

**IMMOBILIARE GRANDE DISTRIBUZIONE SOCIETA' DI INVESTIMENTO**

**IMMOBILIARE QUOTATA S.P.A.**

*Registered office in Bologna, Via Trattati Comunitari Europei 1957-2007 n.13,*

*Tax ID, VAT no. 00397420399 and Bologna Company Register no. 458582*

*Share capital subscribed and paid-in: € 749,738,139.26*

## **INTERIM FINANCIAL REPORT**

**30/09/2019**

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## Corporate Officers

Board of Directors	Office	Executive	Non executive	Independent	Control and Risk Committee	Compensation and Remuneration Committee	Related Party Transactions Committee
Elio Gasperoni	Chairman	X					
Rossella Saoncella	Vice Chairman			X		X	
Claudio Albertini	Chief Executive Officer	X					
Gian Maria Menabò	Director		X				
Eric Jaen Veron	Director			X			X
Livia Salvini	Director			X		X	X
Luca Dondi Dall' Orologio	Director			X	X		X
Sergio Lugaresi	Director			X	X		
Timothy Guy Michele Santini	Director			X		X	
Elisabetta Gualandri	Director			X	X		
Alessia Savino	Director		X				

Board of Statutory Auditors	Office	Standing	Alternate
Anna Maria Allievi	Chairman	X	
Roberto Chiusoli	Auditor	X	
Daniela Preite	Auditor	X	
Pierluigi Brandolini	Auditor		X
Laura Macri	Auditor		X
Paolo Prandi	Auditor		X

### Supervisory Board

Gilberto Coffari (Chairman), Alessandra De Martino, Paolo Maestri

### External Auditors

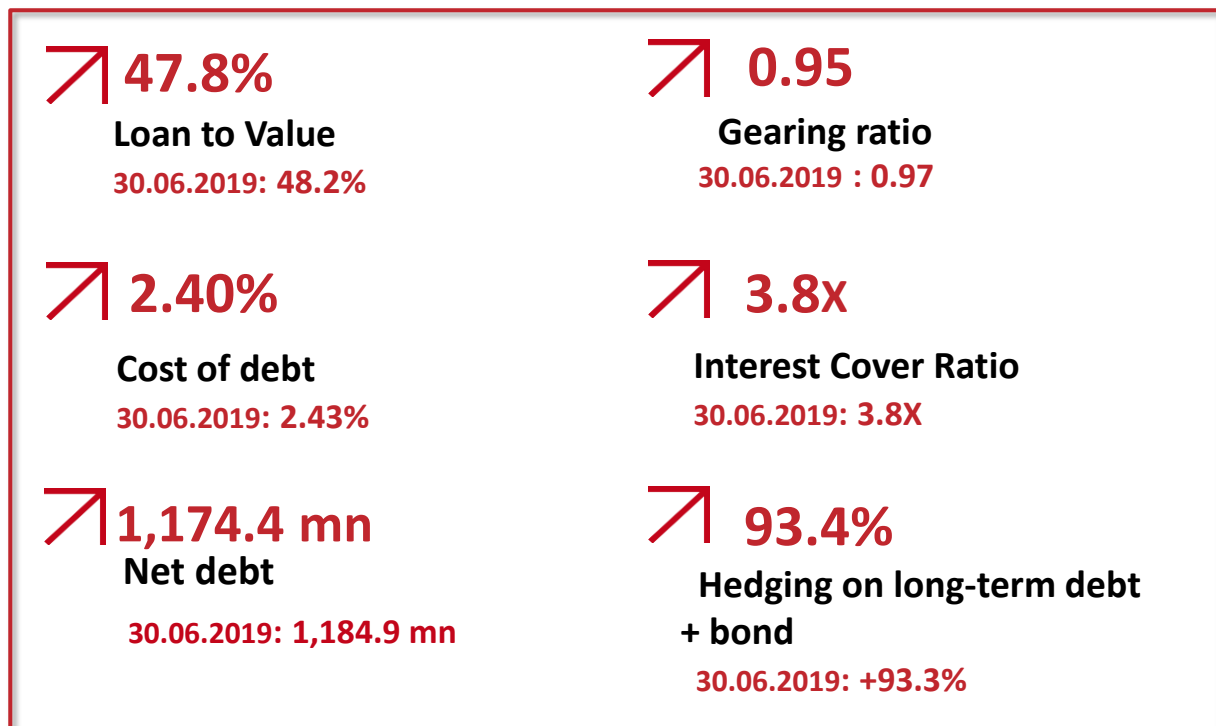
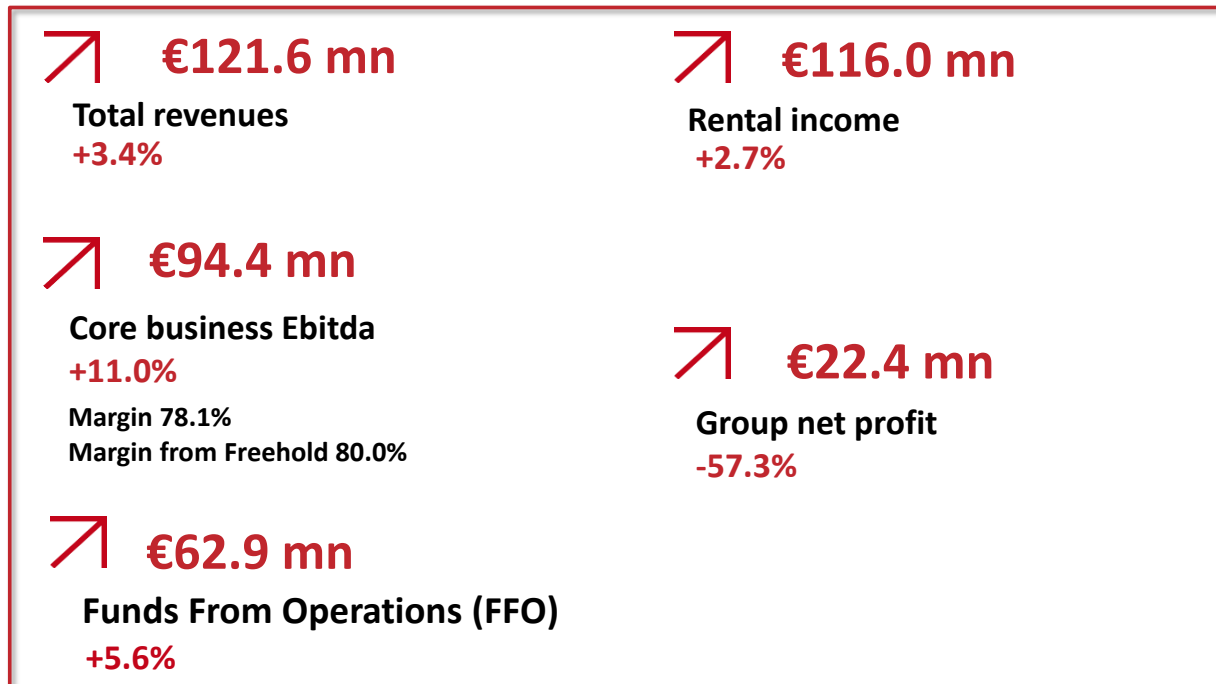
PricewaterhouseCoopers S.p.A.

### Financial Reporting Officer

Carlo Barban

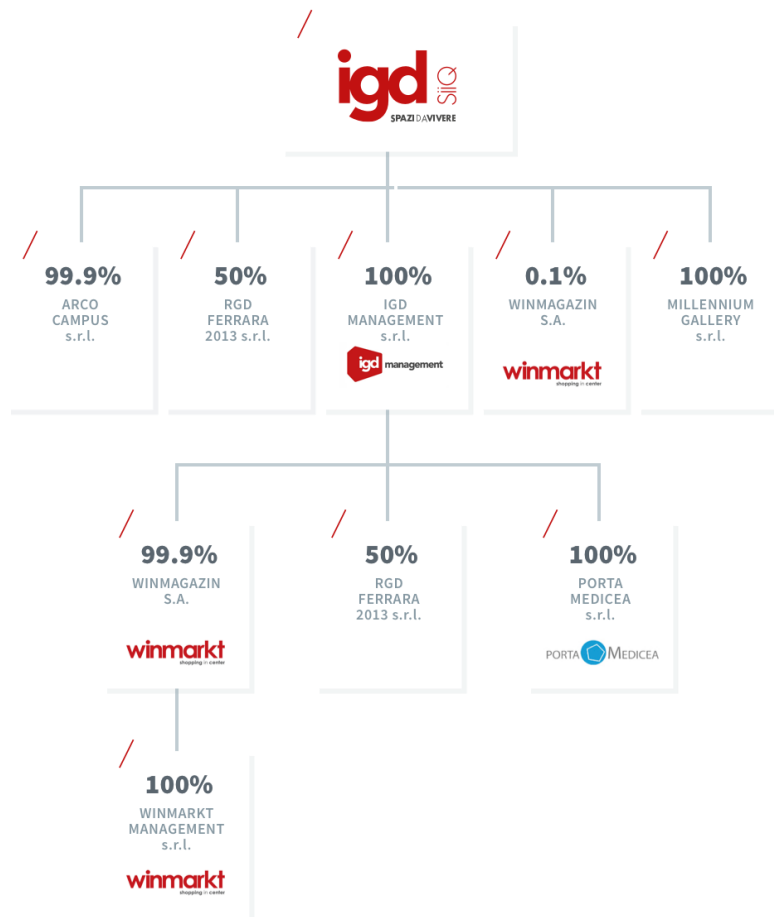
## **1. The IGD Group's Interim Financial Report**

## 1.1. Financial and Economic Highlights at 30 September 2019



## 1.2. The IGD Group

IGD was the first company in Italy to obtain SIIQ (Società di Investimento Immobiliare Quotata or real estate investment trust) status in 2008 and is still the only retail real estate company that qualifies as a SIIQ. Most of the Group's real estate assets are in Italy (around 93%). The remainder (around 7%) is in Romania where IGD owns the Winmarkt chain of shopping centers through WinMagazin SA.



IGD SIIQ's perimeter of exempt operations includes the freehold assets found in Italy.

The purchase by IGD Management S.r.l. (a wholly owned subsidiary of IGD) of 50% of RGD Ferrara 2013 S.r.l., formed in 2013 to manage the Darsena City real estate complex, was finalized in the reporting period. As a result of this acquisition the Group owned all of RGD Ferrara 2013 S.r.l.'s share capital at 30 September 2019. For more information about the transaction please refer to the sections 1.5 and 2.7.2.2 of this report.

At 30 September 2019 the IGD Group, in addition to the parent company, comprises the following companies:

- ✓ 100% of **Millennium Gallery**, (owner of part of the Rovereto shopping mall and a business division in the shopping center in Crema);
- ✓ 100% of **RGD Ferrara 2013**, formed on 30 September 2013, to manage the Darsena City Shopping Center in Ferrara;
- ✓ 99.9% of **Arco Campus S.r.l.**, a company dedicated to the sale, leasing and management of properties used for sports, in addition to the development and dissemination of sports;

- ✓ 100% of **IGD Management S.r.l.** which, in addition to owning the CentroSarca shopping mall in Milan, also holds the majority of the operations which are not included in the SIQ perimeter;
- ✓ 100% of **WinMagazine SA**, the Romanian subsidiary, through which it controls 100% of WinMarket Management Srl, the company responsible for the team of Romanian managers;
- ✓ 100% of **Porta Medicea Srl**, responsible for the construction of the mixed use real estate development and requalification of Livorno's waterfront;
- ✓ management of the leasehold properties (Centro Nova, Centro Piave and the Fonti del Corallo mall);
- ✓ service activities which include mandates for the management of freehold and leasehold properties.

### 1.3. Income statement review

Sales of the retailers in the Group's Italian malls were flat in the first nine months of 2019 while footfalls fell slightly. Retailers' sales did increase gradually over the three quarters. Occupancy was maintained at high levels in Italy, coming in at 96.4%.

Rental income posted a good performance, rising 2.7% (+2.5% excluding IFRS16 application). This result reflects the contribution of the portfolio (comprising 4 shopping malls and a retail park) acquired in April 2018 and the contribution of the expanded Gran Rondo' Shopping Center in Crema inaugurated in May 2018, for the entire period. Like-for-like perimeter revenue was basically unchanged with malls reporting a slight drop due mainly to an increase in temporary discounts and the vacancies in a few midsize retail areas which the company is currently re-marketing; revenue for hypermarkets increased.

The Group's asset management activities continued in the reporting period: the restyling of the Fonti del Corallo Shopping Mall in Livorno was completed in June; the restyling work at Centro Casilino in Rome continued and was completed in October 2019. Consistent with the Business Plan 2019-2021, work began on remodeling a few hypermarkets inside the Le Maioliche (Faenza), Conè (Conegliano) and Portogrande (San Benedetto) shopping centers: the goal is to reduce the size of the hypermarket in order to increase the number of shops/services in the mall.

With regard to the Porta a Mare project, work on the Piazza Mazzini section is basically finished: on 30 September 2019 the agreements were finalized for the sale by the Group of Palazzo Orlando (an office building included in this section) and, at the same time, the purchase of 50% of the Darsena City Shopping Mall in Ferrara, of which IGD was joint-owner; in this way IGD will be able to focus more on its core business. Moreover, 72 out of 73 units in the residential portion are sold/pledged. Work on the Officine Storiche section, which has been moving full steam ahead, is expected to be completed by the end of 2020.

In Romania economic growth continues at a decidedly more robust pace, though slower than in 2018, than in Italy. The good economy, along with the restyling work done by the Group and the constant updating of the merchandising mix, had a positive impact on the operating performance of our shopping centers: occupancy continues to be very high, up 1 percentage point compared to 30 June 2019, and the pre-letting and renegotiations carried out in the first nine months of 2019 resulted in an average upside on new leases of 3.3%. These good results fueled an increase in rental income which was 2.7% higher than in the same period of the prior year.

From a financial standpoint, we would like to point out that IGD received a new investment grade rating: on 22 October 2019 the rating agency Fitch Ratings Ltd ("Fitch") assigned IGD a rating of "BBB-" with a stable outlook.

The net financial position at 30 September 2019 (€1,174.4 thousand) was lower than at 30 June 2019. Financial charges were, however, about 1.9% higher than in the same period of the prior year. The average cost of debt of 2.4%, as well as the Interest Cover Ratio or ICR of 3.8x, were in line with the Business Plan targets and testify to the good work done by IGD over the last few years.

The Group's net profit amounted to €22,385 thousand at 30 September 2019 and the FFO came to €62,862 thousand, an increase of 5.6% against 30 September 2018.



The consolidated operating income statement is shown below:

<b>GROUP CONSOLIDATED</b>	<b>(a)</b> <b>30/09/2019</b>	<b>(b)</b> <b>30/09/2018</b>	<b>Δ</b> <b>(a)/(b)</b>
Revenues from freehold rental activities	106,665	103,552	3.0%
Revenues from leasehold rental activities	9,378	9,406	-0.3%
<b>Total income from rental activities</b>	<b>116,043</b>	<b>112,958</b>	<b>2.7%</b>
Rents and payable leases	-94	-7,696	-98.8%
Direct costs from rental activities	-13,755	-12,965	6.1%
<b>Net rental income</b>	<b>102,194</b>	<b>92,297</b>	<b>10.7%</b>
Revenues from services	4,754	4,639	2.5%
Direct costs from services	-3,981	-3,823	4.1%
<b>Net services income</b>	<b>773</b>	<b>817</b>	<b>-5.4%</b>
HQ Personnel expenses	-4,977	-4,932	0.9%
G&A expenses	-3,613	-3,123	15.7%
<b>CORE BUSINESS EBITDA (Operating income)</b>	<b>94,377</b>	<b>85,060</b>	<b>11.0%</b>
<i>Core business Ebitda Margin</i>	<i>78.1%</i>	<i>72.3%</i>	
Revenues from trading	379	4,073	-90.7%
Cost of sale and other costs from trading	-777	-4,994	-84.4%
<b>Operating result from trading</b>	<b>-398</b>	<b>-921</b>	<b>-56.8%</b>
<b>EBITDA</b>	<b>93,979</b>	<b>84,139</b>	<b>11.7%</b>
<i>Ebitda Margin</i>	<i>77.6%</i>	<i>69.2%</i>	
Impairment and Fair Value adjustments	-46,317	-4,774	n.a.
Depreciations and provisions	-767	-728	5.4%
<b>EBIT</b>	<b>46,895</b>	<b>78,637</b>	<b>-40.4%</b>
FINANCIAL MANAGEMENT	-24,731	-24,281	1.9%
EXTRAORDINARY MANAGEMENT	11	5	n.a.
<b>PRE-TAX PROFIT</b>	<b>22,175</b>	<b>54,361</b>	<b>-59.2%</b>
PRE-TAX PROFIT	210	-1,991	-110.6%
<b>PROFIT FOR THE PERIOD</b>	<b>22,385</b>	<b>52,370</b>	<b>-57.3%</b>
(Profit/Loss) for the period related to third parties	0	0	n.a.
<b>GROUP NET PROFIT</b>	<b>22,385</b>	<b>52,370</b>	<b>-57.3%</b>

Certain cost and revenue items have been reclassified or offset which explains the difference with respect to the financial statements (please refer to operating segment information). Payroll costs include ancillary expenses.

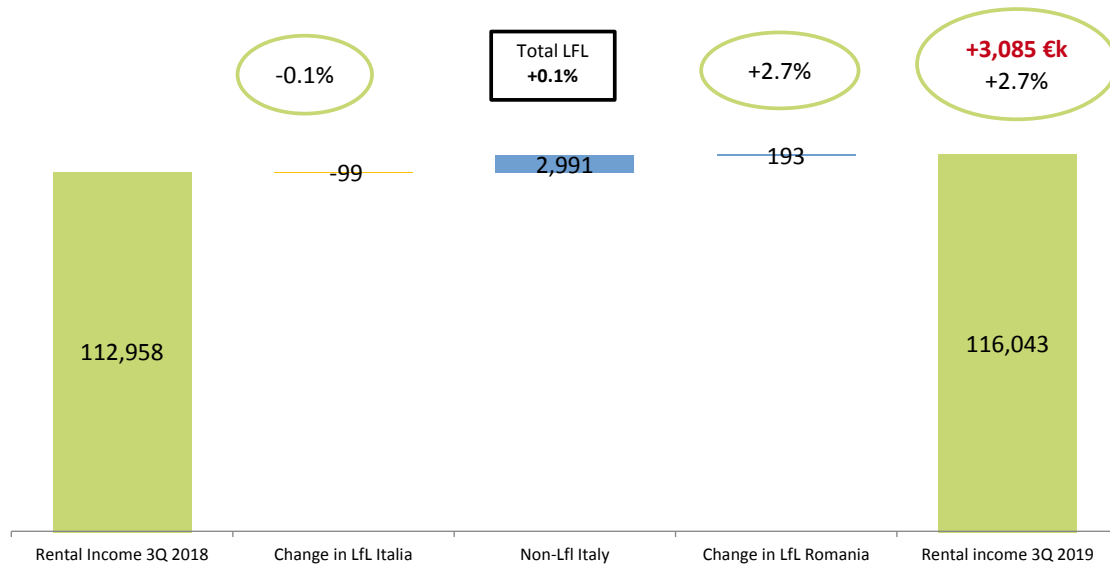
The income statement shown below shows the figures for the last quarter:

<b>GROUP CONSOLIDATED</b>	<b>(a) 3Q2019</b>	<b>(b) 3Q2018</b>	<b>Δ (a)/(b)</b>
Revenues from freehold rental activities	35,590	35,771	-0.5%
Revenues from leasehold rental activities	3,109	3,088	0.7%
<b>Total income from rental activities</b>	<b>38,699</b>	<b>38,859</b>	<b>-0.4%</b>
Rents and payable leases	-41	-2,569	-98.4%
Direct costs from rental activities	-5,023	-4,687	7.2%
<b>Net rental income</b>	<b>33,635</b>	<b>31,603</b>	<b>6.4%</b>
Revenues from services	1,566	1,520	3.0%
Direct costs from services	-1,258	-1,223	2.9%
<b>Net services income</b>	<b>308</b>	<b>297</b>	<b>3.6%</b>
HQ Personnel expenses	-1,496	-1,567	-4.5%
G&A expenses	-1,022	-911	12.2%
<b>CORE BUSINESS EBITDA (Operating income)</b>	<b>31,425</b>	<b>29,422</b>	<b>6.8%</b>
<i>Core business Ebitda Margin</i>	<i>78.0%</i>	<i>72.9%</i>	
Revenues from trading	379	1,352	-72.0%
Cost of sale and other costs from trading	-489	-1,790	-72.6%
<b>Operating result from trading</b>	<b>-110</b>	<b>-438</b>	<b>-75.0%</b>
<b>EBITDA</b>	<b>31,315</b>	<b>28,985</b>	<b>8.0%</b>
<i>Ebitda Margin</i>	<i>77.0%</i>	<i>69.5%</i>	
Impairment and Fair Value adjustments	-7,501	-2,212	n.a.
Depreciations and provisions	-262	-243	7.9%
<b>EBIT</b>	<b>23,552</b>	<b>26,530</b>	<b>-11.2%</b>
FINANCIAL MANAGEMENT	-8,316	-8,238	1.0%
EXTRAORDINARY MANAGEMENT	8	25	-67.6%
<b>PRE-TAX PROFIT</b>	<b>15,244</b>	<b>18,317</b>	<b>-16.8%</b>
PRE-TAX PROFIT	42	-752	n.a.
<b>PROFIT FOR THE PERIOD</b>	<b>15,286</b>	<b>17,565</b>	<b>-13.0%</b>
(Profit/Loss) for the period related to third parties	0	0	
<b>GROUP NET PROFIT</b>	<b>15,286</b>	<b>17,565</b>	<b>-13.0%</b>

Certain cost and revenue items have been reclassified or offset which explains the difference with respect to the financial statements (please refer to operating segment information). Payroll costs include ancillary expenses.

### Net rental income

Rental income amounted to €116,043 thousand, an increase of 2.7% against the same period of the prior year.

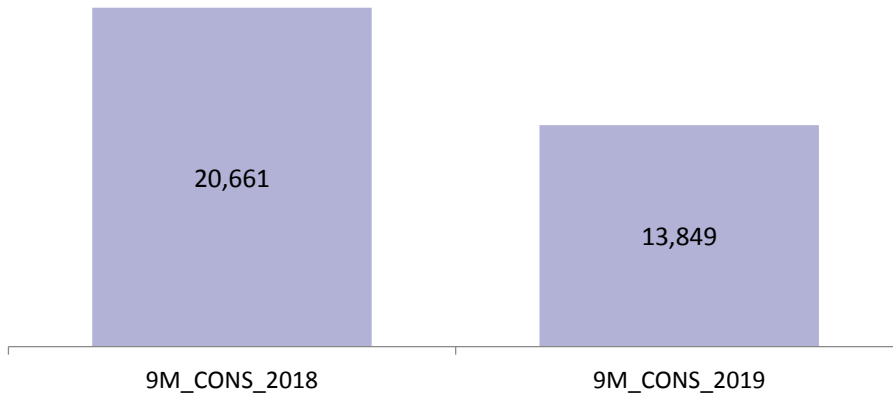


The increase of €3,085 thousand is explained by:

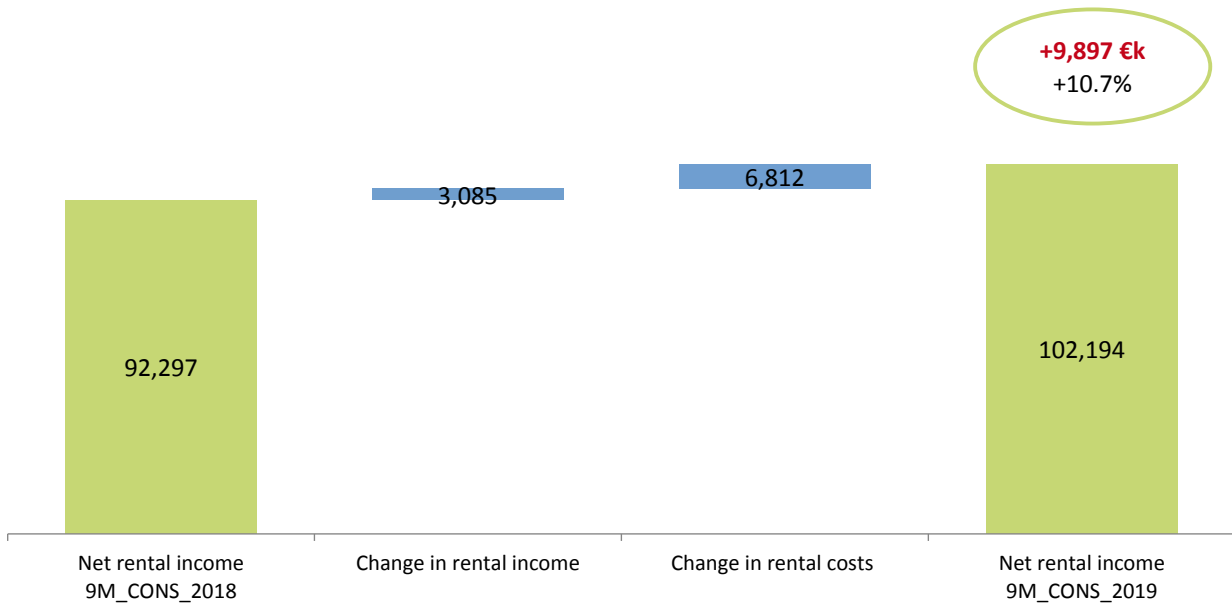
- for around €2,991 thousand, higher revenue not like-for-like attributable to the portfolio purchased from Eurocommercial Properties in April 2018 and the opening of the Grand Rondò mall extension in Crema in May 2018 which was partially offset by the strategic vacancies needed for ongoing fit out work;
- for around €193 thousand, higher like-for-like revenue in Romania (+2.7%), including as a result of pre-letting and renegotiations (152 renewals were signed in the period with an average upside of +3.3%, along with 113 new leases linked to turnover).
- for around -€99 thousand, the like-for-like decrease (-0.1%) in Italy. Malls were down (-0.4%) due mainly to the vacancies created in a few midsize retail areas which the Group is currently re-marketing and the increase in temporary discounts, which was partially offset by the increase posted by hypermarkets (+0.5%). 180 new leases were signed in the period with an average upside of +1.5% (excluding the Sarca cinema); adjustments for inflation impacted for around 60 bps.

The direct costs for the rental business amounted to €13,849 thousand, a decrease of about 33.0% compared to the same period of the prior year (an increase of 4.0% excluding the impact of IFRS 16; for more information about first-time adoption of IFRS 16 please refer to section 2.7.2.1 of this report). The increase in costs is attributable mainly to condominium fees, property tax (IMU), provisions and insurance, linked also to acquisitions.

**Direct costs from rental activities**



Net rental income amounted to €102,194 thousand, an increase of 10.7% against the same period of the prior year (+2.5% excluding the impact of IFRS 16).



Net rental income freehold amounted to €93,183 thousand, an increase of 2.7% against the same period of the prior year, with a very sizeable margin of 87.4% of revenue, in line with the prior year.

Net rental income leasehold amounted to €9,011 thousand and excluding IFRS 16 comes to €1,378 thousand or 14.6% less than in the same period of the prior year due to an increase in the direct costs recorded in the first nine months of 2019.

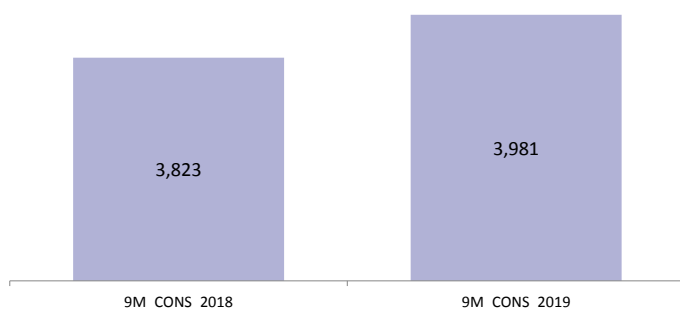
In the third quarter 2019 net rental income amounted to €33,635 thousand, 6.4% higher than the €31,603 thousand reported in the same period of the prior year (-1.6% excluding IFRS16 application).

### Net service Income

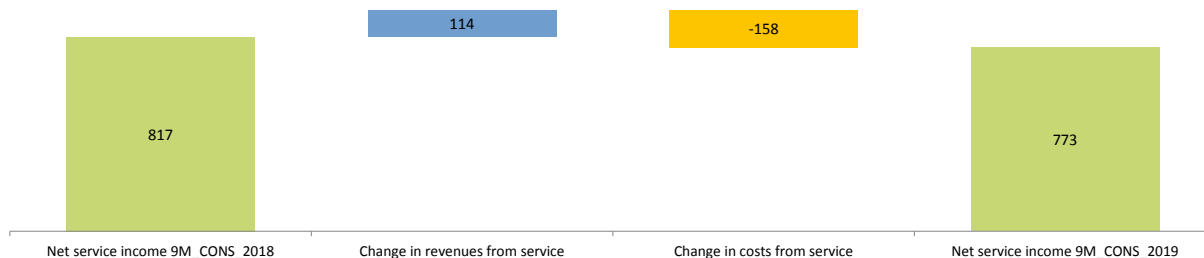
**Revenue from services** rose €115 thousand (+2.5%) compared to the same period of the prior year. Most of this revenue comes from the facility management business (91.5% of the total or €4,350 thousand), which was higher than in the prior period (+5.7%) due mainly to new management mandates (La Favorita and Centro Luna). Revenue from other services (outsourcing services) and pilotage fell slightly, while revenue from agency was higher.

The **direct costs for services** amounted to €3,981 thousand, an increase of €158 thousand (+4.1%) compared to the same period of the prior year attributable mainly to higher network payroll costs as a result of CCNL (the state collective labor agreement) adjustments.

#### Direct costs from services



**Net services income** amounted to €773 thousand, a decrease of €44 thousand compared to the same period of the prior year, falling as a percentage of revenue from services from the 17.6% recorded in the prior year to 16.3%.

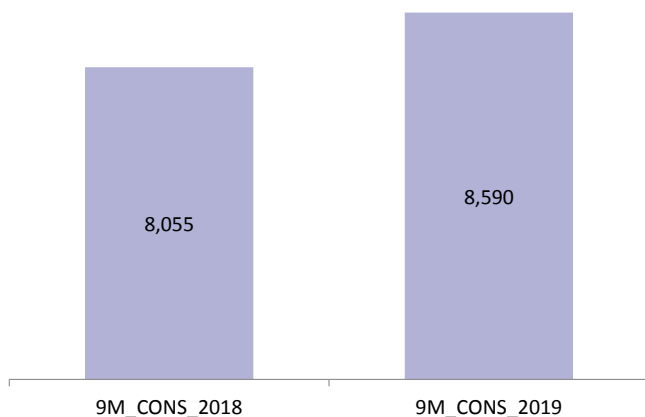


Net services income amounted to €308 thousand or 19.6% of revenue from services in the last three months, an increase of €11 thousand against the same period of the prior year.

### General expenses for the core business

**General expenses for the core business**, including payroll costs at headquarters, came to €8,590 thousand, an increase of 6.6% against the €8,055 thousand posted in the first nine months of 2018. These costs also rose as a percentage of revenue from 6.8% in the same period of the prior year to 7.1%. This increase is attributable primarily to higher payroll costs at headquarters linked to CCNL adjustments, as well as other one-offs recorded in the period (consultancies, corporate projects and operations).

Core business G&A expenses

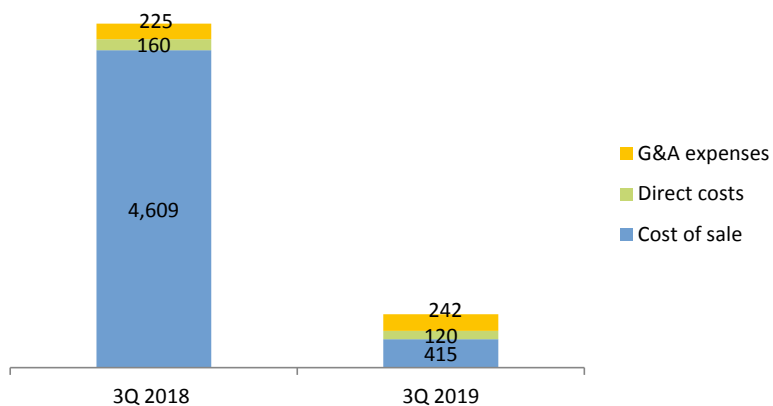


### Operating results for trading

Trading posted an operating loss of €398 thousand, an improvement of €523 thousand against the first nine months of 2018. Revenue from property sales reached €379 thousand in the period and reflects the sale of 1 residential unit and the relative appurtenance, compared to 13 units in the same period of the prior year. The sale of 69 of the 73 original residential units have closed and preliminary sales agreements have been signed for 3 more residential units.

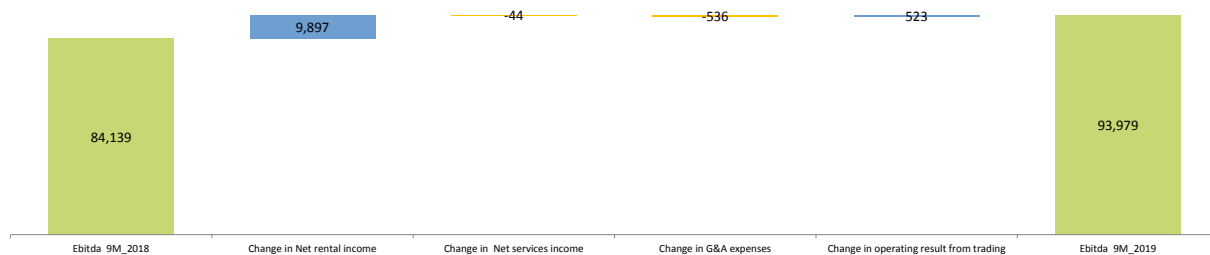
The total of the units sold/pledged has, therefore, reached 98.7% of the total saleable area.

The costs for the Porta a Mare project are broken down below:



### EBITDA

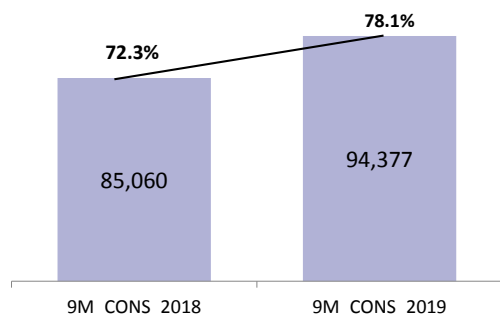
Core business **EBITDA** amounted to €94,377 thousand in the first nine months of 2019, an increase of 11.0% with respect to the same period of the prior year, while total EBITDA rose by 11.7% to €93,979 thousand. The changes in the components of total EBITDA during the first nine months of the year are shown below.



As mentioned above, the **EBITDA margin** mainly reflects the increase in core business revenue (as a result also of the expanded perimeter) and application of IFRS 16.

The core business **EBITDA MARGIN** reached 78.1%, 580 bps higher than in the same period of the prior year and down slightly by 50 bps excluding IFRS 16 application.

#### Core business Ebitda



### Fair value adjustments and impairment

Fair value adjustments and writedowns were negative for €46,317 thousand at 30 September 2019, higher than the €17,631 thousand recorded at 30 September 2018, explained by:

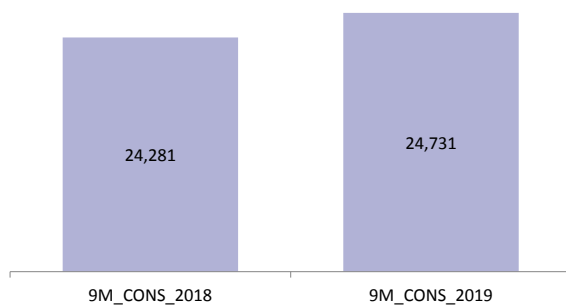
- for €7,756 thousand, the right-to-use assets derived from IFRS 16 application (€3,099 thousand of which relate to third quarter 2019);
- for €11,767 thousand, restyling completed in the period, extraordinary maintenance of the freehold properties pertaining to the IGD Group’s Italian subsidiaries and progress made on work at the Officine Storiche section in Livorno (€3,922 thousand in third quarter 2019 alone);
- for €20,198 thousand, the fair value adjustments of investment properties held by the IGD Group’s Italian subsidiaries based on the appraisals made by independent experts at 30 June 2019;
- for €1,446 thousand, the sales price adjustment paid for the Katanè mall as per the judgement issued by the Court of Ravenna on 7 June 2019;
- for €1,530 thousand, the extraordinary maintenance of the Romanian subsidiary Win Magazin SA’s freehold properties (€479 thousand of which relative to work done in third quarter 2019);

- for €3,620 thousand, fair value adjustments of investment properties held by the Romanian subsidiary Win Magazin SA based on independent appraisals at 30 June 2019.

### EBIT

EBIT amounted to €46,895 thousand, a decrease of 40.4% against the same period 2018. In addition to the above mentioned rise in EBITDA, the result reflects the negative balance of write-downs and fair value adjustments of €46,317 thousand versus €17,631 thousand in the first nine months of 2018 and the net positive impact of the four businesses acquired in 2018 of €12,857 thousand.

### Net financial income (charges)



Financial charges went from €24,281 thousand at 30 September 2018 to €24,731 thousand at 30 September 2019. The increase, of around €450 thousand, is attributable mainly to (i) an increase in the financial expense recognized in the period as a result of IFRS 16 application (for more information about first-time adoption of IFRS 16 please refer to section 2.1 of the Explanatory Notes); (ii) higher interest linked to the loan commitments assumed as a result of the purchase of the 4 businesses finalized in April 2018 and the €200 million loan granted in the first quarter of 2019; (iii) lower financial charges on the €125 million bond repaid early January 2019; (iv) higher financial charges on committed lines.

The average cost of debt (without considering recurring and non-recurring transaction costs) at 30 September 2019 was 2.40%, down from 2.67% in the same period of the previous year, while the weighted average effective cost of debt went from 2.88% at 30 September 2018 to 2.66%.

### Equity investments and property sales

The result posted at 30 September 2019, €11 thousand, is attributable to the sale of the “Palazzo Orlando” property finalized during the quarter.

### Taxes

Amounts in thousands of Euro	30/09/2019	30/09/2018	Change
Current taxes	1,083	1,120	(37)
Deferred tax liabilities	(1,217)	749	(1,966)
Deferred tax assets	(73)	123	(196)
Out-of-period income/charges	(3)	(1)	(2)
<b>Income taxes</b>	<b>(210)</b>	<b>1,991</b>	<b>(2,201)</b>

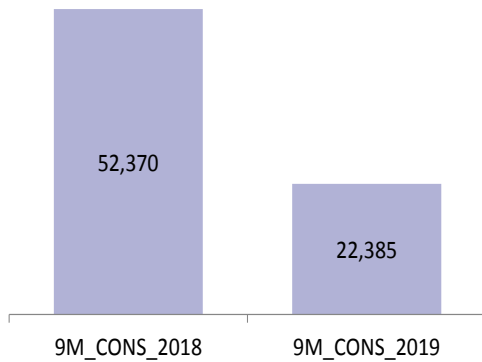
The tax burden, current and deferred, reached €210 thousand at 30 September 2019, a decrease of €2,201 thousand against 30 September 2018. The change is attributable primarily to (i) the adjustment made to deferred



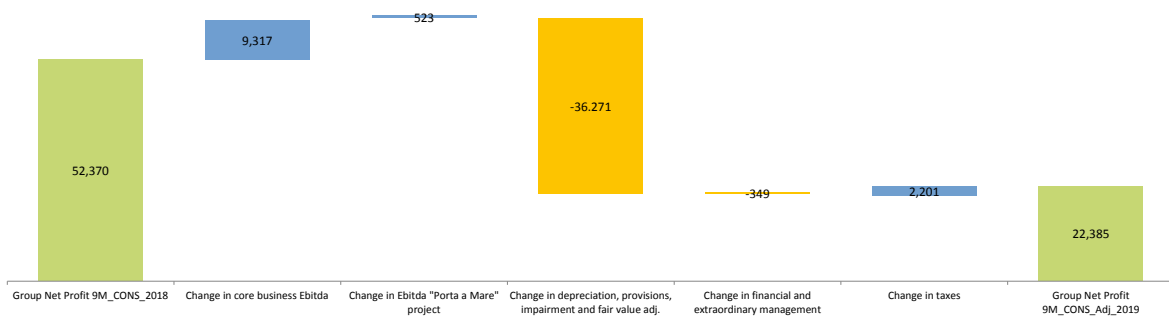
tax assets and liabilities in order to align the fair value with the tax assessed value of a few real estate investments held by subsidiaries and (ii) the impact of the deferred tax recognized in accordance with IFRS 16 (for more information about IFRS 16 adoption please refer to section 2.7.2.1 of this report).

### Group net profit

As a result of the above, the Group's net profit came to €22,385 thousand (versus €52,370 thousands at 30 September 2018).



The change in net profit compared to the same period of the prior year is detailed below.

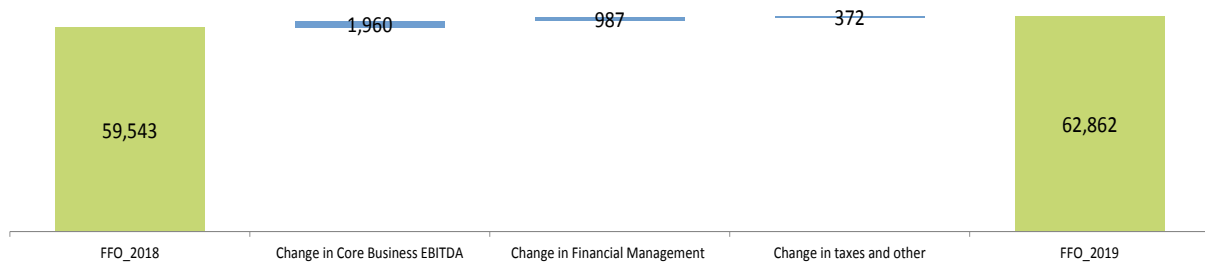


## Core business FFO

FFO (Funds from Operations), an indicator used widely in the real estate sector (REITs), which measures the cash flow generated by a company's core business, reached €62,862 thousand at 30 September 2019, an increase of €3,319 thousand or 5.6% compared to the same period of the prior year. The change is explained by the improvement in core business Ebitda and financial charges described above.

Funds from Operations	CONS_2019	CONS_2018	Δ vs cons 2018	Δ%
<b>Core business EBITDA*</b>	<b>94,652</b>	<b>85,059</b>	<b>9,593</b>	11.3%
IFRS16 Adjustments (Payable leases)	(7,633)	-	(7,633)	n.a.
Adj financial management	(23,299)	(24,286)	987	-4.1%
Adj extraordinary management	-	-	-	n.a.
Adj current taxes for the period	(858)	(1,230)	372	-30.2%
			-	
<b>FFO</b>	<b>62,862</b>	<b>59,543</b>	<b>3,319</b>	5.6%

\* Net of non-recurring expenses



## 1.4. Statement of financial position and financial review

The IGD Group's statement of financial position at 30 September 2019 can be summarized as follows:

(amounts in thousands of Euro)	30/09/2019	30/06/2019	Δ	%	31/12/2018	Δ	%
Fixed assets	2,381,122	2,370,089	11,033	0.47%	2,346,527	34,595	1.47%
Assets under construction and prepayments	40,846	36,619	4,227	11.54%	36,563	4,283	11.71%
Intangible assets	12,524	12,401	123	0.99%	12,696	(172)	-1.35%
Other tangible assets	9,030	9,039	(9)	-0.10%	9,615	(585)	-6.08%
Non-current assets held for sale	-	12,770	(12,770)	-100.00%	-	-	
Sundry receivables and other non-current assets	121	113	8	7.08%	111	10	8.85%
Equity investments	223	280	(57)	-20.36%	277	(54)	-19.49%
NWC	21,739	22,920	(1,181)	-5.15%	26,019	(4,280)	-16.45%
Funds	(5,650)	(8,898)	3,248	-36.50%	(8,164)	2,514	-30.79%
Sundry payables and other non-current liabilities	(21,804)	(21,796)	(8)	0.04%	(19,742)	(2,062)	10.44%
Net deferred tax (assets)/liabilities	(24,376)	(25,008)	632	-2.53%	(26,340)	1,964	-7.46%
<b>Total use of funds</b>	<b>2,413,775</b>	<b>2,408,529</b>	<b>5,246</b>	<b>0.22%</b>	<b>2,377,562</b>	<b>36,213</b>	<b>1.52%</b>
Total shareholders' equity	1,217,460	1,202,437	15,023	1.25%	1,252,338	(34,878)	-2.79%
Net (assets) and liabilities for derivative instruments	21,941	21,204	737	3.48%	17,364	4,577	26.36%
Net debt	1,174,374	1,184,888	(10,514)	-0.89%	1,107,860	66,514	6.00%
<b>Total sources</b>	<b>2,413,775</b>	<b>2,408,529</b>	<b>5,246</b>	<b>0.22%</b>	<b>2,377,562</b>	<b>36,213</b>	<b>1.52%</b>

The principal changes in the third quarter, compared to 30 June 2019, relate to:

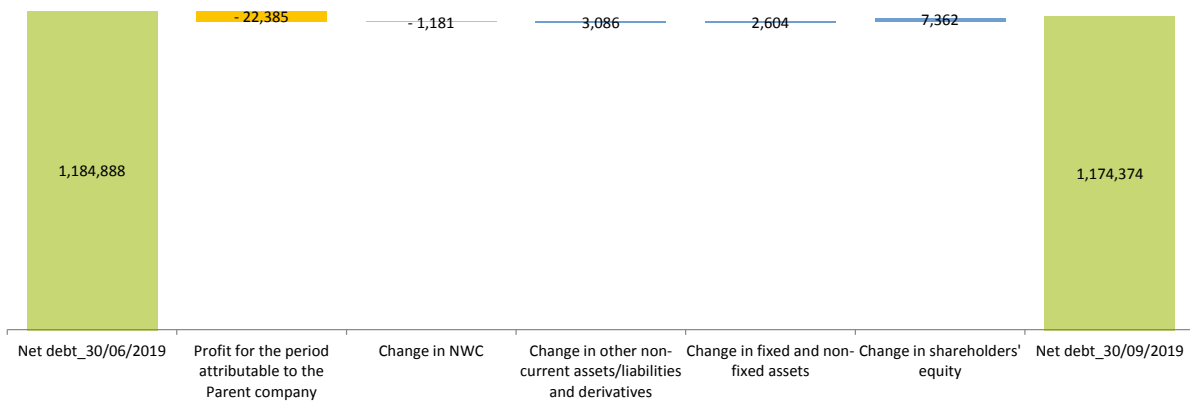
- ✓ **Investment property**, which reported an increase of €11,033 thousand. In the third quarter requalification and renewal of the multiplex cinema found inside Centro Sarca in Sesto San Giovanni were completed and extraordinary maintenance relating primarily to earthquake proofing, fire alarm and electrical systems continued. These costs, which amounted to €4,401 thousand, resulted in a negative fair value adjustment of the same amount. As described in the Corporate Events section (Chapter 1.5) on 30 September 2019 the Group acquired 50% of the “Darsena City” Shopping Mall, of which it was already co-owner, from a premiere international real estate player for €14,132 thousand, including taxes. Lastly, the Group adjusted the value of the right-of-use relating to 3 leasehold shopping centers which resulted in the recognition of a writedown of €3,099 thousand;
- ✓ **Assets under construction and advances**, which recorded an increase of €4,227 thousand attributable to:
  - (i) for €504 thousand, the beginning of restyling at the Gran Rondò Retail Park and Shopping Center in Crema;
  - (ii) for €110 thousand, the remodeling work done at the Le Maioliche center in Faenza and the Conè center in Conegliano pursuant to the agreement signed between IGD SIIQ and Coop Alleanza 3.0 to reduce the size of the hypermarket and increase the size of the mall. The work is expected to be completed by 2020;
  - (iii) for €78 thousand, the restyling and remodeling work done at the Porto Grande Shopping Center in San Benedetto, pursuant to the agreement signed between IGD SIIQ and Coop Alleanza 3.0 to reduce the size of the hypermarket and increase the size of the mall;
  - (iv) for around €1,570 thousand, continuation of restyling at the Casilino center;
  - (v) for €2,122 thousand, continuation of the work on Officine Storiche;
  - (vi) for €26 thousand, the beginning of restyling at the La Favorita Retail Park and Shopping Center in Mantua, and
  - (vii) for €183 thousand, the decrease in advances.
- ✓ **Other plant, property and equipment and intangible assets** which changed due primarily to amortization and depreciation recognized in the period and the first-time consolidation of RGD Ferrara. For more information about the impact of the change in the scope of consolidation refer to section 2.7.2.2;
- ✓ **Non-current assets held for sale**. This item was eliminated following the sale of the “Palazzo Orlando” property finalized on 30 September 2019;
- ✓ **Equity investments** dropped by about €57 thousand due to the first-time consolidation at 30 September 2019 of the wholly-owned subsidiary RGD Ferrara;

- ✓ **Net working capital** which showed a decrease of €1,181 thousand against 30 June 2019 explained primarily by (i) a decrease in tax liabilities of around €1,194 thousand following payment of withholding on the dividends paid in 2019 partially offset by an increase in IMU (property tax); (ii) an increase in current liabilities of €622 thousand, (iii) an increase in trade payables of €2,683 thousand as a result primarily of work done in the period relating, among other things, to the requalification and renewal of the multiplex cinema located inside Centro Sarca in Sesto San Giovanni, (iv) an increase in inventory of €152 thousand as a result of the progress made on the construction of the residential portion of Officine Storiche, partially offset by the sale of a residential unit and the relative appurtenances;

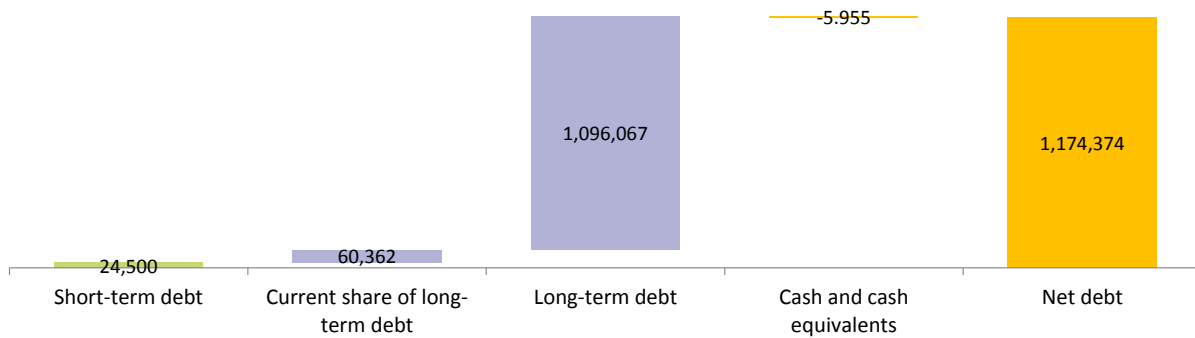
(amount in thousands of Euro)	30/09/2019	30/06/2019	△	%	31/12/2018	△	%
Inventories	33,576	33,424	152	0.45%	33,213	363	1.09%
Trade and other receivables	12,013	11,648	365	3.13%	12,916	(903)	-6.99%
Related parties trade and other receivables	831	991	(160)	-16.15%	2,024	(1,193)	-58.94%
Other current assets	3,834	3,637	197	5.42%	5,438	(1,604)	-29.50%
Trade and other payables	(12,124)	(9,441)	(2,683)	28.42%	(14,301)	2,177	-15.22%
Related party trade and other payables	(1,008)	(1,384)	376	-27.17%	(736)	(272)	36.96%
Current tax liabilities	(4,494)	(5,688)	1,194	-20.99%	(2,373)	(2,121)	89.38%
Other current liabilities	(10,889)	(10,267)	(622)	6.06%	(10,162)	(727)	7.15%
<b>Net Working Capital</b>	<b>21,739</b>	<b>22,920</b>	<b>(1,181)</b>	<b>-5.15%</b>	<b>26,019</b>	<b>(4,280)</b>	<b>-16.45%</b>

- ✓ **Provisions**, which showed a decrease of €3,248 thousand explained for €3.6 million by utilization of the provision for risks and charges following the signing of the settlement agreement between IGD, IIS and Demostene S.p.A. to close the legal dispute relating to the sale price adjustment paid by IGD for the purchase of the mall in the «Katané» Shopping Center in Gravina di Catania closed in 2009, partially offset the provisions made for bonuses payable to employees in 2020 and provisions made for a few IMU disputes underway relating to the ESP (Ravenna) and La Torre (Palermo) shopping centers;
- ✓ **Net deferred tax assets and liabilities**, went from €25,008 thousand to €24,376 thousand due to tax misalignments relating to (i) adjustments to the fair value of investment properties which are not included in the SIIQ perimeter and (iii) hedges (IRS);
- ✓ The **Group's net equity** amounted to €1,217,460 thousand at 30 September 2019. The change of €15,023 thousand is explained primarily by:
  - for approximately -€24 thousand, movements in the translation reserve for the translation of foreign currency financial statements;
  - for €24 thousand, an increase in the reserve for costs relative to capital increases;
  - an adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to around €387 thousand for the parent company and around -€636 thousand for a subsidiary;
  - for €14 thousand, an increase in the treasury share reserve;
  - for €15,286 thousand, the parent company's share of third quarter profit.
- ✓ **Net liabilities for derivatives** were down against the prior quarter due to the fair value measurement of hedging instruments.

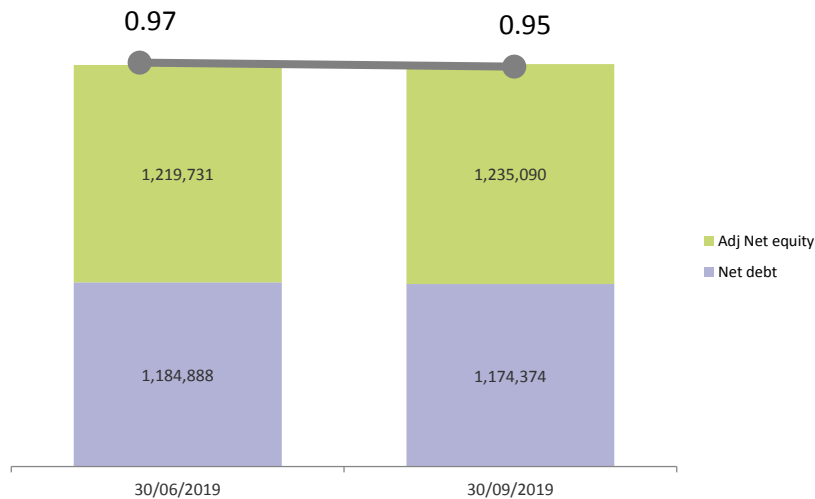
The **net financial position** at 30 September 2019 was about €10,514 thousand lower with respect to the prior year. The changes are shown below:



The breakdown of the net financial position is shown below:



The gearing ratio reflects the debt to equity ratio, including non-controlling interests but excluding the CFH reserves. The revised gearing ratio reflects the debt to equity ratio, including non-controlling interests but excluding the CFH reserves and IFRS 16 application. The revised ratio came to 0.91 at 30 September 2019 (gearing ratio of 0.95), lower than the 0.93 (gearing ratio of 0.97) recorded at 30 June 2019.



## 1.5. Significant events at 30 September 2019

### Corporate events

On 2 January 2019 the Parent Company received tranche A or €125,000,000 of the loan signed on 16 October 2018. On 7 January 2019 IGD SIIQ used this loan to repay the remainder of the original €150,000,000 bond, which amounted to €124,900.000 at 31 December 2018.

On 26 February 2019 the Board of Directors approved the draft separate and consolidated financial statements for FY 2018, as well as the Annual Report on Corporate Governance and Ownership Structure, included in the annual report, and the Board of Director's Compensation Report. The Board of Directors also approved the ninth Corporate Sustainability Report which was the second edition to have received certification from PricewaterhouseCoopers for compliance with the most important international standards (the GRI Standards). Lastly, the Board of Directors, in front of a notary, approved the transfer of the Company's registered office to Via Trattati Comunitari Europei 1957-2007, n. 13 in Bologna.

On 29 March 2019 the Parent Company received tranche B or €75,000,000 of the loan signed on 16 October 2018, which was used to extinguish a few short-term credit lines and meet cash needs. On the same date, IGD signed five interest rate swap agreements for a total of €200 million hedging both tranche A and B of the above mentioned loan.

During the Annual General Meeting held on 10 April 2019 IGD SIIQ S.p.A.'s shareholders approved the 2018 financial statements for IGD SIIQ S.p.A., as presented during the Board of Directors meeting held on 26 February 2019, which closed with a net profit of €41.2 million, and also resolved to pay a dividend of €0.50 per share. The dividend will be payable as from 15 May 2019.

The total dividend payable, calculated based on the number of the Company's shares outstanding at the date of the AGM (110,276,800), net of any treasury shares held at the same date, amounts to €55,138,400, to be taken from:

- for €33,790,720.29, distributable income derived entirely from exempt operations;
- for €15,304,621.34, profits carried forward from exempt operations;  
The income distributed from exempt operations amounts to €49,095,341.63 or €0.445201 per share;
- for €2,176,781.55, distributable income derived entirely from taxable operations;
- for €2,434,994.22, profits carried forward from taxable operations, as well as generated prior to becoming a SIIQ;  
The earnings distributed subject to ordinary income tax amount to €4,611,775.77 or €0.041820 per share;
- for €1,431,282.60, or €0.012979 per share, partial utilization of the share premium reserve.

During the AGM shareholders also approved the first section of the "Compensation Report", already approved by the Board of Directors on 26 February 2019, pursuant to art. 123-ter of Legislative Decree 58/98, and renewed the authorization granted to the Board of Directors to buy and sell treasury shares, on one or more occasion, for up to the maximum allowed by law.

On 9 April 2019 Moody's issued a press release announcing the downgrade of IGD's rating from Baa3 (with outlook negative) to Ba1 (with outlook stable). With regard to the impact of Moody's decision, the Group noted that:

- the decision will not result in any sort of advance repayment of the Group's existing debt;
- the rating downgrade will result in an increase or "step up" of 1.25% in the annual interest rate paid on the "300,000,000 2.500 per cent notes due 31 May 2021" and the "€100,000,000 2.25 per cent Senior Notes due 11 January 2024"

In light of the above, the Group deemed it opportune to revise the outlook for FFO in 2019 disclosed on 26 February from around +6/7% to around +1% due to the increase in financial charges of approximately €5 million per annum.

On 23 April 2019 the rating agency S&P Global Ratings assigned IGD - Immobiliare Grande Distribuzione SIQ S.p.A. a "BBB-"rating with outlook stable. As a result of this investment grade rating with outlook stable, in accordance with applicable rules and regulations, the step up of 1.25% in the annual interest rate paid on the "300,000,000 2.500 per cent notes due 31 May 2021" and the "€100,000,000 2.25 per cent Senior Notes due 11 January 2024", which would have resulted in an increase in financial charges of around €5 million per annum, was not triggered. In the wake of Standard & Poor's Global Ratings' valuation, the Group confirmed the 2019 guidance for FFO (growth of +6/7%).

On 7 May 2019 the Board of Directors examined and approved the interim financial report at 31 March 2019.

On 25 March 2015, Iniziative Immobiliari Siciliane S.r.l. (IIS) filed a lawsuit in Ravenna against IGD asking for damages of €5,925 thousand (or a greater amount pending verification of the figures provided) as a supplement to the price paid by IGD for the mall in the Katanè shopping center in Gravina di Catania in 2009. In previous years the Group had made provisions of €2,154 thousand for this risk.

On 7 June 2019 the court of Ravenna issued sentence n. 600/2019 based on which most of IIS's claims were recognized and IGD was to pay €4,616,023.84, plus interest, as a supplement to the sales price paid for the mall, as well as €230,801.19, plus any adjustments for inflation and interest, in damages for the failure to increase the variable rent paid, in addition to legal expenses and consultancies.

On 14 June 2019 Demostene S.p.A., assignee of the entire amount payable as ordered by the court, notified IGD (the debtor) via certified e-mail that the credit, along with interest (already accrued and accruing) and ancillary expenses, has been assigned to them without recourse.

After having made the opportune assessments and as resolved by the Board of Directors, on 2 August 2019 IGD signed a settlement agreement with Demostene S.p.A., assignee of the credit, and Iniziative Immobiliari Siciliane S.r.l., the assignor of the credit, as well as the plaintiff, based on which IGD would pay a supplement to the contract price of €3,300,000.00, plus VAT, and Iniziative Immobiliari Siciliane would also expressly waive the right to any appeals or further proceedings.

On 2 August 2019 the Board of Directors examined and approved the Half-Year Financial Report at 30 June 2019.

In September 2019 IGD received, for the second time in a row, the "EPRA BPR Gold Award" (Best Practice Recommendations) for its Consolidated Annual Report 2018. This prize is recognition of IGD's enduring commitment to further increasing the transparency and comparability of its communication, which benefits investors, the financial community and all the Group's stakeholders, in general.

IGD also received, for the fifth year in a row, the "EPRA sBPR Gold Award" (Sustainability Best Practice Recommendations), for the 2018 Corporate Sustainability Report which was awarded after careful examination of

the annual reports of 158 European sector companies. This prize confirms the high standards achieved by IGD in terms of sustainability reporting.

With regard to the binding agreements signed by the Group on 28 June 2019, on 30 September 2019 the Group signed the definitive agreements with a premiere international player calling for:

- the sale by Porta Medicea Srl (a wholly-owned subsidiary of IGD Management) of “Palazzo Orlando”, an office building in Livorno, for €12.8 million (in addition to taxes);
- the purchase by IGD of the 50% interest in the “Darsena City” Shopping Mall of which it was joint-owner;
- the purchase by IGD Management Srl (a wholly-owned subsidiary of IGD), of the 50% interest held in the joint venture RGD Ferrara 2013 Srl – owner since 2013 of the Darsena City operations – of which IGD was already joint-owner.

The Group paid a total of €13.9 million (in addition to taxes) for the two acquisitions.

These transactions will make it possible for IGD to focus on its core business (retail real estate). More in detail, IGD will subsequently own all of the “Darsena City” Shopping Mall, which will allow for greater efficiencies in the management of the asset.

Furthermore, as a result of the Palazzo Orlando sale (consistent with the disposal/asset rotation strategy called for in the Business Plan 2019-2021), the market sales of the Piazza Mazzini section of the Porta a Mare Project in Livorno are basically finished (in addition to the offices, there are also residences, of which 72 out of 73 are already sold or pledged) and the focus will now be on completing the Officine Storiche section, where work is currently underway.

## Investments

During the first nine months of 2019 the Group continued with development of the Porta a Mare – Officine project, restyling and remodeling of the space (joining/dividing stores) on the first floor of the Casilino mall in Rome, as well as extraordinary maintenance. During the third quarter the Group also began work on remodeling the mall space, by downsizing the hypermarket, at the shopping centers in Faenza and Conegliano, restyling and remodeling the mall in the Porto Grande Shopping Center by downsizing the hypermarket, as well as restyling at the Mantua and Crema shopping centers. This work is expected be completed by mid-2020 with the exception of the work at the shopping center in Mantua which should be finished in 2021.

The investments made at 30 September 2019 are shown below:

(amounts in thousands of Euro)	<b>30/09/2019</b>	<b>30/06/2019</b>	<b>III Quarter 2019</b>
	<b>Euro/mln</b>	<b>Euro/mln</b>	<b>Δ</b>
<b>Acquisitions:</b>			
Investment for the purchase of 50% of Darsena Moll	14.13	-	14.13
<b>Development projects:</b>			
Porta a Mare project Sub area Officine Storiche retail (in progress)	2.96	0.84	2.12
Porta a Mare project (Trading) (in progress)	0.83	0.31	0.52
Restyling interventions in progress	2.78	0.49	2.29
Restyling interventions finished in the half year	2.21	2.21	-
Extraordinary maintenance	9.16	4.76	4.40
Other	0.30	0.17	0.13
<b>Total investments</b>	<b>32.37</b>	<b>8.78</b>	<b>23.59</b>



### Acquisitions

As described in the section Corporate Events, on 30 September 2019 the Group acquired 50% of the “Darsena City” Shopping Center, of which it was co-owner, from a premier international real estate player for €14.13 million, including ancillary charges.

### Development projects

#### “Porta a Mare” Project

During the reporting period, preliminary sales agreements were signed for the sale of 3 residential units, 4 garages and one parking place, in the Mazzini section. In the third quarter the sale of a residential unit, for which a preliminary sales agreement had already been signed, closed. As a result of these transactions, 98.7% of the units are now sold/pledged.

Work on the Officine Storiche area (residential portion) continued for a total of around €829 thousand (€517 thousand in the third quarter), while work on the retail portion, which is expected be completed in 2020, amounted to approximately €2,957 thousand (€2,122 thousand in the third quarter).



### Restyling

In the first half of 2019 the restyling and remodeling of the Fonti del Corallo center was completed, in accordance with the agreement between IGD SIIQ and UNICOOP Tirreno to reduce the GLA of the hypermarket in order to create three midsize retail areas. The costs incurred for the restyling and the remodeling amounted to €2,213 thousand at 30 June 2019. At the beginning of 2019 work also began on the restyling and remodeling of the space (joining/dividing stores) on the first floor of the Casilino mall in Rome which was completed in October 2019. The costs incurred for this work amounted to €2,057 thousand at 30 September 2019 (€1,570 thousand in the third quarter).



During the quarter work was also begun on:

- restyling the Gran Rondò Shopping Center and Retail Park in Crema for a total of €504 thousand;
- planned restyling at the La Favorita Shopping Center and Retail Park in Mantua for a total of €26 thousand;
- remodeling the Le Maioliche center in Faenza and the Conè center in Conegliano pursuant to the agreement signed between IGD SIQ and Coop Alleanza 3.0 to reduce the size of the hypermarket and increase the size of the mall for a total of €110 thousand. The work is expected to be completed in 2020;
- restyling and remodeling the Porto Grande Shopping Center in San Benedetto pursuant to the agreement signed between IGD SIQ and Coop Alleanza 3.0 to reduce the size of the hypermarket and increase the size of the mall for a total of €78 thousand. The work is expected to be completed in 2020.

### Extraordinary maintenance

During the period the requalification and remodeling of the multiplex cinema found inside Centro Sarca in Sesto San Giovanni was completed for a total of €1,946 thousand (€1,830 thousand in the third quarter).

In the first nine months of the year extraordinary maintenance continued, for €7,209 thousand (€2,571 thousand in the third quarter), relating mainly to earthquake proofing at the Centro d’Abruzzo, Tiburtino, and Casilino shopping centers and fire alarm systems primarily at a few Romanian shopping centers.

## 1.1. Subsequent events

On 11 October 2019 IGD’s Board of Directors resolved to submit a proposal to the shareholders, meeting in extraordinary session, to voluntarily reduce share capital, pursuant to and in accordance with Art. 2445 of the Italian Civil Code, from €749,738,139.26 to €650,000,000.00. More in detail, share capital will be reduced by

€99,738,139.26, by allocating €8,154,918.00 to the legal reserve and €91,583,221.26 to a newly formed distributable capital reserve.

This transaction, neutral from an equity standpoint, does not modify the targets of the 2019–2021 Strategic Plan nor the dividend policy contained therein. The purpose of the reduction is to establish a more flexible capital structure by creating an undistributable legal reserve and an available distributable reserve, as well as reconciling the peculiarities of the SIIQ regime (specifically the mandatory distribution of 70% of the income generated by exempt operations) with the expectations of the capital markets (return on invested capital or dividend yield).

On 22 October 2019 the rating agency Fitch Ratings Ltd (“Fitch”) assigned IGD a rating of “BBB-” with a stable outlook.

## 1.2. Outlook

The Group recorded a significant increase in Funds from Operations in the first nine months of 2019 and we expect to continue along this growth path in the last part of the year, albeit with a more prudent approach given what is still a relatively weak macro-economic scenario in Italy and the temporary impact of the work underway in our shopping centers. The Group expects to see, therefore, a continuation of its growth path, consistent with the Business Plan 2019-2021. The Group confirms the FFO guidance for FY 2019 of between +4% and +5%, as disclosed to the market in August 2019.

## **2. IGD GROUP CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2019**

## 2.1 Consolidated income statement

	30/09/2019	30/09/2018	Change	3° Q 2019	3° Q 2018	Change
(in thousands of Euros)	(A)	(B)	(A)-(B)	(C)	(D)	(C)-(D)
Revenue	116,043	112,958	3,085	38,699	38,859	(160)
Other revenue	4,754	4,639	115	1,566	1,519	47
Revenue from property sales	379	4,073	(3,694)	379	1,352	(973)
<b>Total revenue and operating income</b>	<b>121,176</b>	<b>121,670</b>	<b>(494)</b>	<b>40,644</b>	<b>41,730</b>	<b>(1,086)</b>
Change in inventory	425	(4,038)	4,463	123	(1,483)	1,606
<b>Total revenue and change in inventory</b>	<b>121,601</b>	<b>117,632</b>	<b>3,969</b>	<b>40,767</b>	<b>40,247</b>	<b>520</b>
Cost of work in progress	832	501	331	509	162	347
Material and service costs	11,217	17,207	(5,990)	3,873	5,732	(1,859)
Cost of labour	7,446	7,218	228	2,345	2,260	85
Other operating costs	8,108	7,694	414	2,667	2,677	(10)
<b>Total operating costs</b>	<b>27,603</b>	<b>32,620</b>	<b>(5,017)</b>	<b>9,394</b>	<b>10,831</b>	<b>(1,437)</b>
(Depreciation, amortization and provisions)	(461)	(927)	466	(158)	(442)	284
Writedown of receivables	(325)	(674)	349	(162)	(231)	69
(Impairment losses)/Reversals on work in progress and inventories	(141)	(288)	147	-	-	-
Change in fair value - increases / (decreases)	(46,176)	(17,343)	(28,833)	(7,501)	(2,193)	(5,308)
Net revaluation acquisition	-	12,857	(12,857)	-	(20)	20
<b>Total depreciation, amortization, provisions, impairment and change in fair value</b>	<b>(47,103)</b>	<b>(6,375)</b>	<b>(40,728)</b>	<b>(7,821)</b>	<b>(2,886)</b>	<b>(4,935)</b>
<b>EBIT</b>	<b>46,895</b>	<b>78,637</b>	<b>(31,742)</b>	<b>23,552</b>	<b>26,530</b>	<b>(2,978)</b>
<b>Income/(loss) from equity investments and property sales</b>	<b>11</b>	<b>5</b>	<b>6</b>	<b>8</b>	<b>25</b>	<b>(17)</b>
Financial income	51	73	(22)	25	48	(23)
Financial charges	24,782	24,354	428	8,341	8,286	55
<b>Net financial income (charges)</b>	<b>(24,731)</b>	<b>(24,281)</b>	<b>(450)</b>	<b>(8,316)</b>	<b>(8,238)</b>	<b>(78)</b>
<b>PRE-TAX PROFIT</b>	<b>22,175</b>	<b>54,361</b>	<b>(32,186)</b>	<b>15,244</b>	<b>18,317</b>	<b>(3,073)</b>
Income taxes	(210)	1,991	(2,201)	(42)	752	(794)
<b>NET PROFIT FOR THE PERIOD</b>	<b>22,385</b>	<b>52,370</b>	<b>(29,985)</b>	<b>15,286</b>	<b>17,565</b>	<b>(2,279)</b>
Non-controlling interests in net (profit)/loss	-	-	-	-	-	-
<b>Parent Company's portion of net profit</b>	<b>22,385</b>	<b>52,370</b>	<b>(29,985)</b>	<b>15,286</b>	<b>17,565</b>	<b>(2,279)</b>

## 2.2 Consolidated statement of comprehensive income

(amount in thousands of euro)	30/09/2019 (A)	30/09/2018 (B)	Change (A-B)	3°Q 2019 (C)	3°Q 2018 (D)	Change (C-D)
<b>NET PROFIT FOR THE PERIOD</b>	<b>22,385</b>	<b>52,370</b>	<b>(29,985)</b>	<b>15,286</b>	<b>17,565</b>	<b>(2,279)</b>
<b>Total components of comprehensive income that will not be reclassified to profit/(loss), net of tax effects</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Effects of hedge derivatives on net equity	(5,444)	5,031	(10,475)	(353)	<b>2,630</b>	(2,983)
Tax effects on hedge derivatives on net equity	1,367	(1,149)	2,516	106	<b>(611)</b>	717
Other effects on income statement components	(87)	(13)	(74)	(24)	<b>23</b>	(47)
<b>Total components of comprehensive income that will be reclassified to profit/(loss)</b>	<b>(4,164)</b>	<b>3,836</b>	<b>(8,000)</b>	<b>(271)</b>	<b>2,009</b>	<b>(2,280)</b>
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD</b>	<b>18,221</b>	<b>56,206</b>	<b>(37,985)</b>	<b>15,015</b>	<b>19,574</b>	<b>(4,559)</b>
Non-controlling interests in (profit)/loss for the period	0	0	0	0	<b>0</b>	0
<b>PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY</b>	<b>18,221</b>	<b>56,206</b>	<b>(37,985)</b>	<b>15,015</b>	<b>19,574</b>	<b>(4,559)</b>

## 2.3 Consolidated statement of financial position

(in thousands of Euros)	30/09/2019 (A)	30/06/2019 (B)	31/12/2018 (C)	Change (A)-(B)	Change (A)-(C)
<b>NON-CURRENT ASSETS</b>					
<b>Intangible assets</b>					
Intangible assets with finite useful lives	40	39	34	1	6
Goodwill	12,484	12,362	12,662	122	(178)
	<b>12,524</b>	<b>12,401</b>	<b>12,696</b>	<b>123</b>	<b>(172)</b>
<b>Property, plant, and equipment</b>					
Investment property	2,381,122	2,370,089	2,346,527	11,033	34,595
Buildings	7,705	7,767	7,887	(62)	(182)
Plant and machinery	168	74	213	94	(45)
Equipment and other assets	1,111	1,157	968	(46)	143
Leasehold improvements	46	41	547	5	(501)
Assets under construction and advances	40,846	36,619	36,563	4,227	4,283
	<b>2,430,998</b>	<b>2,415,747</b>	<b>2,392,705</b>	<b>15,251</b>	<b>38,293</b>
<b>Other non-current assets</b>					
Deferred tax assets	-	-	-	-	-
Sundry receivables and other non-current assets	121	113	111	8	10
Equity investments	223	280	277	(57)	(54)
Non-current financial assets	174	174	243	-	(69)
	<b>518</b>	<b>567</b>	<b>631</b>	<b>(49)</b>	<b>(113)</b>
<b>TOTAL NON-CURRENT ASSETS (A)</b>	<b>2,444,040</b>	<b>2,428,715</b>	<b>2,406,032</b>	<b>15,325</b>	<b>38,008</b>
<b>CURRENT ASSETS:</b>					
Inventory	33,576	33,424	33,213	152	363
Trade and other receivables	12,013	11,648	12,916	365	(903)
Related party trade and other receivables	831	991	2,024	(160)	(1,193)
Other current assets	3,834	3,637	5,438	197	(1,604)
Related party financial receivables and other current financial assets	-	96	96	(96)	(96)
Cash and cash equivalents	5,955	2,764	2,472	3,191	3,483
	<b>56,209</b>	<b>52,560</b>	<b>56,159</b>	<b>3,649</b>	<b>50</b>
<b>Non-current assets held for sale ©</b>	-	<b>12,770</b>	-	<b>(12,770)</b>	-
<b>TOTAL ASSETS (A+B+C)</b>	<b>2,500,249</b>	<b>2,494,045</b>	<b>2,462,191</b>	<b>6,204</b>	<b>38,058</b>
<b>NET EQUITY:</b>					
Share capital	749,738	749,738	749,738	-	-
Share premium reserve	30,058	30,058	31,504	-	(1,446)
Treasury share reserve	(346)	(332)	(492)	(14)	146
Other reserves	413,063	413,312	410,601	(249)	2,462
Group profit	24,947	9,661	60,987	15,286	(36,040)
<b>Total Group net equity</b>	<b>1,217,460</b>	<b>1,202,437</b>	<b>1,252,338</b>	<b>15,023</b>	<b>(34,878)</b>
Portion pertaining to non-controlling interests	-	-	-	-	-
<b>TOTAL NET EQUITY (D)</b>	<b>1,217,460</b>	<b>1,202,437</b>	<b>1,252,338</b>	<b>15,023</b>	<b>(34,878)</b>
<b>NON-CURRENT LIABILITIES:</b>					
Derivatives - liabilities	21,941	21,204	17,364	737	4,577
Non-current financial liabilities	1,096,241	1,108,296	884,197	(12,055)	212,044
Provision for employee severance indemnities	2,700	2,620	2,567	80	133
Deferred tax liabilities	24,376	25,008	26,340	(632)	(1,964)
Provisions for risks and future charges	2,950	6,278	5,597	(3,328)	(2,647)
Sundry payables and other non-current liabilities	8,149	8,141	7,850	8	299
Related party sundry payables and other non-current liabilities	13,655	13,655	11,892	-	1,763
	<b>1,170,012</b>	<b>1,185,202</b>	<b>955,807</b>	<b>(15,190)</b>	<b>214,205</b>
<b>CURRENT LIABILITIES:</b>					
Current financial liabilities	84,262	79,626	226,475	4,636	(142,213)
Trade and other payables	12,124	9,441	14,301	2,683	(2,177)
Related party trade and other payables	1,008	1,384	736	(376)	272
Current tax liabilities	4,494	5,688	2,373	(1,194)	2,121
Other current liabilities	10,889	10,267	10,161	622	728
	<b>112,777</b>	<b>106,406</b>	<b>254,046</b>	<b>6,371</b>	<b>(141,269)</b>
<b>TOTAL LIABILITIES (G=E+ F)</b>	<b>1,282,789</b>	<b>1,291,608</b>	<b>1,209,853</b>	<b>(8,819)</b>	<b>72,936</b>
<b>TOTAL NET EQUITY AND LIABILITIES (D + G)</b>	<b>2,500,249</b>	<b>2,494,045</b>	<b>2,462,191</b>	<b>6,204</b>	<b>38,058</b>

## 2.4 Consolidated statement of changes in equity

(Amount in thousands of Euro)	Share capital	Share premium reserve	Other reserve	Group profit	Group net equity	Non-controlling interest capital and reserves	Total net equity
<b>Balance at 01/01/2019</b>	<b>749,738</b>	<b>31,504</b>	<b>410,109</b>	<b>60,987</b>	<b>1,252,338</b>	<b>0</b>	<b>1,252,338</b>
FTA IFRS 16	0	0	1,886	0	1,886	0	1,886
<b>Balance at 01/01/2019 post IFRS 16</b>	<b>749,738</b>	<b>31,504</b>	<b>411,995</b>	<b>60,987</b>	<b>1,254,224</b>	<b>0</b>	<b>1,254,224</b>
Profit for the period	0	0	0	22,385	22,385	0	22,385
Cash flow hedge derivative assessment	0	0	(4,079)	0	(4,079)	0	(4,079)
Other comprehensive income (losses)	0	0	(87)	0	(87)	0	(87)
<b>Total comprehensive income (losses)</b>	<b>0</b>	<b>0</b>	<b>(4,166)</b>	<b>22,385</b>	<b>18,219</b>	<b>0</b>	<b>18,219</b>
(Purchase)/sale of treasury shares	0	0	146	0	146	0	146
Capital increase costs retification	0	0	24	0	24	0	24
<u>Allocation of 2018 profit</u>							
Dividends paid	0	(1,446)	(557)	(53,150)	(55,153)	0	(55,153)
To legal reserve	0	0	1,893	(1,893)	0	0	0
To other reserve	0	0	3,382	(3,382)	0	0	0

(Amounts in thousand of Euro)	Share capital	Share premium reserve	Other reserve	Group profit	Group net equity	Non-controlling interests in capital and reserves	Total net equity
<b>Balance at 01/01/2018</b>	<b>599,760</b>	<b>29,971</b>	<b>384,832</b>	<b>101,190</b>	<b>1,115,753</b>	<b>0</b>	<b>1,115,753</b>
Profit for the period	0	0	0	52,370	52,370	0	52,370
Cash flow hedge derivative assessment	0	0	3,882	0	3,882	0	3,882
Share capital increase costs	0	0	(4,200)	0	(4,200)	0	(4,200)
Other comprehensive income (loss)	0	0	(46)	0	(46)	0	(46)
<b>Total comprehensive income (loss)</b>	<b>0</b>	<b>0</b>	<b>(364)</b>	<b>52,370</b>	<b>52,006</b>	<b>0</b>	<b>52,006</b>
Share capital increase	149,978	0	0	0	149,978	0	149,978
Sale of unexercised rights	0	1,533	0	0	1,533	0	1,533
(Purchase)/Sale of treasury shares	0	0	(160)	0	(160)	0	(160)
FTA IFRS 9	0	0	(4,354)	0	(4,354)	0	(4,354)
<u>Allocation of 2017 profit</u>							
Dividends distributed	0	0	0	(55,171)	(55,171)	0	(55,171)
To legale reserve	0	0	0	0	0	0	0
To other reserve	0	0	31,420	(31,420)	0	0	0
<b>Balance at 30/09/2018</b>	<b>749,738</b>	<b>31,504</b>	<b>411,374</b>	<b>66,969</b>	<b>1,259,585</b>	<b>0</b>	<b>1,259,585</b>



## 2.5 Consolidated statement of cash flows

<i>(in thousands of Euros)</i>	<b>30/09/2019</b>	<b>30/06/2019</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Pre-tax profit	<b>22,175</b>	<b>54,361</b>
<b>Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities:</b>		
Financial expense/(income)	24,731	24,354
Depreciation, amortization and provisions	461	927
Writedown of receivables	325	674
(Impairment losses)/reversals on work in progress	141	288
Changes in fair value - increases / (decreases)	46,176	17,343
Net (Revaluation) of the acquisition of 4 business divisions	0	(12,857)
Gains/losses from equity investments	0	(5)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>94,009</b>	<b>85,085</b>
Financial expense paid	(28,815)	(26,174)
Income tax	(1,080)	(1,120)
<b>CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX</b>	<b>64,114</b>	<b>57,790</b>
Change in inventories	(504)	3,955
Net change in current assets and liabilities	4,886	(3,089)
Net change in non-current assets and liabilities	(3,405)	(933)
<b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>65,091</b>	<b>57,723</b>
(Investments) in non-current assets	(32,051)	(10,765)
Disposals of non-current assets	13,395	141
(Investment) in 4 business divisions	0	(104,640)
(Investments) in equity interests	(59)	(109)
<b>CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(18,715)</b>	<b>(115,373)</b>
Change in non-current financial assets	69	100
Change in financial receivables and other current financial assets	0	42
Sale (purchase) of treasury shares	146	(193)
Capital increase net of costs	0	147,311
Distribution of dividends	(55,153)	(55,171)
Change in current debt	(146,392)	(6,771)
Change in non-current debt	158,446	(27,058)
<b>CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(42,884)</b>	<b>58,260</b>
Exchange differences from translation of financial statements (D)	(87)	(13)
<b>NET INCREASE (DECREASE) IN CASH BALANCE (A+B+C+D)</b>	<b>3,405</b>	<b>597</b>
<b>CASH BALANCE AT BEGINNING OF THE PERIOD</b>	<b>2,472</b>	<b>2,509</b>
<b>CASH BALANCE RGD FERRARA</b>	<b>78</b>	<b>0</b>
<b>CASH BALANCE AT END OF THE PERIOD</b>	<b>5,955</b>	<b>3,106</b>

## 2.6 Net financial position

The table below presents the net financial position at 30 September 2019, 30 June 2019 and 31 December 2018. At neither date does it include derivatives held for hedging purposes, which by nature do not constitute monetary assets or liabilities.

Uncommitted credit facilities with banks amount to €181 million, of which €156.50 million was unutilized at 30 September 2019.

Committed revolving credit facilities with banks, unutilized at 30 September 2019, amount to €60 million.

See the section "Statement of financial position and financial review" for comments.

(in thousands of euros)	30/09/2019	30/06/2019	31/12/2018
Cash and cash equivalents	(5,955)	(2,764)	(2,472)
Financial receivables and other current financial assets w. related parties	-	(96)	(96)
<b>LIQUIDITY</b>	<b>(5,955)</b>	<b>(2,860)</b>	<b>(2,568)</b>
Current financial liabilities	24,500	22,677	42,763
Mortgage loans - current portion	46,002	45,665	45,340
Leasing - current portion	8,870	8,780	334
Bond loan - current portion	4,890	2,504	138,038
<b>CURRENT DEBT</b>	<b>84,262</b>	<b>79,626</b>	<b>226,475</b>
<b>NET CURRENT DEBT</b>	<b>78,307</b>	<b>76,766</b>	<b>223,907</b>
Non-current financial assets	(174)	(174)	-243
Leasing - non-current portion	50,969	53,210	3,594
Non-current financial liabilities	486,925	497,111	323,298
Bond loan	558,347	557,975	557,304
<b>NON-CURRENT DEBT</b>	<b>1,096,067</b>	<b>1,108,122</b>	<b>883,953</b>
<b>NET FINANCIAL POSITION</b>	<b>1,174,374</b>	<b>1,184,888</b>	<b>1,107,860</b>

## 2.7 Preparation criteria and scope of consolidation

### 2.7.1 General information

The interim financial report of Immobiliare Grande Distribuzione at 30 September 2019 was approved and authorized for publication by the Board of Directors on 7 November 2019.

IGD SIIQ S.p.A. is a subsidiary of Coop Alleanza 3.0. Soc. Coop and is under the management and coordination of that company.

### 2.7.2 Summary of accounting standards

#### 2.7.2.1 Preparation criteria

##### Declaration of conformity with international accounting standards

The interim financial information (unaudited) was prepared in accordance with Art. 154-*ter* of Legislative Decree 58/1998, as per the IFRS (International Financial Reporting Standards) issued by IASB (International Accounting Standards Board) and approved by the European Union, and with the instructions issued in implementation of Art. 9 of Legislative Decree 38/2005. The term "IFRS" encompasses all of the International Accounting Standards (IAS) and all interpretations published by the International Financial Reporting Interpretations Committee (IFRIC), including those previously issued by the Standing Interpretations Committee (SIC) which at 30/09/2019 were endorsed as per the procedure outlined in EC Regulation 1606/2002.

The consolidation methods, accounting standards, accounting policies, and valuation methods are the same as those used to prepare the consolidated financial statements at 31 December 2018 to which the reader should refer. The valuation and reporting of book values are based on the international accounting standards and their interpretations currently in effect; they are, therefore, subject to modification in order to reflect any changes that may occur between this writing and 31 December 2019 as a result of the European Commission's future endorsement of new standards, new interpretations or guidelines issued by the International Financial Reporting Interpretation Committee (IFRIC).

Income statement figures are provided for the quarter under review and the period between the beginning of the year and the close of the quarter. The figures are compared with figures for the same periods of the prior year. The figures in the statement of financial position are provided at 30 September 2019, 30 June 2019 and 31 December 2018. Therefore, comments on income statement items refer to a comparison with the same period of the prior year (30 September 2018), while balance sheet items are compared with the previous quarter (30 June 2019).

The use of estimates broadly reflects the practice followed in the year-end financial statements.

The consolidated financial statements, tables and notes are expressed in thousands of euros, unless specified otherwise.

## Changes in accounting standards

The new accounting standard **IFRS 16 - Leases**, which replaces IAS 17 (“Leasing”) and its interpretations, has been applied since 1 January 2019. A lessee holding a lease with a term of more than 12 months is now required to recognize a right-of-use asset and a liability representing its obligation to make lease payments. For the lessor, the distinction between operating and finance leases remains intact. IFRS 16 enhances disclosures for both lessors and lessees.

The Group has used the simplified model for first-time adoption of IFRS 16, recognizing a right-of-use asset of an amount equal to the lease liability adjusted by any deferred or accrued income relating to the lease recognized in the statement of financial position immediately prior to the date of first adoption. The right-of-use asset has been recognized as investment property under property, plant and equipment; in accordance with IFRS 16 and IAS 40, its fair value has been appraised by independent experts. Changes in fair value have been recognized in a separate equity reserve during the transition to the new standard, and will subsequently be recognized under “Fair value changes” in the income statement.

To determine the fair value of the right-of-use, for each asset held under an operating lease (three malls that are in turn rented to third parties), the Group has discounted to present value the estimated cash flows over the life of the lease. Unlike traditional real estate appraisals, the terminal value at the end of the explicit period has not been considered.

With regard to the leases for the malls in the Centro Nova, Centro Piave, and Fonti del Corallo shopping centers, as of 1 January 2019 the Group has recognized a right-of-use asset under investment property in the amount of €65,870 thousand and a lease liability of €62,359 thousand. The difference between the right-of-use asset and the lease liability, deriving from the measurement of assets on the basis of expected cash flows, is recognized in a separate equity reserve amounting to €2,668 thousand net of the tax effect. As required by IAS 40, the value in use of the malls in the Centro Nova and Centro Piave shopping centers includes the value of plant and leasehold improvements recognized separately until 31 December 2018 (€634 thousand); therefore, as of 1 January 2019 the Group has written off that amount by reducing, net of the tax effect, the positive equity reserve for first-time adoption of IFRS 16.

Under the rules for first-time adoption of IFRS 16, the value of the commercial licenses for the mall at Fonti del Corallo shopping center has been reduced by €300 thousand to bring it into line with selling value.

The net positive impact of IFRS 16 on shareholders’ equity at 1 January 2019, net of the tax effect, amounts to €1,886 thousand.

In accordance with IAS 40, at the end of every financial period the Group will adjust the right-of-use assets recognized under investment property on the basis of independent appraisals. At 30 September 2019 this fair value adjustment led to a writedown of €7,756 thousand.

The impact of IFRS 16 adoption on the income statement at 30 September 2019 is shown below:

(Amount in thousands of Euro)	30.09.2019	30.06.2019	III Quarter 2019
Decrease in payable lease at 30.09.2019	7,633	5,096	2,537
Decrease in amortization due to reversals of plants and leasehold improvements in "Centro Nova" and "Centro Flave"	230	151	79
Increase in impairments due to fair value at 30.09.2019 of the right of use of the 3 shopping centers subject to IFRS 16	(7,756)	(4,657)	(3,099)
Increase in financial charges	(1,435)	(964)	(471)
Tax effect	539	243	296
<b>Total negative effect in the Income Statement at 30.09.2019 due to the implementation of IFRS 16</b>	<b>(789)</b>	<b>(131)</b>	<b>(658)</b>

## 2.7.2.2 Consolidation

### Scope of consolidation

The consolidated financial statements have been drawn up on the basis of the draft financial statements at 30 September 2019, prepared by the boards of directors of the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies. As described in section 1.5 of this report, on 30 September 2019 the purchase by IGD Management S.r.l. (a wholly-owned subsidiary of IGD) of 50% of RGD Ferrara 2013 S.r.l. (owner since 2013 of the Darsena City operations), of which IGD was already joint-owner, was finalized. As a result of this transaction as at 30 September 2019 the Group held the entire share capital of RGD Ferrara 2013 S.r.l.. This equity investment is now consolidated 100% and included in the Group's scope of consolidation as at 30 September 2019. The inclusion of RGD Ferrara 2013 S.r.l. in the scope of consolidation resulted in the consolidation of only the balance sheet figures at 30 September 2019.

A summary of the figures from the statement of financial position consolidated as a result of the RGD Ferrara 2013 S.r.l. acquisition is shown below (*amounts are shown in thousands of euros*):

<b>Assets/liabilities value</b>	<b>30/09/2019</b>
Goodwill	115
Deferred tax assets	74
Receivables and other current assets	177
Cash on hand	78
<b>Assets</b>	<b>444</b>
Non-current financial liabilities to members	95
Payables and other current liabilities	243
<b>Liabilities</b>	<b>338</b>
<b>Net equity (A)</b>	<b>106</b>
<b>Acquisition value of the stake in IGD Management (B)</b>	<b>59</b>
<b>Carrying amount of the investment in IGD as at 31 December 2018 (B)</b>	<b>54</b>
<b>Higher acquisition value vs. acquired assets/liabilities allocated to goodwill (B-A)</b>	<b>7</b>

Pursuant to Consob Circular DEM/6064293 of 28 July 2006, below is a list of Group companies showing the location of their registered office, share capital in the local currency and consolidation method. The interests held directly or indirectly by IGD SIIQ S.p.A. and each of its subsidiaries are also specified.

Name	Registered Office	Country	Share capitale	Currency	% of group consolidated	Held by	% of share capital held	Operations
<b>Parent company</b>								
IGD SIIQ S.p.A.	Bologna via trattati comunitari Europei 1957-2007	Italy	749,738,139.26	EUR				Facility management
<b>Subsidiaries consolidated on line-by-line basis</b>								
IGD Management S.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italy	75,071,221.00	EUR	100%	IGD SIIQ S.p.A.	100.00%	Facility management and services
Millennium Gallery S.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italy	100,000.00	EUR	100%	IGD SIIQ S.p.A.	100.00%	Facility management
Porta Medicea S.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italy	60,000,000.00	EUR	100%	IGD Management s.r.l.	100.00%	Construction and marketing
Win Magazin S.A.	Bucarest	Romania	113,715.30	Lei	100%	IGD Management s.r.l. 99,9% IGD SIIQ S.p.A. 0,1%	100.00%	Facility management
Winmarkt management S.r.l.	Bucarest	Romania	1,001,000	Lei	100%	Win Magazin S.A.	100.00%	Agency and facility management services
Arco Campus S.r.l.	Bologna via dell'Arcoveggio n.49/2	Italy	1,500,000.00	EUR	100%	IGD SIIQ S.p.A.	99.98%	Management of real estate sport facilities/equipment; construction, trading and rental of properties used for sport and commercial activities
RGD Ferrara 2013 S.r.l.	Roma, via Piemonte 38	Italy	100,000.00	EUR	100%	IGD SIIQ S.p.A. 50% IGD Management s.r.l. 50%	100.00%	Management of Darsena city shopping center

IGD SIIQ S.p.A., directly and indirectly, controls various consortiums for the management of shopping centers (costs relating to common areas and promotional activities). They are not consolidated as they are considered to be immaterial.

Name	Type of control	% held	Registered office
Owner consortium of SC Leonardo	Direct	54.30%	VIA AMENDOLA 129, IMOLA (BO)
Owner consortium of SC IBricchi	Direct	72.25%	VIA PRATO BOSCHIERO, ISOLA D'ASTI (LOC MOLINI)
Owner consortium of Centrolame	Direct	72.53%	VIA MARCO POLO 3, BOLOGNA (BO)
Consortium of SC Katanè	Direct	53.00%	VIA QUASIMODO, GRAVINA DI CATANIA LOC SAN PAOLO
Consortium of SC Conè	Direct	65.78%	VIA SAN GIUSEPPE SNC, QUARTIERE DELLO SPORT CONEGLIANO (TV)
Consortium of SC La Torre-Palermo	Direct	55.04%	VIA TORRE INGASTONE, PALERMO LOC BORGONUOVO
Owner consortium of SC Gran Rondò	Direct	49.01%	VIA G. LA PIRA n. 18, CREMA (CR)
Owner consortium of SC Fonti del Corallo	Direct	68.00%	VIA GINO GRAZIANI 6, LIVORNO
Owner consortium of SCCentro sarca	Indirect	62.50%	VIA MILANESE, SESTO SAN GIOVANNI (MI)
Consortium Porta a Mare Mazzini	Direct	80.90%	VIA G. D'ALELIO, 2 - LIVORNO
Consortium of RP Clodi	Direct	70.35%	S.S. ROMEA n. 510/B; CHIOGGIA (VE)
Consortium of SC Le Maioliche	Direct	70.52%	VIA BISAURA N.13, FAENZA (RA)
Consortium of SC ESP	Direct	64.59%	VIA MARCO BUSSATO 74, RAVENNA (RA)
Owner consortium of SC Puntadiferro	Direct	62.34%	Piazzale della Cooperazione 4, FORLÌ (FC)
Owner consortium of commercial area Commendone	Direct	52.60%	Via Ecuador snc, Grosseto

## Segment reporting

The income statement and the statement of financial position are broken down below by business segment in accordance with IFRS 8, followed by a geographical breakdown of revenue from freehold properties (*amounts are shown in thousands of euros*).

INCOME STATEMENT	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	CORE BUSINESS PROPERTY		SERVICES		"PORTA A MARE" PROJECT		SHARED		TOTAL	
<b>Total revenues and operating income</b>	<b>116,043</b>	<b>112,958</b>	<b>4,754</b>	<b>4,639</b>	<b>379</b>	<b>4,073</b>	<b>0</b>	<b>0</b>	<b>121,176</b>	<b>121,670</b>
Change in work in progress inventories	0	0	0	0	425	(4,038)	0	0	425	(4,038)
Direct costs (a) (excluding provision for doubtful accounts)	13,849	19,819	3,981	3,792	1,202	731	0	0	19,032	24,342
G&A expenses (b)	0	0	0	0	0	0	8,571	8,278	8,571	8,278
<b>Total operating costs (a)+(b)</b>	<b>13,849</b>	<b>19,819</b>	<b>3,981</b>	<b>3,792</b>	<b>1,202</b>	<b>731</b>	<b>8,571</b>	<b>8,278</b>	<b>27,603</b>	<b>32,620</b>
(Depreciations, amortization and provisions)	(555)	(1,298)	(2)	(40)	(1)	(1)	(228)	(262)	(786)	(1,601)
(Impairment losses)/Reversals on work in progress and inventories	(59)	0	0	0	(82)	(288)	0	0	(141)	(288)
Change in fair value - Increases/(decreases)	(46,231)	(4,168)	0	0	55	(318)	0	0	(46,176)	(4,486)
<b>Total depreciation, amortization, provisions, impairment and change in fair value</b>	<b>(46,845)</b>	<b>(5,466)</b>	<b>(2)</b>	<b>(40)</b>	<b>(28)</b>	<b>(607)</b>	<b>(228)</b>	<b>(262)</b>	<b>(47,103)</b>	<b>(6,375)</b>
<b>EBIT</b>	<b>55,349</b>	<b>87,673</b>	<b>771</b>	<b>807</b>	<b>(426)</b>	<b>(1,303)</b>	<b>(8,799)</b>	<b>(8,540)</b>	<b>46,895</b>	<b>78,637</b>
Income/(loss) from equity investments and property sales	0	0	0	0	0	0	11	5	11	5
Financial income	0	0	0	0	0	0	51	73	51	73
Financial charges	0	0	0	0	0	0	24,782	24,354	24,782	24,354
<b>Net financial income (charges)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(24,731)</b>	<b>(24,281)</b>	<b>(24,731)</b>	<b>(24,281)</b>
<b>PRE-TAX PROFIT</b>	<b>55,349</b>	<b>87,673</b>	<b>771</b>	<b>807</b>	<b>(426)</b>	<b>(1,303)</b>	<b>(33,519)</b>	<b>(32,816)</b>	<b>22,175</b>	<b>54,361</b>
Income taxes for the period	0	0	0	0	0	0	(210)	1,991	(210)	1,991
<b>NET PROFIT FOR THE PERIOD</b>	<b>55,349</b>	<b>87,673</b>	<b>771</b>	<b>807</b>	<b>(426)</b>	<b>(1,303)</b>	<b>(33,309)</b>	<b>(34,807)</b>	<b>22,385</b>	<b>52,370</b>
Non-controlling interests in (profit)/loss for the period	0	0	0	0	0	0	0	0	0	0
<b>Parent company share of the period</b>	<b>55,349</b>	<b>87,673</b>	<b>771</b>	<b>807</b>	<b>(426)</b>	<b>(1,303)</b>	<b>(33,309)</b>	<b>(34,807)</b>	<b>22,385</b>	<b>52,370</b>

BALANCE SHEET	30-Sep-19	30-Jun-19	30-Sep-19	30-Jun-19	30-Sep-19	30-Jun-19	30-Sep-19	30-Jun-19	30-Sep-19	30-Jun-19
	CORE BUSINESS PROPERTY		SERVICES		"PORTA A MARE" PROJECT		SHARED		TOTAL	
- Investment property	2,381,122	2,370,089	0	0	0	0	0	0	2,381,122	2,370,089
- Assets under construction	40,846	36,619	0	0	0	0	0	0	40,846	36,619
Intangible assets	11,478	11,355	1,007	1,007	0	0	39	39	12,524	12,401
Other tangible assets	1,163	1,114	145	153	18	5	7,703	7,767	9,029	9,039
Non-current assets held for sale	0	12,770	0	0	0	0	0	0	0	12,770
- Sundry receivables and other non current assets	0	0	0	0	0	0	120	113	121	113
- Equity investments	0	27	0	0	0	0	223	253	223	280
NWC	(11,472)	(10,521)	1,459	1,034	31,752	32,407	0	0	21,739	22,920
Funds	(4,283)	(7,667)	(1,335)	(1,203)	(32)	(28)	0	0	(5,650)	(8,898)
Payables and other non current liabilities	(15,884)	(15,876)	0	0	(5,920)	(5,920)	0	0	(21,804)	(21,796)
Net deferred tax (assets)/liabilities	(26,938)	(27,570)	0	0	2,562	2,562	0	0	(24,376)	(25,008)
<b>Total use of funds</b>	<b>2,376,032</b>	<b>2,370,340</b>	<b>1,276</b>	<b>991</b>	<b>28,380</b>	<b>29,026</b>	<b>8,085</b>	<b>8,172</b>	<b>2,413,774</b>	<b>2,408,529</b>
Total group net equity	1,180,874	1,176,393	(328)	(196)	36,913	26,237	0	3	1,217,460	1,202,437
Non-controlling interest in capital and reserves	0	0	0	0	0	0	0	0	0	0
Net derivative (assets) / liabilities	21,941	21,204	0	0	0	0	0	0	21,941	21,204
Net financial position	1,173,217	1,172,742	1,604	1,187	(8,533)	2,789	8,085	8,170	1,174,373	1,184,888
<b>Total sources</b>	<b>2,376,032</b>	<b>2,370,339</b>	<b>1,276</b>	<b>991</b>	<b>28,380</b>	<b>29,026</b>	<b>8,085</b>	<b>8,173</b>	<b>2,413,774</b>	<b>2,408,529</b>

REVENUES FROM FREEHOLD PROPERTIES	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	NORTHERN ITALY		CENTRAL/SOUTHERN ITALY & ISLANDS		ABROAD		TOTAL	
<i>Lease and rental income</i>	56,885	53,698	39,575	39,920	7,378	7,186	103,838	100,804
<i>One-off revenues</i>	0	6	0	5	0	0	0	11
<i>Temporary location rentals</i>	1,772	1,663	859	915	0	0	2,631	2,578
<i>Other rental income</i>	85	14	100	134	11	11	196	159
<b>TOTAL</b>	<b>58,742</b>	<b>55,381</b>	<b>40,534</b>	<b>40,974</b>	<b>7,389</b>	<b>7,197</b>	<b>106,665</b>	<b>103,552</b>



### **3. Certification of the Interim Management Statement pursuant to Art. 154 bis (2) of Legislative Decree 58/98**

#### **Certification of the Interim Management Statement pursuant to Art.154 bis (2) of Legislative Decree 58/98**

The financial reporting officer of IGD SIIQ SpA, hereby declares, in accordance with Art. 154-bis (2) of Legislative Decree 58/98 that the figures in the Interim Financial Report Statement at 30 September 2019 correspond to the company's records, ledgers and accounting entries.

Bologna, 7 November 2019

Financial Reporting Officer  
Carlo Barban