

**THE BOARD OF DIRECTORS OF AEDES SIIQ APPROVED:  
THE FINANCIAL STATEMENTS, THE CONSOLIDATED FINANCIAL STATEMENTS  
AND THE PRO-FORMA<sup>1</sup> CONSOLIDATED INCOME STATEMENT AS OF DECEMBER 31, 2018**

- **ALL THE PRO FORMA ECONOMIC INDICATORS ARE POSITIVE: REVENUES, EBITDA AND FINANCIAL DEBT IMPROVED COMPARED TO 2017**
  - **Total revenues: € 20.4 million (€ 19.2 million)<sup>2</sup> +6%**
  - **EBITDA: € 2.0 million (€ 1.1 million)**
  - **Group profit: € 9.0 million (€ 15.4 million) due to lower fair value revaluations and higher financial charges due to the increase in financial debt in the first half of 2018**
  - **Net financial debt: € 203.7 million LTV 46%<sup>3</sup> (€ 214.8 million, LTV 49%)**
  - **Group GAV: € 573 million and Consolidated GAV € 451.8 million<sup>4</sup>**

**Milan, 3 April 2019** - The Board of Directors of **Aedes SIIQ S.p.A.** (MTA: AED), which met today under the chairmanship of Carlo A. Puri Negri, approved the Draft Financial Statements, Consolidated Financial Statements, and the Pro-forma Consolidated Income Statement at December 31, 2018.

**CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER 2018**

**Total revenues** as at 31 December 2018 amounted to € 20.4 million, up 6% compared to the figures for the previous year. The weight of revenues from rentals is reduced to 77% of total consolidated revenues compared to 91% in the previous year, following the sale of a property located in Milan.

**Gross rental income** amounts to € 15.7 million compared to € 17.4 million at December 31, 2017. The decrease of € 1.7 million is due to lower rents on some properties subject to redevelopment, therefore vacant during 2018 (€ 0.6 million), and lower rents on a property sold during 2018 (€ 1 million) and lower rents on the building in Via Veneziani (€ 0.4 million), only partially offset by higher revenues in the Serravalle Retail Park (acquired in May 2017).

The **property sales margin** of € 2.7 million includes proceeds from sales of real estate investments for € 2.3 million (€ 0.8 million in 2017), and property inventories totaling € 0.4 million (none in 2017).

**Direct external costs** amounted to € 7.0 million at 31 December 2018, compared to € 6.3 million at 31 December 2017, an increase of € 0.7 million, mainly attributable to higher property taxes as a result of the growth of real estate assets that took place after the first quarter of 2017 (purchase of Serravalle Retail Park in May 2017 and purchase of two office towers in Milan in Viale Richard in December 2017), in addition to the losses for vacant and non-chargeable costs attributable to the properties waiting for the conclusion of

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<sup>1</sup> Following the Demerger and listing operations of Aedes SIIQ that took place on December 28th, to give a better and clearer representation of the management situation, the figures in the 2018 and 2017 income statements have been restated to report the proforma performance of the SIIQ business complex.

<sup>2</sup> The economic and financial data in brackets refer pro forma data at 31 December 2017

<sup>3</sup> LTV calculated as the ratio between gross debt and consolidated GAV

<sup>4</sup> Group and per share NNNAV and EPRA performance indicators will be published in a forthcoming press release

refurbishment activities.

The **Net Operating Income** of € 13.4 million improved by € 0.5 million compared to € 12.9 million at December 31, 2017.

The **cost of direct personnel** as at 31 December 2018 increased compared to 31 December 2017, as a result of the strengthening of the organizational structure following the expansion of the rental portfolio and the pipeline for the construction of properties for rent. The item **direct internal capitalized costs** at 31 December 2018 mainly relates to the capitalization of management costs relating to the design and construction of Phase C of Serravalle Retail Park not present in the previous year.

**General expenses** amounted to € 10.1 million compared to € 10.9 million at December 31, 2017, down € 0.8 million. The reduction in the cost of head office staff and overheads is mainly attributable to lower variable fees, in addition to € 0.3 million of net income generated by the release of the accounting effects of the normalization of the rent of the previous registered office. The increase in structural consultancy is attributable to the costs of the listing transaction for € 0.9 million.

The **EBITDA**, following the items listed above, is positive for about € 2 million and up by about € 0.9 million compared to December 31, 2017.

In 2018, real estate investments recorded **positive fair value adjustments** of € 12.2 million, compared to a positive € 20.9 million in the previous year.

The adjustments to the fair value of the 2018 financial year are mainly due to the revaluation of some commercial buildings following the signing of new company rental and lease contracts, of the development area located in the municipality of Caselle, of the Milan office buildings located in Via Richard, and of some areas destined for development previously classified among the inventories.

**Amortization, depreciation, provisions and other non-real estate write-downs** at 31 December 2018 amounted to € 1.7 million (essentially nothing in 2017).

The **Item Income / (Charges) from associates** as at 31 December 2018 shows a positive balance of € 3.5 million (€ 0.6 million of positive balance as at 31 December 2017) mainly attributable to the adjustment to higher market values of the assets held by the same investments, in line with the policies adopted by the Group.

The **EBIT** is positive for € 16 million, compared to € 21.2 million in 2017; this change is essentially linked to lower fair value adjustments made in 2018.

**Financial charges net of financial income** and the effects of adjusting the fair value of derivative instruments to hedge interest rate risk, are equal to € 7.5 million in charges (€ 5.3 million in 2017) as a result of the higher average financial debt, despite the year-end reduction.

The item is mainly composed of:

- financial income: € +0.5 million, (€ +0.8 million in 2017);
- financial charges: € -8 million (€ -6.2 million in 2017); the increase is a consequence of the increase in securities debt (bonds issued in April and December 2017);
- fair value adjustment of derivative instruments: essentially zero (€ +0.1 million in 2017).

The **Group net result** in 2018 shows a profit of € 9.0 million compared to € 15.4 million, this reduction

compared to the previous year is attributable, as already mentioned, essentially to lower fair value adjustments of real estate investments.

## **CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2018**

**Invested capital** is equal to € 502.9 million and is financed by:

- shareholders' equity for € 298.3 million (59%),
- net financial debt for € 203.8 million (41%),
- and other non-current net liabilities for € 0.9 million

**Invested Capital** is composed of:

**Fixed capital** of € 508.3 million and is mainly composed of:

- real estate investments and other tangible assets for € 445 million;
- capital invested in associated investments and joint ventures for € 63.3 million.

**Net working capital** is negative for € 5.4 million, and consists of:

- inventories for € 8.6 million;
- trade receivables and other receivables for € 9 million;
- trade payables and other payables of € 23 million, this item includes the adjustment of € 2.3 million due to Restart SIIQ SpA following completion of the demerger.

At December 31, 2018 there are no overdue payables or positions not paid beyond the applicable financial, tax, social security or employee terms. With regard to trade payables, on the same date the Aedes Group recorded past due amounts of € 4.2 million, for which there are no disputes or judicial initiatives, or suspension of supply relationships.

The **consolidated shareholders' equity**, entirely attributable to the Group, is € 298.3 million and derives for € 0.2 million from the equity of Aedes SIIQ S.p.A. prior to the demerger operation (excluding the result), for € 298.5 million from the completion of the demerger transaction and the consequent transfer of the equity investments included in the consolidation area, for € 0.3 million from the loss of the financial year and € 0.1 million to actuarial losses.

The **Group's net financial debt** at December 31, 2018, amounting to € 203.7 million, is the result of a difference between gross debts of € 207.3 million and bank deposits of € 3.6 million.

The gross debt at December 31, 2018 has an average duration of 1.98 years consisting of variable-rate debt for 46.8%.

At the date of approval of the draft financial statements and the consolidated financial statements, there were no significant events regarding the applicability of the contractual covenants that entail limits to the use of financial resources, within the existing exposure.

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## **GROUP PORTFOLIO**

At 31 December 2018, the Consolidated GAV (Gross Asset Value) is € 451.8 million, the Total GAV – including the portion pertaining to properties owned by non-controlling subsidiaries and real estate funds – is € 573 million.

€/000	GAV				NAV			
	Consolidated	Not consolidated Funds & JV	Total Portfolio	% on Total Portfolio	Consolidated	Not consolidated Funds & JV	Total Portfolio	% on Total Portfolio
Retail	152.730	77.912	230.642	40,3%	94.768	39.439	134.207	33,9%
Office	141.280	-	141.280	24,7%	89.655	-	89.655	22,6%
Other Uses	11.256	-	11.256	2,0%	6.761	-	6.761	1,7%
<b>Rented Assets</b>	<b>305.266</b>	<b>77.912</b>	<b>383.178</b>	<b>66,9%</b>	<b>191.184</b>	<b>39.439</b>	<b>230.623</b>	<b>58,2%</b>
Retail Development for Rent	109.897	43.210	153.107	26,7%	93.388	43.210	136.598	34,5%
Other Uses Development for Rent	27.700	-	27.700	4,8%	21.562	-	21.562	5,4%
<b>Development for Rent</b>	<b>137.597</b>	<b>43.210</b>	<b>180.807</b>	<b>31,6%</b>	<b>114.950</b>	<b>43.210</b>	<b>158.160</b>	<b>39,9%</b>
<b>Sub Total Portfolio Rented/for rent</b>	<b>442.863</b>	<b>121.122</b>	<b>563.985</b>	<b>98,4%</b>	<b>306.134</b>	<b>82.649</b>	<b>388.783</b>	<b>98,2%</b>
Other Uses	8.954	-	8.954	1,6%	7.196	-	7.196	1,8%
<b>Sub Total Portfolio to be sold</b>	<b>8.954</b>	<b>-</b>	<b>8.954</b>	<b>1,6%</b>	<b>7.196</b>	<b>-</b>	<b>7.196</b>	<b>1,8%</b>
<b>TOTAL GROUP PORTFOLIO</b>	<b>451.817</b>	<b>121.122</b>	<b>572.939</b>	<b>100,0%</b>	<b>313.331</b>	<b>82.649</b>	<b>395.979</b>	<b>100,0%</b>

### RENTED ASSETS

At 31 December 2018, the rented asset portfolio at market value amounted to € 305.3 million and represents 67.6% of the consolidated portfolio. The breakdown by use, on the consolidated Rented portfolio, shows 50.0% of retail properties, 46.3% of Office properties and 3.7% for Other Uses.

### DEVELOPMENT FOR RENT

The portfolio denominated Development for Rent, equal to € 137.6 million as at 31 December 2018, consists of development areas, mainly for commercial use, which are expected to be developed in the short term and subsequently generate income.

### ASSET TO BE SOLD

The consolidation value of the assets to be sold portfolio, which is expected to be sold during the Plan period, is equal to € 8.9 million.

### OTHER SERVICES

The Aedes Group has decided to concentrate on activities aimed only at the Group's investments through Praga RES (born from the merger of Praga Service Real Estate in Praga Construction) operating in the organization and development of master plans, in the project and construction management, in the editorial staff and verification of PEC and Agreements, in the coordination and development of building permits, in the management of commercial authorizations and environmental verification, in the technical direction / tenant coordinator, and in facility management, mainly within the group.

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## **ECONOMIC AND FINANCIAL DATA AT 31 DECEMBER 2018 OF THE PARENT COMPANY AEDES SIIQ SPA**

The Parent Company, Aedes SIIQ SpA, closed the 2018 financial year with a loss of € 0.3 million, compared to € 0.2 million at December 31, 2017.

The Company's equity amounts to € 267.5 million, against a negative value of € 0.1 million at the end of 2017. The change is almost entirely attributable to the partial proportional demerger which became effective on December 28, 2018 as a result of the listing of the Parent Company Aedes SIIQ SpA.

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## **SIGNIFICANT EVENTS DURING THE 2018 FINANCIAL YEAR OF THE SIIQ COMPENDIUM BEFORE THE DEMERGER**

**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.

**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%.

**August 8, 2018** - The Board of Directors of Aedes SIIQ approved the demerger plan of the company aimed at separating the typical activities of a SIIQ from trading and opportunistic real estate.

**September 19, 2018** - The Board of Directors of Aedes SIIQ approved the long-term plans of the demerged company and the beneficiary company.

**September 27, 2018** - The Extraordinary Shareholders' Meeting of Aedes SIIQ approved: The regrouping of the ordinary shares of Aedes SIIQ S.p.A in the report no. 1 to 10 and the partial and proportional demerger of Aedes SIIQ S.p.A in favor of SedeA SIIQ S.p.A., which with effect from the demerger will change the name to Aedes SIIQ S.p.A.

**October 31, 2018** - The bond loan of € 15 million and the shareholder loan granted by the controlling shareholder Augusto S.p.A. were extended for a further 18 months, expiring on April 30, 2020. of € 10 million.

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## **SIGNIFICANT EVENTS DURING 2018**

**November 13, 2018** – The Board of Directors of Aedes SIIQ has resolved the proposal to appoint the new Board of Directors of Sedea SIIQ, today Aedes SIIQ, beneficiary of the demerger.

**November 13, 2018** - Sedea SIIQ filed an application for admission on the MTA market of Borsa Italiana.

**December 12, 2018** – The partial proportional demerger of Aedes SIIQ S.p.A. in favor of Sedea SIIQ S.p.A. was signed.

**December 13, 2018** - Following the signing of the demerger of Aedes SIIQ S.p.A. in favor of Sedea SIIQ S.p.A, which became effective on December 28, 2018, the shareholders of Augusto SpA, the majority shareholder of Aedes SIIQ with 51.204%, signed two new shareholders' agreements aimed at regulating the Corporate Governance rules of Sedea SIIQ, today Aedes SIIQ (beneficiary company) and Aedes SIIQ, today Restart SIIQ (demerged company).

**December 28, 2018** – Following the demerger effective on 28 December 2018, Sedea SIIQ SpA changes its company name to Aedes SIIQ SpA and is listed on the MTA market organized and managed by Borsa Italiana.

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## **COMPARISON OF ACTUAL DATA WITH THE PLAN**

The Registration Document, as part of the Information Prospectus, linked to the listing of AEDES SIIQ SPA on December 28, 2018, reports forecasts on revenues from rents and on EBITDA 2018 for the SIIQ compendium, represented in a pro-forma logic. These forecasts, amounting to approximately euro 16 million and euro 800 thousand, respectively, are to be compared with pro-forma consolidated final figures of euro 15.7 million and about euro 1.97 million respectively. A substantial confirmation of the data on revenues and a significant final improvement in the EBITDA estimate is therefore noted. With respect to the data planned for 2018, the balance sheet data is also substantially confirmed.

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## **OUTLOOK**

For the 2019 financial year, the Company can only confirm its willingness to continue its activities in the path undertaken in 2016, opting for the SIIQ regime, of the dimensional growth of rental revenues through both i) the enhancement of its assets in the portfolio with a physiological rotation on the market where there could be opportunities to be seized, as well as through ii) the sale and purchase of investments not consolidated today in order to increase the rented portfolio. The attention remains high and therefore so do the relative actions to be taken – where the existence and the concreteness of the market conditions were found – on the strengthening of the equity structure (of the Company or of its subsidiaries) as shown in the Information Prospectus of listing which would allow a more significant and timely growth of the real estate rented portfolio in the second half of the year.

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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 2018, as set forth by section 123-bis of Legislative Decree no. 58/98 as amended.

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*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.*

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The Annual Report at December 31, 2018 will be made available to the public within the legal deadline, at the registered office of the company website [www.aedes-siiq.com](http://www.aedes-siiq.com) and on the authorized storage mechanism 1Info at [www.1info.it](http://www.1info.it).

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For further information: [www.aedes-siiq.com](http://www.aedes-siiq.com)

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**Please find attached the Income Statement - Balance Sheet - Net Financial Debt Reclassified consolidated statements as at December 31, 2018**



**CONSOLIDATED RECLASSIFIED INCOME STATEMENT**

Description (Euro/000)	31/12/2018 Proforma Aedes	31/12/2017 Proforma Aedes	Change
Gross revenue from rents	15,745	17,385	(1,640)
Margin on property sales	2,710	752	1,958
Margin on sales of non-property inventories	0	198	(198)
Other revenues	1,906	853	1,053
<b>Total Revenues</b>	<b>20,361</b>	<b>19,188</b>	<b>1,173</b>
Net Losses for vacant properties	(1,367)	(606)	(761)
IMU Property Tax, other taxes and insurance on properties	(3,514)	(3,267)	(247)
Opex	(249)	(601)	352
Fees and commissions	(766)	(926)	160
Other non-rechargeable costs	(1,061)	(914)	(147)
<b>Total External Direct Costs</b>	<b>(6,957)</b>	<b>(6,314)</b>	<b>(643)</b>
<b>Net Operating Income</b>	<b>13,404</b>	<b>12,874</b>	<b>530</b>
Direct Personnele Cost	(2,790)	(2,392)	(398)
Direct Internal capitalised costs	1,483	1,556	(73)
<b>Total Direct Costs</b>	<b>(1,307)</b>	<b>(836)</b>	<b>(471)</b>
Cost of head office staff	(2,779)	(2,924)	145
Advisory services to Structure	(3,060)	(2,505)	(555)
G&A	(4,286)	(5,482)	1,196
<b>Total Overheads</b>	<b>(10,125)</b>	<b>(10,911)</b>	<b>786</b>
<b>EBITDA</b>	<b>1,972</b>	<b>1,127</b>	<b>845</b>
Adjustment to fair value of RE investments	12,196	20,874	(8,678)
(Depreciation)/Recovery of inventory value	0	(1,530)	1,530
Amortisation, depreciation provisions	(1,693)	105	(1,798)
Income/(expenses) from associates	3,528	597	2,931
<b>EBIT (Operating Result)</b>	<b>16,003</b>	<b>21,173</b>	<b>(5,170)</b>
Financial income/(charges)	(7,501)	(5,274)	(2,227)
<b>EBT (Result before taxes)</b>	<b>8,502</b>	<b>15,899</b>	<b>(7,397)</b>
Taxes/Tax charges	508	(206)	714
<b>Profit/(loss) from continuing operations</b>	<b>9,010</b>	<b>15,693</b>	<b>(6,683)</b>
Profit/(loss) Non-current assets to be divested	0	(375)	375
<b>Profit (Loss)</b>	<b>9,010</b>	<b>15,318</b>	<b>(6,308)</b>
Results of minority shareholders	0	(65)	65
<b>Group's result</b>	<b>9,010</b>	<b>15,383</b>	<b>(6,373)</b>



**CONSOLIDATED RECLASSIFIED BALANCE SHEET**

Description (Euro/000)	31/12/2018	31/12/2017	Change
Fixed capital	508,326	478,731	29,595
Net working capital	(5,393)	28,344	(33,737)
<b>INVESTED CAPITAL</b>	<b>502,933</b>	<b>507,075</b>	<b>(4,142)</b>
Equity of the group	298,316	290,360	7,956
Equity share of the minority shareholders	0	0	0
<b>Consolidated Equity</b>	<b>298,316</b>	<b>290,360</b>	<b>7,956</b>
<b>Other non-current (assets) and liabilities</b>	<b>861</b>	<b>1,927</b>	<b>(1,066)</b>
Medium-long term amounts due to banks and other lenders	134,909	167,169	(32,260)
Short-term amounts due to banks and other lenders	72,427	62,871	9,556
Cash and cash equivalents	(3,580)	(15,252)	11,672
<b>Net financial debt</b>	<b>203,756</b>	<b>214,788</b>	<b>(11,032)</b>
<b>FUNDING SOURCES</b>	<b>502,933</b>	<b>507,075</b>	<b>(4,142)</b>

**CONSOLIDATED FINANCIAL POSITION**

	31/12/2018	31/12/2017 proforma	Change
Bonds maturing within 12 months	(175)	(145)	(30)
Debts due to banks within 12 months	(71,984)	(62,640)	(9,344)
Debs to other lenders due within 12 months	(268)	(86)	(182)
Bonds with maturity over 12 months	(44,447)	(43,992)	(9,556)
Debts due to banks over 12 months	(79,230)	(113,324)	34,094
Debs to other lenders due over 12 months	(11,232)	(9,853)	(1,379)
Deposits	606	7,038	(6,432)
Cash and cash equivalents	2,974	8,214	(5,240)
<b>Net financial debt</b>	<b>(203,756)</b>	<b>(214,788)</b>	<b>(66,257)</b>