

THE BOARD OF DIRECTORS OF AEDES SIIQ HAS:

- **APPROVED THE INTERIM CONSOLIDATED REPORT AS OF MARCH 31, 2019¹**
 - **Rent revenues: € 4.0 mln (€ 4.2 mln);**
 - **Total revenues: € 4.6 mln (€ 4.1 mln);**
 - **EBITDA: € 0.2 mln (€ 0.1 mln);**
 - **Profit of the period: -€ 2.0 mln (- € 1.7 mln) principally due to higher financial charges;**
 - **Net Financial Debt: € 206.8 mln (€ 203.8 mln);**

- **DECIDED THE EXTENSION UNTIL DECEMBER 20, 2020 OF THE € 30 MILLION BOND ISIN N. IT0005317174**

Milan, 8 May 2019 - The Board of Directors of **Aedes SIIQ S.p.A.** (MTA: AED), met today under the chairmanship of Carlo A. Puri Negri, has approved the Interim Consolidated Report as of march 31, 2019.

CONSOLIDATED INCOME STATEMENT AS AT MARCH 31, 2019

Total Revenues at March 31, 2019 amounted to € 4.6 million compared to € 4.1 million as March 31, 2018. **Gross rental income** amounts to € 4.0 million compared to € 4.2 million at March 31, 2018. The decrease of € 0.2 million is due to lower rents on some properties, vacant starting from the second quarter of 2018 (about € 0.3 million related to lower rents of properties belonging to the Petrarca fund) and lower rents on properties sold during 2018 (almost € 0.4 million), partially offset by higher revenues related to Serravalle Retail Park (€ 0.2 million) and Redwood's portfolio properties (€ 0.3 million).

Direct external costs amounted to € 1.6 million at 31 March 2019, decreased in comparison to the € 1.8 million at March 31 2018.

The Net Operating Income, due to the items commented above, results positive for € 3.0 million, with an improvement compared to the positive € 2.3 million of March 31, 2018.

Total direct costs amount to € 0.6 million compared to € 0.2 million at March 31, 2018. The direct personnel costs at March 31, 2019 increased compared 2018, as a result of the strengthening of the organizational structure. The item "direct internal capitalized costs" at March 31, 2019 is mainly related to the capitalization of management costs relating to the development of the area in the municipality of Caselle. The value recorded in 2018 was due to the use of internal resources near the closure of the works of phase C of the Serravalle Retail Park.

General expenses amount to € 2.1 million and are in line with 31 March 2018.

The **EBITDA**, following the items listed above, is positive for about € 0.2 million versus € 0.1 million at March 31, 2018.

¹ Following the Demerger and listing operations of Aedes SIIQ that took place on December 28th, 2018, to give a better and clearer representation of the management situation, the figures in the March 31, 2018 income statements have been restated to report the proforma performance of the SIIQ business complex. The economic and financial data in brackets refer pro forma data at March 31, 2018 and December 31, 2018.

Amortization, depreciation, provisions and non-real estate write-downs at 31 March 2019 amounted to € 0.1 million, compared to € 0.7 million at 31 March 2018. The item is composed as follows:

- € 0.3 million of amortization (€ 0.5 million in 2018)
- € 0.2 million of write-downs of allowances for trade receivables (€ 0.2 million in accruals in 2018).

Income/(charges) from associated companies show a positive balance of € 0.5 million, compared to the € 0.7 million at 31 March 2018. The decrease is mainly attributable to operating losses in the first quarter of the companies linked to the project of development located in San Marino, The Market.

The **EBIT**, as a result of the items commented above, is positive for € 0.6 million, compared to the positive € 0.2 million of 2018.

Net financial charges are negative for € 2.6 million, compared to the negative € 1.9 million at March 31, 2018. In detail, the item is composed by:

- financial income: +€ 0.1 million (+€ 0.4 million at March 31, 2018);
- financial charges: -€ 2,7 million (-€ 2,2 million at March 31, 2018); the increase is mainly attributable to the accessory charges relating to the granting of new short-term credit lines and to the refinancing of the short-term debt of the Petrarca Fund;
- fair value adjustments of derivative instruments: essentially zero and in line with March 31, 2018.

The **net result** for the first quarter of 2019 shows a loss of € 2.0 million (entirely attributable to the Group), compared to the loss of € 1.7 million in the first quarter of 2018 (entirely attributable to the Group).

CONSOLIDATED BALANCE SHEET AT MARCH 31, 2019

Invested capital at March 31, 2019 is € 504.2 million compared to € 502.9 million at the end of 2018 and is financed by shareholders' equity for € 296.2 million (58.8%), for € 206.8 million (41%) from net financial debt and € 1.2 million (0.2%) from other non-current net liabilities. It is composed by:

- **Fixed capital** amounted to € 514.2 million compared with € 508.3 million at December 31, 2018, and is mainly composed of:
 - property investments and other tangible assets for € 447.1 million, € 445.0 million at December 31, 2018. The increase of € 2.1 million is mainly attributable to the capitalization of costs, particularly in the development area of Caselle (€ 1.8 million) and on the Viale Richard Towers in Milan (€ 0.3 million)
 - invested capital in associated companies and joint ventures for € 63.9 million, compared to € 63.3 million at December 31, 2018; the increase is attributable to the adjustments due to the result of the assets;
 - rights of use for 3.1 million;
 - other financial assets of € 0.1 million, in line with December 31, 2018.
- **Net working capital** is negative for € 10 million against a negative balance of € 5.4 million at December 31, 2018, and consists of:
 - inventories for € 8.6 million, remains unchanged compared to December 31, 2018;
 - trade and other receivables for € 10.2 million, compared to € 9.0 million at December 31, 2018. The change is mainly attributable to higher tax receivables in addition to higher receivables from associated companies Nichelino Village and The Market;
 - trade and other payables for € 28.8 million compared to € 23.0 million at the end of 2018. The increase includes € 2.1 million regarding the payable for the down payment paid by the purchaser of the property in Milan, Via Roncaglia. This item also includes the adjustment,

deriving from the demerger, in favour of Restart SiiQ SPA, of approximately € 2.3 million, approved in the context of the separate financial statements of Aedes SiiQ SPA during the shareholders' meeting held on April 30th.

At March 31, 2019 there are no overdue payables or positions not paid beyond the applicable financial, tax, social security or employee terms. With regard to trade payables and others payables, on the same date the Aedes Group recorded past due amounts of € 7.6 million, for which there are no disputes or judicial initiatives, or suspension of supply relationships.

Consolidated shareholders' equity, entirely attributable to the Group, is € 296.2 million compared to € 298.3 million at 31 December 2018. The negative change of € 2.1 million is attributable to the fair value reserve of the derivative financial instruments considered as hedges (- € 0.1 million), in addition to the loss for the period of approximately € 2.0 million.

The net financial debt of the Group as at 31 March 2019 is equal to € 206.8 million and consists of gross debts for € 211.2 million and bank deposits for € 4.4 million (valued in accordance with IFRS 9), compared to gross debts of € 207.3 million and bank deposits of € 3.6 million at the end of the previous year. The gross debt at March 31, 2019, arising from the application of IFRS 16 on rights of use, the percentage of gross debt at a variable rate, is equal to 43.87% of the total financial exposure of the Group and the average duration of the gross financial debt is 1.81 years.

At March 31, 2019 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.

Compared to the 2018 annual financial report, the interim report at 31 March 2019 incorporates the adoption of the new accounting standard IFRS 16 - Leases, which came into effect as from 1 January 2019.

The new standard establishes a single model for the recognition and valuation of leasing contracts for the lessee, without any further distinction between operating lease and financial lease and in particular provides - for the contracts to which it is applicable - the registration of the right of use of the underlying asset in the balance sheet assets with a financial debt counterpart. The faculty not to recognize as leasing the contracts concerning assets of moderate unit value and the leases with a residual duration equal to or less than 12 months.

For the adoption of the new principle, the Group has followed the *modified retrospective* transition method (ie with the cumulative effect of the adoption recognized as an adjustment to the earnings opening balance carried forward to January 1, 2019, without restating the comparative information).

Passive lease contracts previously classified as operating, had been accounted as:

- a financial liability, equal to the present value of future payments remaining on the transition date, discounted using the incremental borrowing rate (IBR) applicable for each contract at the transition date;
- a right of use equal to the value of the financial liability at the transition date.

Overall, the application of the new standard at March 31, 2019 shows:

- rights of use for a total of € 3.1 million, recorded in non-current assets;
- a financial liability, calculated as described above, for approximately € 3.5 million.
- regarding the income statement, an improvement in gross operating profit (EBITDA) of € 0.3 million, coming from the reversal of lease payments, offset by higher depreciation and amortization of € 0.2 million and higher almost zero financial charges, with an impact on EBITDA, on EBIT of € 0.3 million and € 0.1 million.

SIGNIFICANT EVENTS DURING THE 2019 FIRST QUARTER

February 28, 2019 Sator Immobiliare SGR SpA, management company of the Petrarca Real Estate Fund - Fund of which Aedes SIIQ is the owner of 100% of the shares - has signed a preliminary contract of sale of the property in Via Roncaglia 12-14 in Milan, with a primary institutional investor. Sale price of Via Roncaglia, a building with a managerial use and a GLA of over 8,214 square meters, amount to € 21.7 million.

SIGNIFICANT EVENTS AFTER THE 2019 FIRST QUARTER

April 30, 2019 The Ordinary Shareholders' Meeting authorized the Board of Directors to purchase and dispose treasury shares, up to a maximum of 10% of the share capital and for a period of 18 months from the meeting resolution.

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 2019 for the SIIQ compendium, represented in a pro-forma logic. The economic data at March 31, 2019 are substantially in line with the estimates on Revenues and EBITDA of the Plan, just as the balance sheet data is also substantially in line with the Plan data.

OUTLOOK

For the 2019 financial year, the Company can only confirm its willingness to continue its activities in the path of dimensional growth of rental revenues through both:

- i) the enhancement of its 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.

Furthermore, the Board of Directors approved the extension of a further 18 months to December 20, 2020, of the bond with a total nominal value of € 30 million ISIN n. IT0005317174 listed on the ExtraMOT PRO professional segment. The details will be published in a press release which will be issued after the current press release.

Finally, the Board of Directors acknowledged that the Board of Statutory Auditors, meeting today, after having ascertained the regularity of its composition, also from the point of view of the balance between genders, verified the existence, for its members, of independence requirements provided for by art. 148 of the TUF and by art. 3 of the Code of Conduct for Listed Companies.

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 Interim Management Report as of March 31, 2019 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 SIIQ (MTA:AED) was created and at the same time is listed on the MTA Market of the Italian Stock Exchange, following the partial proportional demerger of Restart (a company founded in 1905 and listed on the Italian Stock Exchange since 1924) on 28 December 2018. Aedes SIIQ owns a real estate rent portfolio and development for rent portfolio in line with the strategy of a REIT with commercial purpose (Retail and Office).

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 March 31, 2019.

CONSOLIDATED RECLASSIFIED INCOME STATEMENT

Description (Euro/000)	31/03/2019	31/12/2018 Proforma	Change
Gross revenue from rents	3.991	4.242	(251)
Other revenues	603	(136)	739
Total Revenues	4.594	4.106	488
Net Losses for vacant properties	(479)	(256)	(223)
IMU Property Tax, other taxes and insurance on properties	(851)	(935)	84
Opex	(226)	(103)	(123)
Fees and commissions	(21)	(226)	205
Other non-rechargeable costs	(62)	(268)	206
Total External Direct Costs	(1.639)	(1.788)	149
Net Operating Income	2.955	2.318	637
Direct Personnele Cost	(784)	(689)	(95)
Direct Internal capitalised costs	180	500	(320)
Total Direct Costs	(604)	(189)	(415)
Cost of head office staff	(605)	(548)	(57)
Advisory services to Structure	(569)	(608)	39
G&A	(942)	(848)	(94)
Total Overheads	(2.116)	(2.004)	(112)
EBITDA	235	125	110
Amortization, depreciation, provisions and non-real estate write-downs (Depreciation)/Recovery of inventory value	(145) 496	(702) 744	557 (248)
EBIT (Operating Result)	586	167	419
Financial income/(charges)	(2.565)	(1.865)	(700)
EBT (Result before taxes)	(1.979)	(1.698)	(281)
Taxes/Tax charges	n/a	n/a	n/a
Profit/(loss) from continuing operations	(1.979)	(1.698)	(281)
Results of minority shareholders	0		0
Group's result	(1.979)	(1.698)	(281)

CONSOLIDATED RECLASSIFIED BALANCE SHEET

Voice	Description (Euro/000)	31/03/2019	31/12/2018	Change
A.	Fixed capital	514.170	508.326	5.844
B.	Net working capital	(10.006)	(5.393)	(4.613)
C.=A.+B.	INVESTED CAPITAL	504.164	502.933	1.231
D.1	Equity of the group	296.185	298.316	(2.131)
D.2	Equity share of the minority shareholders	0	0	0
D.=D.1+D.2	Consolidated Equity	296.185	298.316	(2.131)
E.	Other non-current (assets) and liabilities	1.166	861	305
F.	Medium-long term amounts due to banks and other lenders	137.902	134.909	2.993
G.	Short-term amounts due to banks and other lenders	73.318	72.428	890
H.	Cash and cash equivalents	(4.407)	(3.579)	(828)
I.=F+G+H	Net financial debt	206.813	203.757	3.056
L.=D.+E.+I.	FUNDING SOURCES	504.164	502.934	1.230

CONSOLIDATED NET FINANCIAL POSITION

NFP (Euro/000)		31/03/2019	31/12/2018	Change
A	Cash	4.407	3.580	827
B	Cash equivalents	0	0	0
C	Securities	0	0	0
D)	Liquid assets (A) + (B) + (C)	4.407	3.580	827
E	Current financial receivables	0	0	0
F	Current amounts due to banks	(71.327)	(71.984)	657
G	Current portion of non-current financial liabilities	(544)	(175)	(369)
H	Other current financial liabilities	(1.447)	(268)	(1.179)
I	Total current financial debt (F) + (G) + (H)	(73.318)	(72.427)	(891)
J	Net current financial debt (+) + (E) + (D)	(68.911)	(68.847)	(64)
K	Non-current amounts due to banks	(79.751)	(79.230)	(521)
L	Bonds issued	(44.629)	(44.447)	(182)
M	Other non-current financial liabilities	(13.522)	(11.232)	(2.290)
N	Non-current net financial debt (K) + (L) + (M)	(137.902)	(134.909)	(2.993)
O	Net financial debt (J) + (N)	(206.813)	(203.756)	(3.057)