

The Board of Directors of Aedes SIIQ approved today the half-year Report at June 30, 2018

- **REVENUES, NET OPERATING INCOME, EBITDA AND NFP IMPROVED**
- **NNNAV PER SHARE CONFIRMED TO € 0.99**
 - **Total revenues: € 11.0 mln (€ 9.3 mln)¹ +18%**
 - **EBITDA: € 1.4 mln (€ 0.2 mln)**
 - **Profit of the Group: € 0.09 mln (€ 3.2 mln) for lower adjustments to the fair value and higher financial charges**
 - **Net Financial Debt: € 179 mln LTV 44%² (€ 216 mln, LTV 50%);**
 - **Total GAV³: € 560 mln (€ 597 mln); GAV Consolidated € 447 mln (€ 482 mln)**
 - **NNNAV € 315 mln (€ 317 mln); NNNAV per share € 0.99 (€ 0.99)**

Milan August 1, 2018 - The Board of Directors of **Aedes SIIQ S.p.A.** (MTA: AE), met today, under the chairmanship of Carlo A. Puri Negri, approved the consolidated half-year report at June 30, 2018.

CONSOLIDATED INCOME STATEMENT AS AT JUNE 30, 2018

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.

External direct costs amounted to € 4.3 million compared to € 3.2 million at 30 June 2017. The increase of € 1.1 million is mainly attributable to higher losses for vacancies and higher property taxes as a result of growth of real estate portfolio.

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.

Total direct costs and **overheads** totaled € 5.3 million compared to € 5.9 million at 30 June 2017, with an improvement of around € 0.6 million.

As a result, **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

¹ The financial figures shown in brackets refer to June 30, 2017 and December 31, 2017

² LTV calculated as the ratio between gross debt and GAV

³ GAV of the Group including the portion of properties owned by non-controlling subsidiaries and real estate funds

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.

Depreciation, amortization and write-downs at June 30, 2018 amounted to € 1.2 million, compared to € 0.4 million at June 30, 2017, the increase of € 0.8 million is mainly attributable to higher depreciation on furnishings and plants of the registered office following the decision of the Company to transfer the same. **Income from associates and joint ventures** shows a negative balance of approximately € 1.1 million, in line with the values as at 30 June 2017.

EBIT is positive for € 4.4 million compared to € 5.8 million at 30 June 2017. The reduction of approximately € 1.4 million 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 € 4.6 million (€ 2.4 million).

The item is mainly composed of:

- Financial income: + € 0.3 million (€ 0.4 million);
- Financial charges: - € 4.9 million due to a higher level of average financial indebtedness compared to the first half of 2017 (- € 2.9 million);
- Adjustment to the fair value of derivative instruments: essentially zero (+ € 0.1 million).

The Group's **net income** for the first half of 2018 shows a profit of € 0.09 million compared to a profit of € 3.2 million in the first half of 2017.

CONSOLIDATED BALANCE SHEET AT JUNE 30, 2018

Capital invested at 30 June 2018, equal to € 495.0 million compared to € 532.4 million at the end of 2017, is financed from equity for € 311.8 million (63%), for € 179.2 million (36 %) from net financial debt and for € 4.5 million (1%) from other non-current net liabilities, and is composed of:

- **Fixed capital of € 489.7 million (€ 485.6 million), consisting of:**
 - investment property and other tangible assets for € 428.4 million (€ 432.4 million at 31 December 2017). The decrease of € 4 million, of which € 3.3 million on property assets, is mainly due to the sale of an asset in Milan Via Agnello of € 48.5 million, partly offset by capitalization on real estate for € 13.8 million, from the reclassification in this item of assets previously included in the inventory item for a total of € 26 million and to the fair value adjustments for the year of € 5.4 million
 - capital invested in associates and joint ventures for € 61.3 million (€ 53.1 million at 31 December 2017); the increase is mainly due to the subscription of capital increases on the The Market project for a total of € 10 million, as well as adjustments for the period;
 - other financial assets of € 0.1 million, in line with December 31, 2017
 - Intangible assets that are substantially nil, in line with December 31, 2017.
- **Net working capital** of € 5.3 million (€ 46.8 million at 31 December 2017), consisting of:
 - inventories for € 19.6 million (€ 50.2 million at 31 December 2017); the change is due to the reclassification of properties for a total of € 26 million, in addition to the sale of assets for € 5.3

million and the write-downs for the year;

- trade and other receivables for € 12.1 million, (€ 21.6 million at 31 December 2017). The change is mainly attributable to the collection in 2018 of the receivable deriving from the sale of Lot 10B for € 4.4 million, in addition to trade receivables for contracts with third parties;
- trade and other payables for € 26.4 million (€ 25.0 million at the end of 2017).

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.

At June 30, 2018 there were no overdue and 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 overdue debts of € 4.9 million, for which there are no disputes or legal initiatives, nor suspension of supply relationships.

GROUP PORTFOLIO

At 30 June 2018, the total real estate the Aedes Group portfolio stood at a market value of € 560.3 million, including the portion of properties owned by non-controlling subsidiaries and real estate funds, down approximately 6.4% compared to the figures as at 31 December 2017 (€ 596.5 million).

Consolidated Gross Asset Value, equal to € 447.3 million, decreased compared to 31 December 2017 by € 34.3 million, as a net balance of increases of € 17.9 million, on a like-for-like basis (like for like) and decreases of € 52.2 million in sales. The Group has lease contracts in place for a total of € 16 million on an annual basis.

The Company holds real estate investments in the income Portfolio or in the Portfolio to be sold mainly directly or through subsidiaries and falling within the Group's perimeter, or through non-controlling interests in a vehicle company (so-called "SPV" or "special purpose vehicle") and real estate funds.

€/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 Srl (25%)	1,160	832
TOTAL CONSOLIDATED PORTFOLIO	447,307	309,961

RENTED ASSETS

At June 30, 2018, the rented asset at market value amounted to € 296.0 million and represented 66% of the consolidated portfolio. The breakdown by use, on the consolidated Rented portfolio, shows 48% of retail properties, 48% of Office properties and 4% of c.d. Other Uses. The leverage on Income Properties is on average equal to 35.9%

On June 14, 2018 the Phase C of the Serravalle Retail Park was inaugurated to the public, developed on approximately 12,000 square meters of GLA, consisting of 9 new stores, a craft-production area, an 8-unit Food Court that extends the catering offer of the Retail Park. The 3-phase Serravalle Retail Park, all owned by Aedes through its subsidiary Novipraga SIINQ SpA, thanks to the opening of Phase C reaches a total GLA of about 40,000 square meters, a occupancy rate of over 80% and annual rents for a total of € Approximately 4.3 million.

DEVELOPMENT FOR RENT

The portfolio denominated Development for Rent, equal to € 131.1 million as at 30 June 2018, consists of development areas, mainly for commercial use, which are expected to be developed in the short term and subsequent income generation. Leverage is on average lower than the rest of the portfolio and stands at 18.2%.

ASSET TO BE SOLD

The consolidation of the portfolio to be sold, which is expected to be sold during the period of the Plan, is € 19.1 million. Leverage stood at 36.3% at 30 June 2018.

SERVICE BUSINESS

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).

GROUP NAV

The EPRA NNNAV of the Aedes Group at 30 June 2018 is equal to € 315 million, including the proportion of equity held through joint ventures, real estate funds and associated companies that was valued on the basis of equity, taking into account the market value of the properties owned by them.

The NAV relating to the Aedes Group is detailed below at 30 June 2018 (figures in millions of euros):

€/000	30/06/2018	31/12/2017
Outstanding shares*	319.680.191	316.773.191
EPRA Net Asset Value		
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

The EPRA NAV diluted and the EPRA NNNAV diluted are not significant as the outstanding warrants (86,954,220 Warrants out of a total of 86,956,536), being out of the money at the balance sheet date, would have an anti-dilution effect. Therefore, it was not necessary to carry out the relative calculation.

SIGNIFICANT EVENTS DURING THE FIRST HALF 2018

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 stock, conferring the assignment of Liquidity provider to INTERMONTE SIM SpA.

February 28, 2018 – Following the framework agreement signed in December 2017, Aedes SIIQ completed the lease agreement for the entire Tower located in Milan, Viale Richard 3, with WPP Marketing Communications (Italy) Srl, a WPP Group company, a leading multinational communications 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 increased the provision made available to Intermonte SIM to € 200,000 to purchase and sell the Aedes SiiQ shares on an independent basis, on behalf and with risk to the Company

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

April 27, 2018 – The Board of Directors has appointed the following Committees:

- 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 27 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 Benedetto Ceglie as Vice Chairman and Director in charge of the internal control and risk management system, and Giuseppe Roveda as Chief Executive Officer.

June 14, 2018 – Aedes SiiQ has inaugurated the renewed and expanded Serravalle Retail Park, following the acquisition by Aedes SiiQ 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.

June 29, 2018 - Aedes SiiQ has signed, with a primary institutional investor, the contract for 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%.

SIGNIFICANT EVENTS AFTER THE FIRST HALF 2018

There are no significant events to report after the end of the semester.

STATE OF IMPLEMENTATION OF THE 2014-2019 PLAN APPROVED ON DECEMBER 1, 2014

The results as at 30th June 2018 are substantially in line with the ranges envisaged for the plan, approved by the Board of Directors of Aedes on 27 May 2014 and subsequently integrated, most recently, on 1 December 2014.

OUTLOOK

During the year 2018 the Group will continue with the disposal of part of the non-strategic or non-value-added portfolio, the progressive refinancing of the real estate portfolio, refurbishment and portfolio enhancement activities, with the aim of improving employment parameters. and performance for the benefit of future exercises. Therefore, important investment activities are planned on the perimeter of the properties already in the portfolio.

The Company also announced, in conjunction with the publication of the consolidated half-year report (August 2, 2017), the guidance to 2023 on macro-objectives of investment and performance. These objectives remain substantially confirmed; the occurrence in whole or in part of the same 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 market of capital.

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

The manager responsible for preparing the corporate accounting documents of Aedes SIIQ S.p.A., Mr. Achille Mucci 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.

The half-year Report at June 30, 2018 will be made available to the public within the legal deadline, at the registered office of the company website www.aedes-siiq.com and on the authorized storage mechanism 1Info at www.1info.it.

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. At June 30, 2018 the consolidated real estate portfolio amounted to a market value of € 447 million (Consolidated GAV). Consolidated shareholders' equity amounted to € 311.3 million and the LTV is equal to 44%. The NNNAV at June 30, 2018 is equal to € 315 million with an NNNAV per share equal to € 0.99.

For further information: www.aedes-siiq.com

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Please find attached the Income Statement - Balance Sheet - Net Financial Debt Reclassified consolidated statements as at June 30, 2018

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

Description (€/000)	30/06/2018	30/06/2017	Change
Gross revenue from rents	7,842	8,493	(651)
Margin on property sales	2,794	60	2,734
Margin on sales of non-property inventories	300	465	(165)
Other revenues	27	299	(272)
Total Revenues	10,963	9,317	1,646
Net Losses for vacant properties	(901)	(305)	(596)
IMU Property Tax, other taxes and insurance on properties	(1,883)	(1,592)	(291)
Opex	(414)	(333)	(81)
Fees and commissions	(717)	(812)	95
Other non-rechargeable costs	(372)	(188)	(184)
Total Direct Costs	(4,287)	(3,230)	(1,057)
Net Operating Income	6,676	6,087	589
Direct personnel costs	(1,420)	(1,251)	(169)
Internal capitalised costs	1,020	597	423
Total Internal Direct Costs	(400)	(654)	254
Cost of head office staff	(1,438)	(1,367)	(71)
Advisory services to Structure	(1,458)	(1,487)	29
G&A	(1,970)	(2,360)	390
Total Overheads	(4,866)	(5,214)	348
EBITDA	1,410	219	1,191
Adjustment to fair value of real estate investments	5,372	7,881	(2,509)
(Write-down) / recovery of value of inventories	(90)	(961)	871
Amortisation, depreciation provisions and impairment	(1,226)	(372)	(854)
Income/(expenses) from associates	(1,071)	(982)	(89)
EBIT (Operating Result)	4,395	5,785	(1,390)
Financial income/(charges)	(4,626)	(2,425)	(2,201)
EBT (Result before taxes)	(231)	3,360	(3,591)
Taxes/Tax charges	203	(82)	285
Profit/(loss) from continuing operations	(28)	3,278	(3,306)
Profit/(loss) after taxes on non-current assets to be divested	0	(421)	421
Profit/(Loss)	(28)	2,857	(2,885)
Share of result of the minority shareholders	(114)	(340)	226
Group's share of the result	86	3,197	(3,111)

RECLASSIFIED CONSOLIDATED BALANCE SHEET

Description (Euro/000)	30/06/2018	31/12/2017	Change
Fixed capital	489,698	485,596	4,102
Net working capital	5,336	46,806	(41,470)
INVESTED CAPITAL	495,034	532,402	(37,368)
Equity of the group:	311,839	313,201	(1,362)
Equity share of the minority shareholders	(499)	(385)	(114)
Consolidated Equity	311,340	312,816	(1,476)
Other non-current (assets) and liabilities	4,516	3,857	659
Medium-long term amounts due to banks and other lenders	135,213	174,227	(39,014)
Short-term amounts due to banks and other lenders	60,366	64,743	(4,377)
Cash and cash equivalents	(16,401)	(23,241)	6,840
Net financial debt	179,178	215,729	(36,551)
FUNDING SOURCES	495,034	532,402	(37,368)

NET FINANCIAL POSITION

	NFP (Euro/000)	30/06/2018	31/12/2017	Change
A	Cash	16,401	23,241	(6,840)
B	Cash equivalents	0	0	0
C	Securities	0	0	0
D)	Liquid assets (A) + (B) + (C)	16,401	23,241	(6,840)
E	Current financial receivables	0	0	0
F	Current amounts due to banks	(59,859)	(64,262)	4,403
G	Current portion of non-current financial liabilities	(171)	(145)	(26)
H	Other current financial liabilities	(336)	(336)	0
I	Total current financial debt (F) + (G) + (H)	(60,366)	(64,743)	4,377
J	Net current financial debt	(43,965)	(41,502)	(2,463)
K	Non-current amounts due to banks	(79,469)	(118,990)	39,521
L	Bonds issued	(44,388)	(43,992)	(396)
M	Other non-current financial liabilities	(11,356)	(11,245)	(111)
N	Non-current net financial debt (K) + (L) + (M)	(135,213)	(174,227)	39,014
O	Net financial debt	(179,178)	(215,729)	36,551