedes SIIQ S.p.A issued a shareholder’s loan of € 10 million by the major shareholders Augusto SpA; this loan expires on October 31, 2018 and may be extended for a further 18 months and regulated at the 3-month Euribor plus a spread of 5%.

May 11, 2017 – Signed, with Herald Level 2 Lux Holding Sarl, the preliminary agreement for the purchase of 100% of Retail Park One Srl, a company that wholly owns the Serravalle Retail Park with a GLA of 27.655 sqm with an entry yield of around 9%. signed the final contract for the purchase of the Serravalle Retail Park ownership company. The price of € 39.1 million was financed by debt for € 27 million, and for the remainder using cash available to the Group.

June 21, 2017 – The Board of Directors of Aedes SIIQ S.p.A. resolved to renew until 31 December 2017 the Aedes SIIQ liquidity support program, giving the position of Liquidity Provider to INTERMONTE SIM SpA. In addition, the Board of Directors appointed Alessia Farina manager responsible for preparing the corporate accounting documents.

July 20, 2017 – Stipulated the merger by incorporation of Praga Service Real Estate Srl in Praga Construction Srl now PRAGA RES Srl with effect from August 1, 2017.

July 31, 2017 – Stipulated merger by incorporation into Aedes SIIQ of fully owned companies Cascina Praga SIINQ S.p.A. and Redwood Srl with a legal effect from the day on which the last of the inscriptions prescribed by art. 2504 of the Italian Civil Code.

September 12, 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. on the other hand, declared 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 share capital of companies that will carry out The Market Project. The agreement also includes a call option in favor of Aedes for the purchase of the entire project, exercisable in 2022 at market value. The operation will be developed on a total commercial surface of no less than 25,000 square meters of GLA. The development deadline is expected by 2020.

September 27, 2017 – The Retail Park One S.r.l. and Novipraga SIINQ S.p.A. have approved the merger by incorporation of Retail Park One S.r.l. in Novipraga SIINQ S.p.A.

October 25, 2017 – Signed the closing of investment agreements in "The Market San Marino" project, following the agreements signed on 12 September. Aedes SIIQ has subscribed to the same capital increase for a total of € 2.7 million, aimed at acquiring 40% of the company that will play the role of General Partner of the initiative.

November 28, 2017 – Signed the preliminary contract for the purchase, from the Obelisco Real Estate Fund managed by InvestiRE SGR SpA, of two tower buildings located in via Richard in Milan - Torre C3 and Torre E5 with a total area of about 15,000 sqm, which will be the object of a complete renovation. The total investment, including both the purchase price and the capex for restructuring, is approximately € 35 million. On December 28 the final purchase contract was signed.

December 18, 2017 – Underwrote a contract was signed with UniCredit SpA for the granting of a mortgage loan for a total of € 45.1 million, with the purpose of financing Serravalle Retail Park Phases A, B, and C for € 32 million and the financing of the development of Phase C amounting to approximately € 13.1 million. The loan will be divided into two tranches: the first, equal to € 32 million, will be granted on 19 December 2017; the second tranche will be granted during 2018 for an amount of € 13.1 million. This loan, with a 5-year duration and a floating EURIBOR 6 months plus a spread of 2.75%, will increase the average duration of the Aedes Group.

December 18, 2017 – Closed the launch of the bond "Aedes SIIQ S.p.A. 5% 2017-2019" – which will be issued on December 20, 2017. It has the following characteristics: face Value: € 30 million, unit denomination of each bond amounting to € 50,000, 18 months with the possibility to extend it a further 18 months at the discretion of the issuer and 5 months fixed gross coupon for the first 18 months and, in case of extension, equal to 5.5% for the following 18 months.

December 21, 2017 – Completed the purchase of the remaining 35% of the Petrarca fund. With this acquisition, together with 65% of the shares already held since September 2015, Aedes SIIQ reaches 100% of the Petrarca Fund, owner of 5 properties in Milan and in the Milanese hinterland with directional destination, one of which is being sold third.

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KEY EVENTS AFTER THE END OF 2017

January 24, 2018 – The Board of Directors, in implementation of the Shareholders' Meeting resolution of April 27, 2017 authorizing the purchase and disposal of treasury shares, resolved to renew until

October 27, 2018, the liquidity support program of the Aedes SIIQ's share, 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.

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STATE OF IMPLEMENTATION OF THE 2014 - 2019 PLAN

The economic result and the balance sheet of 2017 are in line with the provisions of the 2014-2019 business plan, approved by the Board of Directors of Aedes on 27 May 2014 and subsequently supplemented, most recently, on 1 December 2014.

Income Statement

The income statement as at December 31, 2017 reports a positive EBIT of approximately € 16.3 million, compared to the Plan which foresaw a result in a range between € 40 and 45 million. The gap at the EBIT level, however, is partially offset by the additional income statement items, with particular reference to lower financial expenses recorded, equal to € 6.2 million at the end of the year compared to € 12.3 million from the Plan, and to differences in the tax item, negative by € 0.4 million at the end of 2017 compared to a negative expectation of € 5.6 million from the Plan. The Net Result, also taking into account the profit / (loss) after taxes of non-current assets held for sale, equal to € 0.4 million, is therefore at a positive value of € 9.4 million at the end of 2017, down € 17.1 million compared to an expected Plan figure of € 26.5 million. In the three-year period 2015-2017 the sum of the profits envisaged by the Plan is between € 30 and 60 million, the results achieved in the same period reach € 45.7 million, therefore in line with the aforementioned range.

Balance Sheet

As for the Balance Sheet, the Plan envisaged a total of liabilities in a range between € 250 and 270 million, against which the final figure for 2017 highlights a total of € 274.5 million, therefore in line with expectations.

The figure relating to the net financial position is equal, at December 31, 2017, to approximately € -215.7 million compared to an expected Plan figure of € -213.7 million. The difference, which is negative for around € 2.0 million, is substantially in line with expectations.

Lastly, Net Equity stands at € 312.8 million and compares with an expected figure of the Plan in a range between € 300 and € 330 million, thus placing itself within this range.

With the results as at December 31, 2017, the Company has achieved the Plan's objectives, as has already happened in all the previous closures starting from December 31, 2014.

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OUTLOOK

During the 2017 financial year, the Group focused on the progressive refinancing of the real estate portfolio, on the acquisition and valorisation of income assets, on the further progress of the main development projects aimed at increasing the portfolio of income assets, in consistency with the SIIQ strategy, and the updating of the Plan and the disposal of part of the non-strategic portfolio.

In relation to the SIIQ/REIT regime and in light of the financial statements of the Holding Company as of December 31, 2017, according to the reference exercise for the verification of the requirements envisaged by the SIIQ/REIT Special Regime, it is worth noting that both the economic and portfolio requirements have been met a year in advance of the grace period provided by the SIIQ/REIT law.

The Company also announced, in conjunction with the publication of the consolidated half-year report (August 2, 2017), the 2023 guidance on macro-objectives for investment and performance. These objectives remain confirmed; the achievement in whole or in part of these objectives will also depend on factors outside the control of the company such as the economic cycle, the evolution of the real estate market, the evolution of the credit supply, the evolution of the capital market.

Management will pay the utmost attention to the opportunities offered by the market, planning the further growth of the Group in the best possible way.

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ANNUAL REPORT ON CORPORATE GOVERNANCE AND THE OWNERSHIP STRUCTURE

The Board of Directors approved the Annual Report on Corporate Governance and the Ownership Structure for the year 2017, as set forth by section 123-bis of Legislative Decree no. 58/98 as amended.

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SHAREHOLDERS' MEETING

The Board of Directors also passed resolution to call an ordinary Shareholders' Meeting with the first call on 27 April 2018 and, the second call, if necessary, on 30 April 2018 in order to discuss and decide the items on the following agenda:

1. Approval of the Financial Statements as of 31 December 2017; presentation of the consolidated financial statements of Aedes Group for the year ending on 31 December 2017; the Directors' report; the Report of the Statutory Auditors and the Independent Auditors' Report; resolutions pertaining to them and resulting from them;
2. Remuneration Report pursuant to section 123-ter of Legislative Decree no. 58 dated 24 February 1998 as amended; resolutions pertaining to them and resulting from them;
3. Appointment of the Board of Directors and of the Chairman, after determining the number of its members and the duration of the office; determination of the remuneration; authorization pursuant to art. 2390 of the civil code; resolutions pertaining to them and resulting from them;

4. Appointment of the Board of Statutory Auditors for the three-year period 2018-2020; determination of the remuneration; resolutions pertaining to them and resulting from them;
5. Authorization to buy and sell treasury shares as set forth by sections 2357 and 2357-ter of the Italian Civil Code, section 132 of Legislative Decree no. 58 dated 24 February 1998 and section 144-bis of the Regulation approved by Consob (Italian Securities Regulator) pursuant to resolution 11971/1999; resolutions pertaining to them and resulting from them;

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The notice of the Shareholders' Meeting, the Annual Report as at 31 December 2017, the Reports of the Board of Statutory Auditors and of the Independent Auditors, the Report on Corporate Governance and Ownership Structure, the Report on Remuneration pursuant to art. 123-ter Legislative Decree no. 58/98 (TUF), the Board of Directors' Report on the third, fourth and fifth items on the agenda prepared pursuant to art. 125-ter of the TUF and the additional documentation required by law will be made available to the public within the terms and according to the procedures established by current legislation.

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The manager responsible for preparing the corporate accounting documents of Aedes SIIQ S.p.A., Mrs. Alessia Farina hereby certifies, as set forth by section 154-bis, paragraph 2, of Legislative Decree no. 58/98 that the accounting information contained in this press release comply with the book entries, accounting records and ledgers.

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Aedes SIIQ S.p.A.
Aedes, founded in 1905, was the first real estate company to be listed and publicly traded on the Italian Stock Exchange in 1924 (MTA:AE.MI). Aedes SIIQ's strategy consists of the creation and expansion of its "Commercial Portfolio", with a particular focus on new-generation "Retail Properties" and high-quality "Office Spaces" exceeding the industry average, in order to generate recurring cash flows in line with the SIIQ/REIT model. Following the successful conclusion of a full financial restructuring at the end of 2014 and the merger with Praga Holding Real Estate S.p.A. – known for the Serravalle Scrivia development and the construction of Italy's first Designer Outlet – in the second half of 2015, the Company is actively present in the industry with a competitive business plan managed by a highly-skilled team in the Real Estate market. After exercising the option to adopt the civil and taxation model for listed real estate investment companies (the so-called REIT), Aedes became a REIT on January 1, 2016. As of December 31, 2017, Aedes Group's property portfolio amounted to a market value of € 481.6 million (Consolidated GAV). The total revenues for the 2017 amounted to € 20.6 million, of which € 17.4 million are rental income, the consolidated shareholders' equity amounted to € 312.8 million and the LTV equalled 49.6%. The NNNAV calculated on December 31, 2017 amounted to € 316.7 million and a NNNAV per share amounted to € 0.99.

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Please find attached the Income Statement - Balance Sheet - Net Financial Debt
Reclassified consolidated statements as to 31 December 2017

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(€/000)	31/12/2017	31/12/2016	Change
Gross revenue from rents	17,387	15,120	2,267
Margin on property sales	878	(87)	965
Margin on sales of non-property inventories	1,174	1,129	45
Margin on sales of shareholdings	198	(3)	201
Other revenues	979	3,244	(2,265)
Total Revenues	**20,616**	**19,403**	**1,213**
Net Losses for vacant properties	(766)	(526)	(240)
IMU Property Tax, other taxes and insurance on properties	(3,389)	(2,703)	(686)
Opex	(626)	(807)	181
Fees and commissions	(1,322)	(933)	(389)
Other non-rechargeable costs	(923)	(445)	(478)
Total External Direct Costs	**(7,026)**	**(5,414)**	**(1,612)**
Net Operating Income	**13,590**	**13,989**	**(399)**
Direct personnel costs	(2,767)	(2,176)	(591)
Direct Internal capitalised costs on real estate	1,556	1,059	497
Total Internal Direct Costs	**(1,211)**	**(1,117)**	**(94)**
Cost of head office staff	(3,153)	(3,174)	21
Advisory services to Structure	(2,910)	(3,152)	242
G&A	(5,531)	(5,759)	228
Internal costs capitalized on non-real estate inventories	1	21	(20)
Total Overheads	**(11,593)**	**(12,064)**	**471**
EBITDA	**786**	**808**	**(22)**
Adjustment to fair value of real estate investments	20,874	29,773	(8,899)
(Write-down)/write-back of inventories	(1,836)	(771)	(1,065)
Amortisation, depreciation provisions and impairment	(48)	(2,470)	2,422
Income/(expenses) from associates	(3,445)	3,009	(6,454)
EBIT (Operating Result)	**16,331**	**30,349**	**(14,018)**
Financial income/(charges)	(6,160)	(3,588)	(2,572)
EBT (Result before taxes)	**10,171**	**26,761**	**(16,590)**
Taxes/Tax charges	(420)	3,071	(3,491)
Profit/(loss) from continuing operations	**9,751**	**29,832**	**(20,081)**
Profit/(loss) after taxes on non-current assets to be divested	(375)	382	(757)
Profit (Loss)	**9,376**	**30,214**	**(20,838)**
Share of result of the minority shareholders	(287)	1,107	(1,394)
Group's share of the result	**9,663**	**29,107**	**(19,444)**

RECLASSIFIED CONSOLIDATED BALANCE SHEET

Description (Euro/000)	31/12/2017	31/12/2016	Change
Fixed capital	485,596	398,367	87,229
Net working capital	46,806	61,727	(14,921)
INVESTED CAPITAL	**532,402**	**460,094**	**72,308**
Equity of the group:	313,201	296,408	16,793
Equity share of the minority shareholders	(385)	6,953	(7,338)
Consolidated Equity	**312,816**	**303,361**	**9,455**
Other non-current (assets) and liabilities	**3,857**	**6,115**	**(2,258)**
Medium-long term amounts due to banks and other lenders	174,227	113,866	60,361
Short-term amounts due to banks and other lenders	64,743	49,362	15,381
Cash and cash equivalents	(23,241)	(12,610)	(10,631)
Net financial debt	**215,729**	**150,618**	**65,111**
FUNDING SOURCES	**532,402**	**460,094**	**72,308**

NET FINANCIAL DEBT

	NFD (Euro/000)	31/12/2017	31/12/2016	Change
A	Cash	23,241	12,610	10,631
B	Cash equivalents	0	0	0
C	Securities	0	0	0
D	**Liquid assets**	**23,241**	**12,610**	**10,631**
E	**Current financial receivables**	**0**	**0**	**0**
F	Current amounts due to banks	(64,262)	(47,798)	(16,464)
G	Current portion of non-current financial liabilities	(145)	0	(145)
H	Other current financial liabilities	(336)	(1,564)	1,228
I	**Total current financial debt**	**(64,743)**	**(49,362)**	**(15,381)**
J	**Net current financial debt**	**(41,502)**	**(36,752)**	**(4,750)**
K	Non-current amounts due to banks	(118,990)	(97,107)	(21,883)
L	Bonds issued	(43,992)	0	(43,992)
M	Other non-current financial liabilities	(11,245)	(16,759)	5,514
N	**Non-current net financial debt**	**(174,227)**	**(113,866)**	**(60,361)**
O	**Net financial debt**	**(215,729)**	**(150,618)**	**(65,111)**