

**IMMOBILIARE GRANDE DISTRIBUZIONE**

**SOCIETA' DI INVESTIMENTO IMMOBILIARE QUOTATA S.P.A.**

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

VAT, Bologna Company Register no. 00397420399

Bologna Chamber of Commerce Registration no. 458582

Share capital subscribed and paid-in: € 650,000,000.00

# **INTERIM FINANCIAL REPORT**

**as at 31/03/2020**

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**Corporate and Supervisory Bodies**

Board of Directors	Office	Executive	Non Executive	Independent	Control and Risk Committee	Compensation and Nominations 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 Macrì	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**

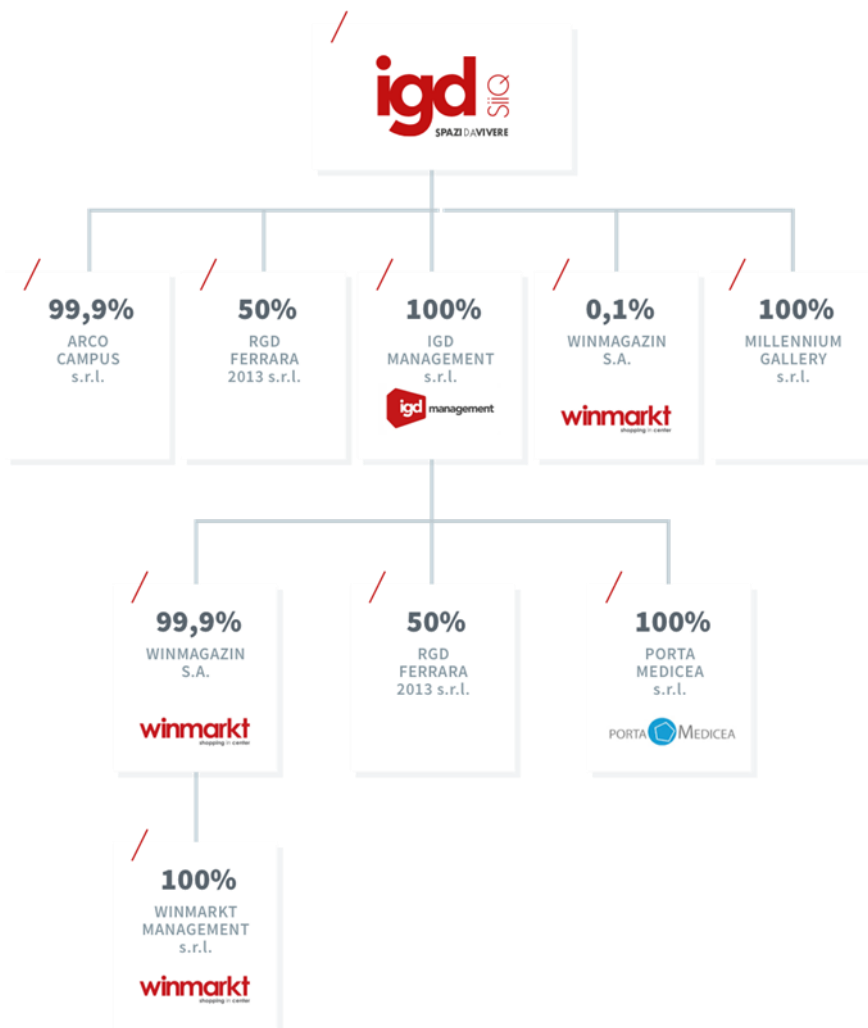
## 1.1. // Financial and Economic Highlights at 31 March 2020

<p>➤ <b>Rental Income</b>  <b>38.4 € mn</b>                      -0.9%</p>	<p>➤ <b>Net Rental Income</b>  <b>33.0 € mn</b>                      -3.3%</p>
<p>➤ <b>Core business Ebitda</b>  <b>30.3 € mn</b>                      -2.8%                      Margin: 75.8%                      Margin from Freehold: 77.7%</p>	<p>➤ <b>Financial management adj*</b>  <b>6.8 € mn</b>                      -10.2%</p>
<p>➤ <b>Funds From Operation (FFO)</b>  <b>20.8 € mn</b>                      +0.1%</p>	<p>➤ <b>Group Net Profit</b>  <b>14.9€ mn</b>                      -17.2%</p>
<p><small>*Financial management adj: net of IFRS16 (0.4 €mn) and IFRS9, none negative carry related to the latest bond issue of € 400 mn for a total amount of about € 1.8 mn</small></p>	

<p>➤ <b>Loan to Value</b>  <b>47.2%</b>                      31.12.2019: 47.60%</p>	<p>➤ <b>Gearing ratio</b>  <b>0.93x</b>                      31.12.2019: 0.95x</p>
<p>➤ <b>Average cost of debt</b>  <b>2.30%</b>                      31.12.2019: 2.35%</p>	<p>➤ <b>Interest Cover Ratio</b>  <b>3.3X</b>                      31.12.2019: 3.4X</p>
<p>➤ <b>Net debt</b>  <b>1,148.6 € mn</b>                      31.12.2019: 1,059.6 €mn</p>	

## 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 (93.8%). The remainder is in Romania (6.2%), where IGD owns the Winmarkt chain of shopping centers through Win Magazin S.a..



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

At 31 March 2020 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;
- 99.98% 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 SIIQ perimeter;
  - 100% of **WinMagazine S.a.**, the Romanian subsidiary, through which it controls 100% of **WinMarktManagement 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 and Centro Piave mall);
  - service activities which include mandates for the management of freehold and leasehold properties.

### 1.3. // Income statement review

The results for the first three months of 2020 were impacted partially by the exceptional containment measures adopted in Italy and Romania, as of the end of February, to limit the spread of Covid-19 which resulted in gradually increasing restrictions on the days and hours of operation for shopping centers.

The Group's net profit amounted to €14,944 thousand at 31 March 2020, down 17.2% against 31 March 2019.

The consolidated operating income statement is shown below:

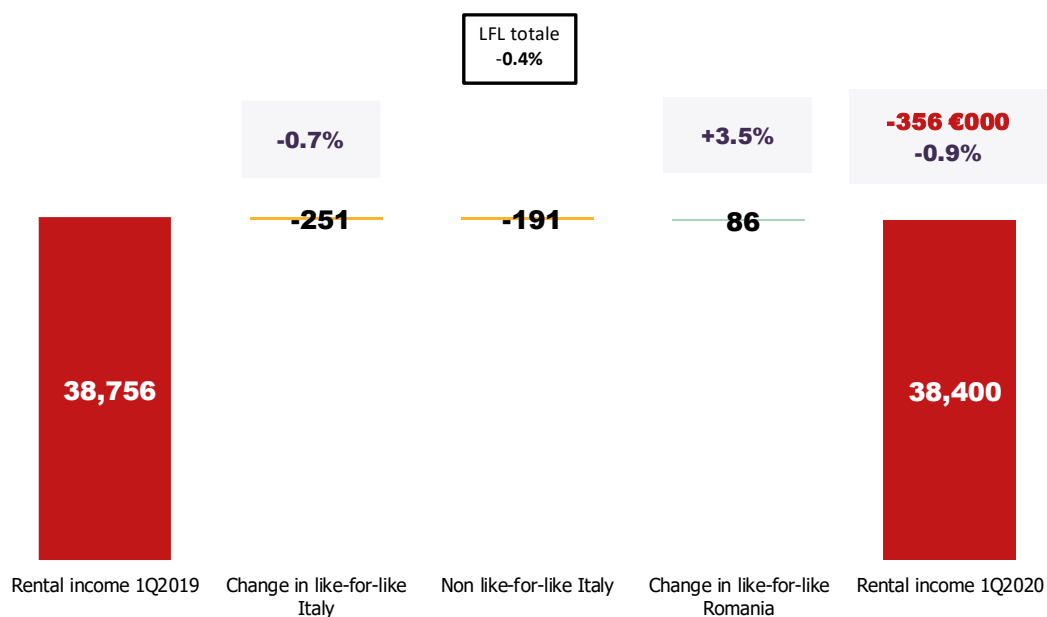
GROUP CONSOLIDATED	(a) 1Q_CONS_2019	(b) 1Q_CONS_2020	Δ (b)/(a)
Revenues from freehold rental activities	35.6	35.3	-0.8%
Revenues from leasehold rental activities	3.1	3.1	-2.7%
<b>Total income from rental activities</b>	<b>38.8</b>	<b>38.4</b>	<b>-0.9%</b>
Rents and payable leases	0.0	0.0	-96.8%
Direct costs from rental activities	-4.6	-5.4	17.8%
<b>Net rental income</b>	<b>34.2</b>	<b>33.0</b>	<b>-3.3%</b>
Revenues from services	1.6	1.6	-0.1%
Direct costs from services	-1.4	-1.4	-3.1%
<b>Net service income</b>	<b>0.2</b>	<b>0.2</b>	<b>23.1%</b>
HQ Personnel expenses	-1.8	-1.7	-6.8%
G&A Expenses	-1.3	-1.2	-7.5%
<b>CORE BUSINESS EBITDA (Operating income)</b>	<b>31.2</b>	<b>30.3</b>	<b>-2.8%</b>
<i>Core business Ebitda Margin</i>	<i>77.3%</i>	<i>75.8%</i>	
Revenues from trading	0.0	0.0	n.a.
Cost of sale and other cost from trading	-0.1	-0.1	4.2%
<b>Operating result from trading</b>	<b>-0.1</b>	<b>-0.1</b>	<b>4.2%</b>
<b>EBITDA</b>	<b>31.1</b>	<b>30.2</b>	<b>-2.8%</b>
<i>Ebitda Margin</i>	<i>77.0%</i>	<i>75.5%</i>	
Impairment and Fair Value adjustments	-4.2	-5.9	39.9%
Depreciations and Provisions	-0.3	-0.3	0.3%
<b>EBIT</b>	<b>26.6</b>	<b>24.1</b>	<b>-9.6%</b>
FINANCIAL MANAGEMENT	-8.1	-9.0	12.1%
EXTRAORDINARY MANAGEMENT	0.0	0.0	n.a.
<b>PRE-TAX PROFIT</b>	<b>18.6</b>	<b>15.1</b>	<b>-18.9%</b>
Taxes	-0.5	-0.1	-78.2%
<b>PROFIT FOR THE PERIOD</b>	<b>18.0</b>	<b>14.9</b>	<b>-17.2%</b>
Profit /Loss for the period related to third parties	0.0	0.0	n.a.
<b>GROUP NET PROFIT</b>	<b>18.0</b>	<b>14.9</b>	<b>-17.2%</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).

#### Net rental income

Rental income amounted to €38,400 thousand, down 0.9% compared to the same period of the prior year.





The decrease of €356 thousand is explained by:

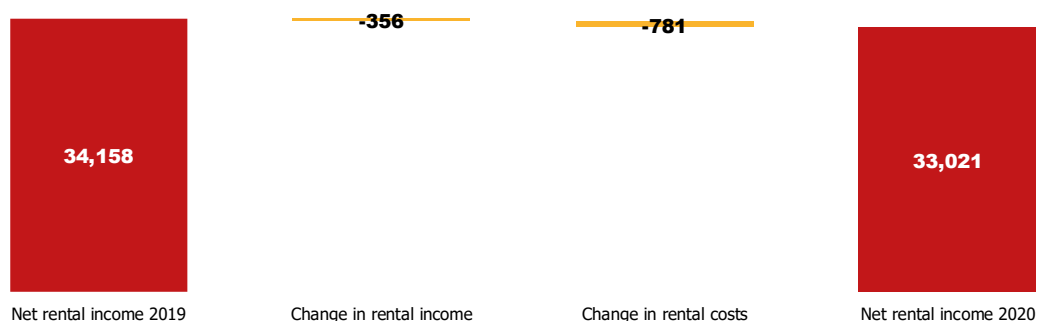
- like-for-like revenue in Italy which was lower than in the same period of the prior year due to the drop recorded by malls (down 0.8% as a result of lower variable revenue, temporary rents and vacancies linked to turnover) and the moderate decrease posted by hypermarkets (-0.4%). In the first quarter of 2020 65 leases were signed with an average upside of 0.64%;
- for -€191 thousand, lower revenue not like-for-like explained by Darsena and Palazzo Orlando, which were traded in September 2019, and the new rent paid by Faenza Iper at March 2020;
- for €86 thousand, the higher revenue like-for-like recorded by the Romanian subsidiary, due to pre-letting and renegotiations. 60 renewals were signed in the reporting period with an average upside of +1.75% and 41 leases as a result of turnover.

The direct costs for the rental business amounted to €5,379 thousand, an increase of 17.0% compared to the same period of the prior year. The increase in costs is attributable mainly to condominium fees, provisions for doubtful accounts (increased prudently to reflect the initial impact of the restrictive measures implemented to contain COVID 19), marketing costs and indemnities, partially offset by lower direct personnel expense and maintenance.

Direct costs from rental activities



Net rental income amounted to €33,021 thousand, a decrease of 3.3% against the same period of the prior year.



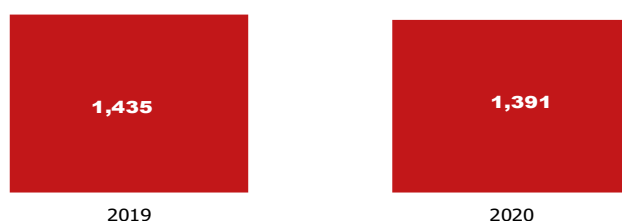
Net rental income freehold amounted to €30,056 thousand, down 3.4% with respect to the same period of the prior year. The margin is very sizeable, coming in at 85.0% of revenue, but lower than in the prior year due to a drop in revenue and higher direct costs.

Net rental income leasehold amounted to €2,965 thousand or 3.1% less than in the same period of the prior year.

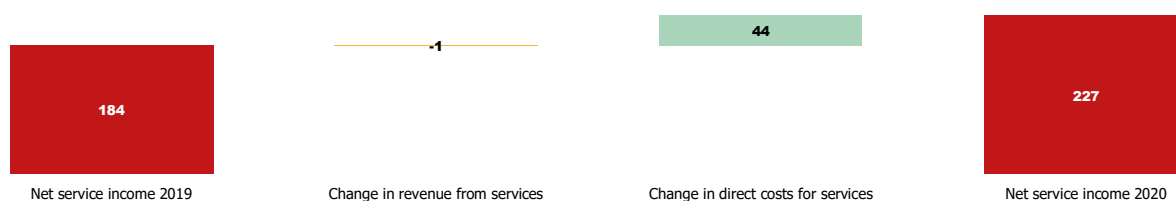
### Net services income

**Revenue from services**, was in line with the prior year. Most of this revenue comes from the facility management business (90.3% of the total or €1,461 thousand), which was higher than in the prior period (+0.8%) due mainly to a new management mandate (Mercato Coperto Ravenna). Revenue from pilotage was also slightly higher, while revenue from agency and other services (outsourcing services) was down.

**The direct costs for services** amounted to €1,391 thousand, a decrease of €44 thousand (-3.1%) compared to the same period of the prior year.



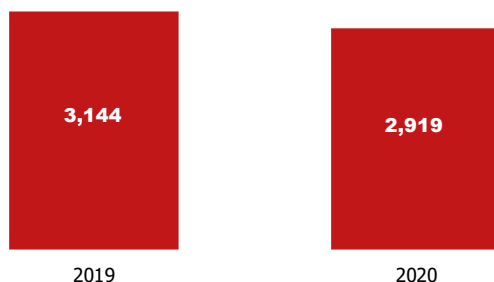
**Net services income** amounted to €227 thousand, an increase of 23.1% compared to the same period of the prior year, rising as a percentage of revenue from services against the 11.4% recorded in the prior year to 14.0%.



### General expenses for the core business

**General expenses for the core business**, including payroll costs at headquarters, came to €2,919 thousand, down (-7.2%) against the €3,144 thousand posted in the first quarter of 2019, attributable mainly to lower payroll costs at headquarters and other expenses (like consultancies and corporate management costs).

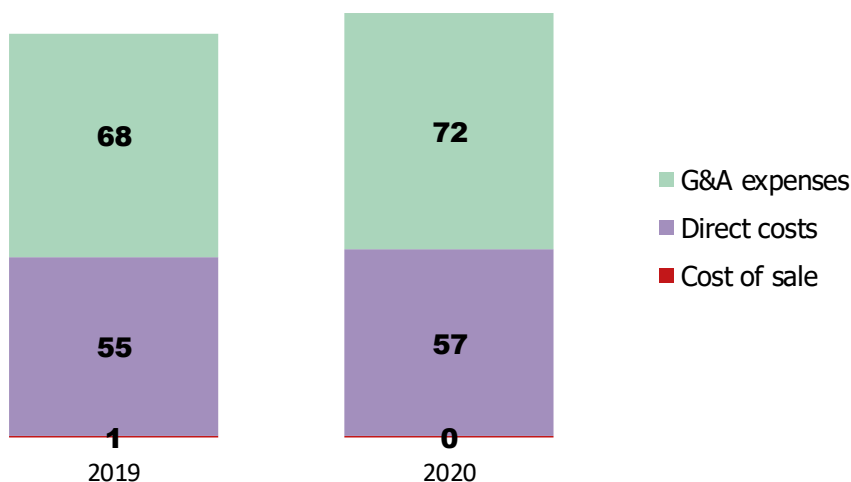
As a percentage of revenue these costs came to around 7.3%.



### Operating results for trading

**Trading posted an operating loss** of €129 thousand, largely in line with the first quarter of 2019. Similar to the first quarter of the prior year, the Porta a Mare project did not generate trading revenue in the first quarter. As described in section 1.5, in April a preliminary agreement for the sale of the last residential unit in the Mazzini area was finalized. As a result of this transaction, all the residential units in this area have been sold/pledged.

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

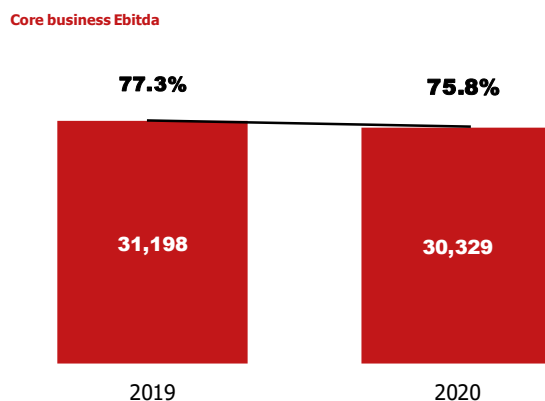


### EBITDA

Core business EBITDA amounted to €30,329 thousand in the first quarter of 2020, down 2.8% with respect to the same period of the prior year, while total EBITDA fell by 2.8% to €30,200 thousand. The changes in the components of total EBITDA during the first three months of the year are shown below.



The core business **EBITDA MARGIN** reached 75.8%, 148 bps lower than in the same period of the prior year.



### Fair value adjustments

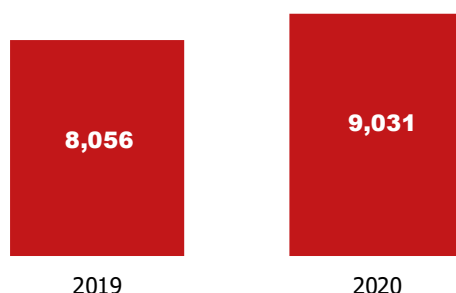
Fair value adjustments were negative for €5,856 thousand at 31 March 2020, higher than the €4,185 thousand recorded at 31 March 2019 attributable to:

- for €3,000 thousand, the right-of-use assets stemming from IFRS 16 application;
- for €2,767 thousand, the restyling completed in the reporting period, extraordinary maintenance of the properties owned and rented by the IGD Group's Italian companies;
- for €89 thousand, the extraordinary maintenance of the Romanian subsidiary Win Magazin S.a.'s freehold properties.

### EBIT

**EBIT** amounted to €24,093 thousand, a decrease of 9.6%; this change is attributable to the factors described above.

### Financial income and charges



**Financial charges** went from €8,056 thousand at 31 March 2019 to €9,031 thousand at 31 March 2020. The increase, of around €975 thousand, is attributable mainly to (i) higher financial expense for bond loans, and (ii) higher amortized cost expense stemming from the new €400 million bond issue and the partial buyback of outstanding bonds in November 2019.

The **average cost of debt** (without considering recurring and non-recurring transaction costs) at 31 March 2020 was 2.30%, down from 2.35% in the same period of the previous year, while the weighted average effective cost of debt went from 2.98% at 31 December 2019 to 2.69%.

The **interest cover ratio (ICR)**, the ratio of Ebitda to interest expense, came to 3.34x, lower compared to the 3.39x posted at 31 December 2019.

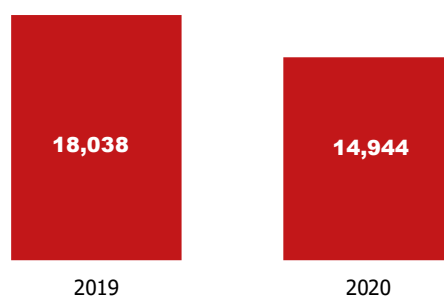
### Taxes

	31/03/2020	31/03/2019	Change
Current taxes	377	330	47
Deferred tax liabilities	(260)	184	(444)
Deferred tax assets	1	30	(29)
<b>Income taxes</b>	<b>118</b>	<b>544</b>	<b>(426)</b>

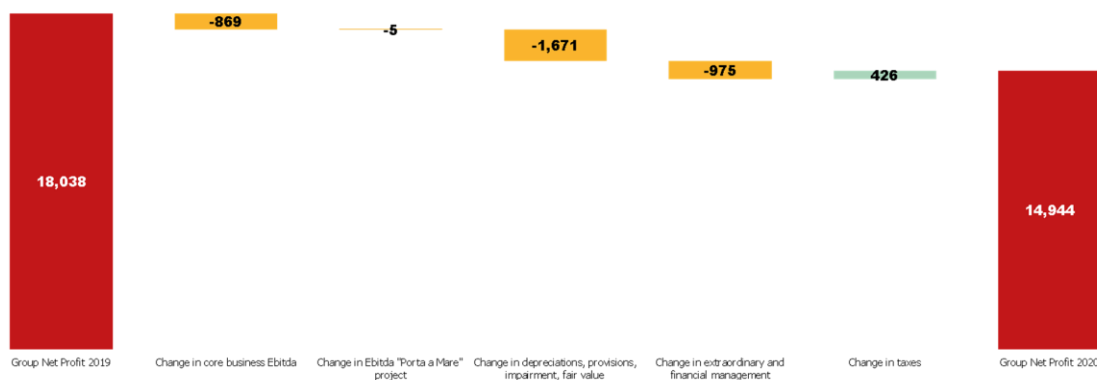
The tax burden, current and deferred, reached €118 thousand at 31 March 2020, a decrease of €426 thousand against 31 March 2019. The change is attributable primarily to the effects of IFRS 16 application.

### Group net profit

As a result of the above, the Group's net profit came to €14,944 thousand, 17.2% lower than the €18,038 thousand recorded at 31 March 2019.



The breakdown of the change in net profit compared to the prior year is shown below.

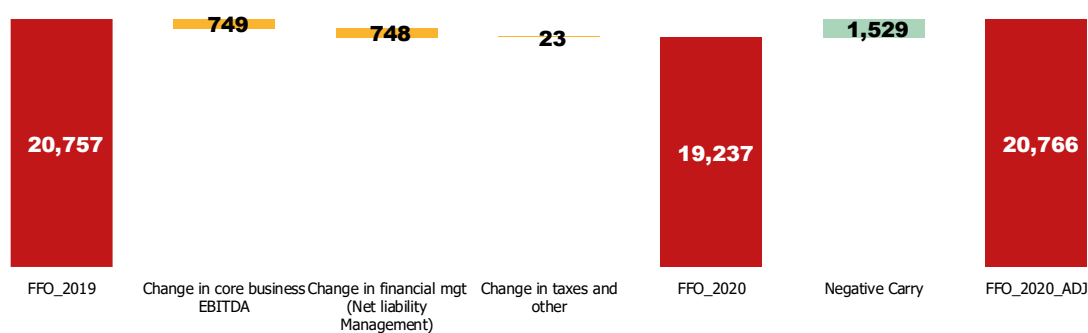


### Core business FFO

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 €20,766 thousand at 31 March 2020, in line with the same period of the prior year. This result reflects mainly the decrease in financial charges described above, net of the negative carry for 2020 stemming from the new €400 million bond issue and the partial buyback of outstanding bonds in November 2019.

Funds from Operations	31/03/2020	31/03/2019	Δ	Δ %
<b>Core business EBITDA*</b>	<b>30,486</b>	<b>31,198</b>	<b>(712)</b>	-2.3%
IFRS16 Adjustment (Payable leases)	(2,576)	(2,539)	(37)	1.5%
Financial management Adj	(8,372)	(7,624)	(748)	9.8%
Current taxes for the period Adj	(301)	(278)	(23)	8.2%
<b>FFO</b>	<b>19,237</b>	<b>20,757</b>	<b>(1,520)</b>	-7.3%
Negative Carry	1,529	0	1,529	n.a.
<b>FFO ADJ</b>	<b>20,766</b>	<b>20,757</b>	<b>9</b>	0.1%

\*Net of €157 thousand in non-recurring costs.



## 1.4. // Statement of financial position and financial review

The IGD Group's statement of financial position at 31 March 2020 can be summarized as follows:

(in thousands of Euros)	31/03/2020	31/12/2019	▲	%
Investment property	2,362,214	2,365,214	(3,000)	-0.13%
Assets under construction and advance payments	43,627	40,827	2,800	6.42%
Intangible assets	12,529	12,535	(6)	-0.05%
Other tangible assets	8,850	8,970	(120)	-1.36%
Sundry receivables and other non-current assets	120	118	2	2.07%
Equity investments	223	223	0	0.00%
Net working capital	24,445	18,441	6,004	24.56%
Funds	(7,444)	(7,125)	(319)	4.29%
Sundry payables and other non-current liabilities	(21,869)	(21,873)	4	-0.02%
Net deferred tax (assets)/liabilities	(26,295)	(26,313)	18	-0.07%
<b>Total use of funds</b>	<b>2,396,400</b>	<b>2,391,017</b>	<b>5,383</b>	<b>0.22%</b>
Total shareholders' equity	1,226,310	1,211,014	15,296	1.25%
Net (assets) and liabilities for derivative instruments	16,912	17,365	(453)	-2.68%
Net debt	1,153,178	1,162,638	(9,460)	-0.82%
<b>Total sources</b>	<b>2,396,400</b>	<b>2,391,017</b>	<b>5,383</b>	<b>0.22%</b>

The principal changes in the first quarter of 2020, compared to 31 December 2019, relate to:

- ✓ **Investment property**, which was €3,000 thousand lower due to:
  - continuation of the extraordinary maintenance relating primarily to earthquake proofing at the Centro d'Abruzzo and Porto Grande shopping centers, waterproofing at the La Favorita Shopping Center, fit-out work at the Darsena Shopping Center and compliance with fire safety regulations mainly in a few Romanian shopping centers for €2,102 thousand;
  - the reclassification of assets under construction and advances following completion in the period of the work done on the remodeling of the Le Maioliche Shopping Center for €754 thousand;
  - the write-down, based on the last available fair value measurement of investment property (appraisals at 31 December 2019), of the extraordinary maintenance and the reclassification described above;
  - the write-down of the right-of-use assets relating to the malls in the "Centro Nova", "Centro Piave" and "Fonti del Corallo" shopping centers based on the appraisals made by an independent third party;
- ✓ **Assets under construction and advances**, which showed a net increase of €2,800 thousand attributable to:
  - Investments made in the period explained mainly by: (i) for €153 thousand, restyling at the Gran Rondò Mall in Crema; (ii) for €174 thousand, the planning of restyling at La Favorita in Mantua and Porto Grande in San Benedetto del Tronto; (iii) for €250 thousand, the remodeling of Le Maioliche in Faenza, Conè in Conegliano and Porto Grande in San Benedetto del Tronto, 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 €430 thousand, restyling at the Darsena Shopping Center in

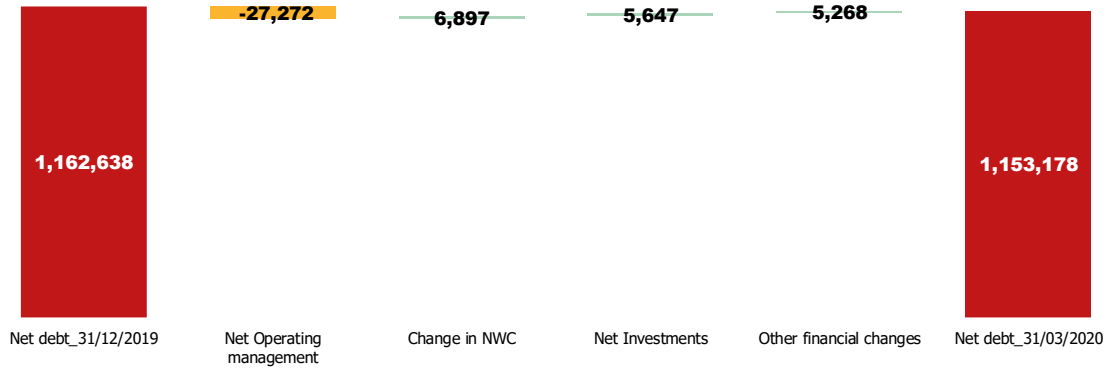
- Ferrara and Punta di Ferro in Forlì, and (v) for around €2,850 thousand, continuation of the work on Officine Storiche;
- for €754 thousand, the reclassification to investment property of the remodeling at the Le Maioliche shopping center completed in the period;
  - for €307 thousand, the net decrease in advances.
- ✓ **Other plant, property and equipment and intangible assets** which changed due primarily to amortization and depreciation recognized in the period;
- ✓ **Net working capital** which showed an increase of €6,004 thousand against 31 December 2019 explained primarily by (i) the marginal increase in trade and related party receivables of €2,844 thousand attributable to the first late payments caused by the prolonged COVID-19 health crisis, (ii) an increase in inventory of €849 thousand linked to the work done in the period, (iii) an increase in other current assets of around €1,617 thousand due mainly to higher prepaid expenses relating to insurance and other costs pertaining to the year but paid in first quarter 2020, (iv) an increase in tax liabilities of around €2,756 thousand, relating mainly to the IMU (property tax) due in the first quarter, and (v) a decrease in trade payables of €4,161 thousand explained by the slowdown in capex in March.

(in thousands of Euros)	31/03/2020	31/12/2019	▲	%
Work in progress inventory and advances	34,451	33,602	849	2.46%
ST trade receivables	13,793	11,114	2,679	19.42%
Related party trade and other receivables	1,086	921	165	15.19%
Other current assets	4,701	3,084	1,617	34.40%
Trade and other payables	11,799	15,960	(4,161)	-35.27%
Related parties trade and other payables	1,393	1,031	362	25.99%
Current tax liabilities	5,357	2,601	2,756	51.45%
Other current liabilities	11,037	10,688	349	3.16%
<b>Net working capital</b>	<b>24,445</b>	<b>18,441</b>	<b>6,004</b>	<b>24.56%</b>

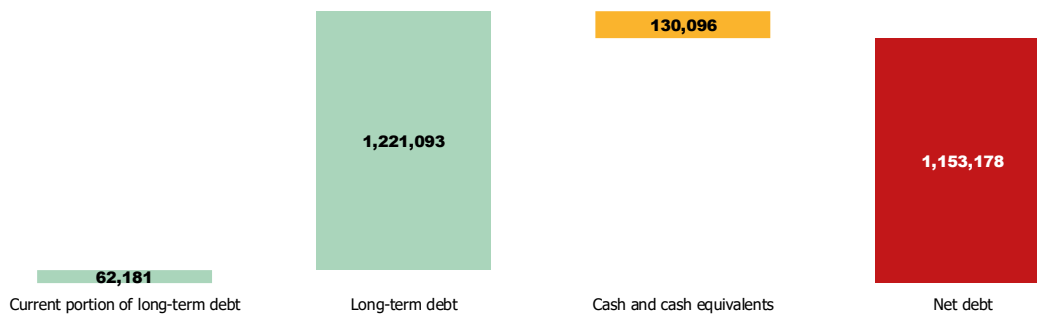
- ✓ **Provisions for risks and charges** which showed an increase of €319 thousand explained by (i) the provisions made for bonuses relative to the first quarter of 2020 payable to employees in 2021, (ii) provisions made for a few IMU disputes underway relating to the ESP (Ravenna) and La Torre (Palermo) shopping centers and (iii) adjustments to employee severance (TFR and TFM).
- ✓ **Net deferred tax assets and liabilities**, which went from €26,313 thousand to €26,295 thousand due to tax misalignments relating to (i) investment property which is not included in the SIIQ perimeter; (ii) taxed provisions, and (iii) hedges (IRS);
- ✓ The **Group's net equity** amounted to €1,226,310 thousand at 31 March 2020. The increase of €15,296 thousand is explained mainly by:
- an adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to around +€959 thousand for the parent company;
  - an adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to around -€236 thousand for a subsidiary;
  - for €327 thousand, the purchase of treasury shares;
  - for approximately -€44 thousand, movements in the translation reserve for the translation of foreign currency financial statements;
  - for €14,944 thousand, the Group's portion of the profit realized in the reporting period.
- ✓ **Net liabilities for derivatives** were down against the prior quarter due to the fair value measurement of hedging instruments at 31 March 2020 which was €453 thousand higher than in the prior year.



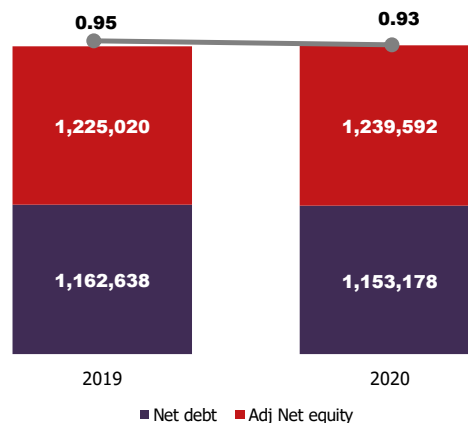
The **net financial position** at 31 March 2020 was about €9.5 million lower with respect to the prior year. The changes are shown below:



The item "Short term portions of long-term debt" shown in the net financial position includes the short-term portion of mortgages, lease financing and bond debt.



The gearing ratio reflects the debt to equity ratio, including non-controlling interests but excluding the CFH reserves. The ratio came to 0.93 at 31 March 2020, slightly better than the 0.95 recorded at 31 December 2019.



## **1.5. // Significant events at 31 March 2020**

### **Corporate events**

During the Extraordinary Shareholders' Meeting held on 11 November 2019, IGD's shareholders approved the proposal 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 was reduced by €99,738 thousand, by allocating €8,155 thousand to the legal reserve and €91,583 thousand to a newly formed distributable capital reserve. As a result of the share capital reduction the legal reserve equals the amount established under Art. 2430 of the Italian Civil Code. The purpose of this transaction is to give greater flexibility to the equity structure, by increasing the unavailable legal reserve and creating an available and distributable reserve, with a view also to reconciling the characteristics of the SIIQ regime (in particular, the mandatory distribution of 70% of the profit deriving from exempt operations) with the expectations of the capital markets (return on invested capital or dividend yield). The period during which, pursuant to Article 2445 of the Italian Civil Code, creditors may challenge the voluntary share capital reduction, approved during IGD's Extraordinary Shareholders' Meeting held on 11 November 2019, lapsed on 10 February 2020. On 19 February 2020 the Company has taken steps to account for the share capital reduction.

On 27 February 2020 the Board of Directors approved the draft separate and consolidated financial statements for FY 2019, as well as the Annual Report on Corporate Governance and Ownership Structure, included in the annual report, and the Compensation Report. The Board of Directors also approved the tenth Corporate Sustainability Report.

In light of the worsening international public health crisis caused by COVID-19, the measures recently adopted by the public authorities and with a view to guaranteeing compliance with the restrictions required to protect public health, the Annual General Meeting, originally convened on 9 April 2020, in first call, and on 10 April 2020, in second call, to approve, inter alia, the financial statements as at 31 December 2019 and the dividend to be paid to shareholders, was postponed to 11 June 2020, in first call, and to 12 June 2020, in second call.

On 23 March 2020 the rating agency Standard & Poor's Global Ratings changed IGD SIIQ's rating from "BBB-" with a negative outlook to "BB+" (with a negative outlook) due to the challenging retail environment in Italy and the measures taken in response to the COVID-19 pandemic which could have a negative impact on the operating performance and, consequently, on credit metrics while, at the same time, recognizing the company's robust liquidity profile. On 8 April 2020, the rating agency Fitch Ratings Ltd confirmed IGD's "BBB-" rating, but, as a result of the global health crisis caused by COVID-19, the agency placed it on Rating Watch Negative. As a result of these changes and in accordance with the respective regulations, the step up clauses will not be triggered.

## Investments

During the first quarter of 2020 the Group continued with development of the Porta a Mare – Officine project, restyling of the La Favorita Shopping Center and Retail Park in Mantua and the Porto Grande center in San Benedetto del Tronto, the construction of the new mid-size retail areas at the Gran Rondò Shopping Center and Retail Park, remodeling of the spaces at Le Maioliche in Faenza, Conè in Conegliano and Porto Grande in San Benedetto del Tronto, as well as the restyling at the Darsena Shopping Center in Ferrara and Punta di Ferro in Forlì.

The investments made at 31 March 2020 are shown below:

	<b>31/03/2020</b>
	<b>Euro/mln</b>
<b>Development projects:</b>	
Porta a Mare project - Officine Storiche retail area (in progress)	2,54
Porta a Mare project (Trading) (in progress)	0,85
Restyling in progress	0,86
Restyling completed in 2020	0,15
Extraordinary maintenance	2,10
<b>Total investments carried out</b>	<b>6,50</b>

### Development projects

#### Progetto "Porta a Mare"

##### "Porta a Mare" Project

In the first quarter of 2020 the Board of Directors of Porta Medicea S.p.A. accepted the proposal to sell the last residential unit. In April the preliminary sales agreement for this unit was finalized. As a result of this transaction all the residential units in the Mazzini section have been sold (preliminary agreements are in place for the sale of four units which should be closed by the end of the year).

Work on the Officine Storiche area (residential portion) continued in the period for a total of around €849 thousand, while work on the retail portion, which is expected be completed in 2020, amounted to approximately €2,850 thousand, of which €306 thousand related to the advances paid in prior periods. Three preliminary sales agreements for residential units in the Officine Storiche area had been signed at 31 March 2020.



## Restyling

In the first quarter of 2020 remodeling was completed at the Le Maioliche Shopping Center in Faenza, as per the agreement signed between IGD SIIQ and Unicoop Tirreno to reduce the area of the hypermarket and create, consequently, three new midsize retail areas. The costs incurred for work done in the quarter amounted to €153 thousand.

During first quarter 2020 work continued, and is still underway, on:

- planning the restyling of the La Favorita Shopping Center and Retail Park in Mantua and the Porto Grande Shopping Center in San Benedetto del Tronto. Work is expected to be completed by 2021. The costs incurred for the work done amounted to €174 thousand at 31 March 2020;
- remodeling the spaces inside the Conè center in Conegliano and Porto Grande in San Benedetto del Tronto 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 in 2020. Work totaling €97 thousand was completed at 31 March 2020;
- creating new midsize retail areas in the Gran Rondò Shopping Center and Retail Park in Crema for a total of €153 thousand at 31 March 2020;
- restyling at Darsena in Ferrara and Punta di Ferro in Forlì. Work amounting to €430 thousand was completed at 31 March 2020.





La Favorita (MN) – Piazza food



Galleria Gran Rondò - Crema

### Extraordinary maintenance

Extraordinary maintenance continued in the first quarter of the year for a total of €2,102 thousand, relating mainly to earthquake proofing at the Centro d’Abruzzo and Porto Grande shopping centers, waterproofing at La Favorita Shopping Center, fit-out work at the Darsena Shopping Center and fire alarm systems, primarily at a few Romanian shopping centers. Based on the fair value measurement of investment property, the value of the extraordinary maintenance was fully impaired at 31 March 2020.

## 1.6. // Subsequent events

On 7 May 2020, in light of the Covid-19 health crisis and the uncertainty as to its duration, as well as the inevitable slowdown in internal demand, consumption and, more in general, the country's economic cycle, in order to preserve the Company's financial stability, the Board of the Directors deemed it opportune to formulate a new proposal for the allocation of the 2019 earnings and changed the proposed resolution approved during the Board of Directors' meeting held on 27 February 2020. More in detail, the Board of Directors will propose to allocate only 70% of the net profit generated by the property rental business, namely the minimum required to maintain REIT or SIIQ status as per Article 1, paragraph 123 of Law n. 296 of 27 December 2006 (i.e. the 2007 Budget Law). The total dividend payable, calculated based on the number of IGD shares outstanding at the date of this report (110,232,654), net of any treasury shares held by the Company at the same date, amounts to €25,149,800.48 or €0.228152 per share.

## 1.7.// Outlook

With regard to the COVID-19 health crisis, the Group is evaluating carefully, through sensitivity analyses applied to the business plan for the years 2020 and 2021, the possible impact that this pandemic could have on the income statement and the statement of financial position, with a particular focus on three key indicators: (i) profitability, (ii) investment property valuations, and (iii) liquidity.

Looking at the expectations for profitability in the current year, the Group is evaluating the impact that lower rental income will have solely on the malls in Italy and Romania (Hypermarkets and Supermarkets, in addition to providing a series of essential products, were not affected by the containment measures enacted by the government in response to the health emergency). As for the shopping center retailers, the Company first activated support initiatives aimed at revising the payment schedules for second quarter 2020 and is waiting for more precise indications from the government about available tax and financial relief for businesses impacted by the crisis, as well as the timing/structure of the lockdown exit phase, in order to better define specific methods to be used to manage the situation with each tenant

In April, however, the Group already started implementing a number of measures to contain operating expenses in order to lessen the economic impact.

As for investment property valuations, in the absence of a clear picture as to how the global market conditions and future consumer habits will evolve, the measures that will be adopted by the government to support the sector, and more in-depth discussions with retailers, we believe it is still premature to provide indications.

As a result of the new €400 million bond issue and the partial buyback of outstanding bonds completed in November 2019, the Group's available liquidity amounted to roughly €130 million at 31 March 2020. Thanks to this cash on hand, as well as the available credit lines (including the committed lines), and even taking into account the roughly €71 million in bond debt falling due in May 2021, the Group is presently not subject to financial pressure. In order to limit the negative impact of the hypothetical drop in revenue and foreseeable increased difficulty in credit collection, as well as maintain a solid and balanced financial profile, the Group is evaluating extraordinary measures like suspending/delaying a few capex planned for this year which would result in total

savings of around €34 million, reformulating the 2020 dividend and tapping into liquidity support measures enacted by the government.

## **2. IGD GROUP CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2020**



## 2.1 // Consolidated income statement

(in thousands of Euros)	31/03/2020 (A)	31/03/2019 (B)	Change (A)-(B)
Revenue	38.400	38.756	(356)
Other revenue	1.618	1.619	(1)
<b>Operating revenues</b>	<b>40.018</b>	<b>40.375</b>	<b>(357)</b>
Change in inventory	849	70	779
<b>Revenues and change in inventory</b>	<b>40.867</b>	<b>40.445</b>	<b>422</b>
Construction costs for the period	849	70	779
Service costs	3.831	3.763	68
Cost of labour	2.567	2.700	(133)
Other operating costs	2.769	2.745	24
<b>Total operating costs</b>	<b>10.016</b>	<b>9.278</b>	<b>738</b>
Depreciations, amortization and provisions	(151)	(149)	(2)
Provisions for doubtful accounts	(751)	(194)	(557)
Change in fair value	(5.856)	(4.185)	(1.671)
<b>Depreciation, amortization, provisions, impairment and change in fair value</b>	<b>(6.758)</b>	<b>(4.528)</b>	<b>(2.230)</b>
<b>EBIT</b>	<b>24.093</b>	<b>26.639</b>	<b>(2.546)</b>
Income/ (loss) from equity investments and asset disposal	0	(1)	1
Financial Income	16	23	(7)
Financial charges	9.047	8.079	968
<b>Net financial income (expense)</b>	<b>(9.031)</b>	<b>(8.056)</b>	<b>(975)</b>
<b>Pre-tax profit</b>	<b>15.062</b>	<b>18.582</b>	<b>(3.520)</b>
Income taxes	118	544	(426)
<b>NET PROFIT FOR THE PERIOD</b>	<b>14.944</b>	<b>18.038</b>	<b>(3.094)</b>
Non-controlling interests in (profit)/loss for the period	0	0	0
<b>Profit/(loss) for the period attributable to the Parent Company</b>	<b>14.944</b>	<b>18.038</b>	<b>(3.094)</b>

## 2.2 // Consolidated statement of comprehensive income

(In thousands of Euro)	31/03/2020	31/03/2019
<b>NET PROFIT FOR THE PERIOD</b>	<b>14.944</b>	<b>18.038</b>
<b>Total other components of comprehensive income that will not be reclassified to profit/(loss)</b>	<b>0</b>	<b>0</b>
<b>Other components of comprehensive income that will be reclassified to profit/ (loss):</b>		
Effects of hedge derivatives on net equity	926	(2.958)
Tax effects of hedge derivatives on net equity	(203)	730
Other effects on income statement components	(44)	(95)
<b>Total other components of comprehensive income that will be reclassified to profit/ (loss)</b>	<b>679</b>	<b>(2.323)</b>
<b>Total comprehensive profit/ (loss) for the period</b>	<b>15.623</b>	<b>15.715</b>
Non-controlling interests in (profit)/loss for the period	0	0
<b>Profit/(loss) for the period attributable to the Parent Company</b>	<b>15.623</b>	<b>15.715</b>

## 2.3 // Consolidated statement of financial position

(in thousands of Euros)	31/03/2020 (A)	31/12/2019 (B)	Change (A)-(B)
<b>NON CURRENT ASSETS:</b>			
<b>Intangible assets</b>			
Intangible assets with finite useful lives	44	50	(6)
Goodwill	12.485	12.485	0
	<b>12.529</b>	<b>12.535</b>	<b>(6)</b>
<b>Property, plant, and equipment</b>			
Investment property	2.362.214	2.365.214	(3.000)
Buildings	7.583	7.643	(60)
Plant and machinery	158	161	(3)
Equipment and other goods	1.109	1.166	(57)
Assets under construction and advance payments	43.627	40.827	2.800
	<b>2.414.691</b>	<b>2.415.011</b>	<b>(320)</b>
<b>Other non-current assets</b>			
Sundry receivables and other non-current assets	120	118	2
Equity investments	223	223	0
Non-current financial assets	174	174	0
	<b>517</b>	<b>515</b>	<b>2</b>
<b>TOTAL NON-CURRENT ASSETS (A)</b>	<b>2.427.737</b>	<b>2.428.061</b>	<b>(324)</b>
<b>CURRENT ASSETS:</b>			
Work in progress inventory and advances	34.451	33.602	849
Trade and other receivables	13.793	11.114	2.679
Related party trade and other receivables	1.086	921	165
Other current assets	4.701	3.084	1.617
Cash and cash equivalents	130.096	128.677	1.419
<b>TOTAL CURRENT ASSETS (B)</b>	<b>184.127</b>	<b>177.398</b>	<b>6.729</b>
<b>TOTAL ASSETS (A + B)</b>	<b>2.611.864</b>	<b>2.605.459</b>	<b>6.405</b>
<b>NET EQUITY:</b>			
Share capital	650.000	749.738	(99.738)
Share premium reserve	30.058	30.058	0
Treasury share reserve	(525)	(198)	(327)
Other reserves	516.680	416.263	100.417
Group profit	30.097	15.153	14.944
<b>Total Group net equity</b>	<b>1.226.310</b>	<b>1.211.014</b>	<b>15.296</b>
Capital and reserves of non-controlling interests	0	0	0
<b>TOTAL NET EQUITY (C)</b>	<b>1.226.310</b>	<b>1.211.014</b>	<b>15.296</b>
<b>NON-CURRENT LIABILITIES:</b>			
Derivatives - liabilities	16.912	17.365	(453)
Non-current financial liabilities	1.221.267	1.232.669	(11.402)
Provisions for employee severance indemnities	3.070	3.057	13
Deferred tax liabilities	26.295	26.313	(18)
Provisions for risks and future charges	4.374	4.068	306
Sundry payables and other non-current liabilities	8.147	8.152	(5)
Related parties sundry payables and other non-current liabilities	13.722	13.721	1
<b>TOTAL NON-CURRENT LIABILITIES (D)</b>	<b>1.293.787</b>	<b>1.305.345</b>	<b>(11.558)</b>
<b>CURRENT LIABILITIES:</b>			
Current financial liabilities	62.181	58.820	3.361
Trade and other payables	11.799	15.960	(4.161)
Related parties trade and other payables	1.393	1.031	362
Current tax liabilities	5.357	2.601	2.756
Other current liabilities	11.037	10.688	349
<b>TOTAL CURRENT LIABILITIES (E)</b>	<b>91.767</b>	<b>89.100</b>	<b>2.667</b>
<b>TOTAL LIABILITIES (F=D+E)</b>	<b>1.385.554</b>	<b>1.394.445</b>	<b>(8.891)</b>
<b>TOTAL NET EQUITY AND LIABILITIES (C + F)</b>	<b>2.611.864</b>	<b>2.605.459</b>	<b>6.405</b>

## 2.4 // Consolidated statement of changes in equity

(In thousands of Euro)	Share Capital	Share premium reserve	Other reserves	Net profit/(loss) of previous year	Group net profit/(loss) of the period	Group net equity	Non-controlling interests capital and reserves	Total net equity
<b>Balance on 01/01/2020</b>	<b>749.738</b>	<b>30.058</b>	<b>416.065</b>	<b>2.562</b>	<b>12.591</b>	<b>1.211.014</b>	<b>0</b>	<b>1.211.014</b>
Profit of the period	0	0	0	0	14.944	14.944	0	14.944
Cash flow hedge derivative assessment	0	0	723	0	0	723	0	723
Other comprehensive income (losses)	0	0	(44)	0	0	(44)	0	(44)
<b>Total comprehensive profit (losses)</b>	<b>0</b>	<b>0</b>	<b>679</b>	<b>0</b>	<b>14.944</b>	<b>15.623</b>	<b>0</b>	<b>15.623</b>
(Buy)/Sale of treasury shares	0	0	(327)	0	0	(327)	0	(327)
Decrease capital	(99.738)	0	99.738	0	0	0	0	0
<u>Allocation of 2019 profit</u>								
To previous year profit	0	0	0	12.591	(12.591)	0	0	0
<b>Balance at 31/03/2020</b>	<b>650.000</b>	<b>30.058</b>	<b>516.155</b>	<b>15.153</b>	<b>14.944</b>	<b>1.226.310</b>	<b>0</b>	<b>1.226.310</b>

(In thousands of Euro)	Share Capital	Share premium reserve	Other reserves	Net profit/(loss) of previous year	Group net profit/(loss) of the period	Group net equity	Non-controlling interests capital and reserves	Total net equity
<b>Balance on 01/01/2019</b>	<b>749.738</b>	<b>31.504</b>	<b>410.109</b>	<b>14.599</b>	<b>46.388</b>	<b>1.252.338</b>	<b>0</b>	<b>1.252.338</b>
FTA IFRS 16	0	0	1.886	0	0	1.886	0	1.886
<b>Balance on 01/01/2019 post IFRS 16</b>	<b>749.738</b>	<b>31.504</b>	<b>411.995</b>	<b>14.599</b>	<b>46.388</b>	<b>1.254.224</b>	<b>0</b>	<b>1.254.224</b>
Profit of the year	0	0	0	0	18.038	18.038	0	18.038
Cash flow hedge derivative assessment	0	0	(2.228)	0	0	(2.228)	0	(2.228)
Other comprehensive income (losses)	0	0	(95)	0	0	(95)	0	(95)
<b>Total comprehensive profit (losses)</b>	<b>0</b>	<b>0</b>	<b>(2.323)</b>	<b>0</b>	<b>18.038</b>	<b>15.715</b>	<b>0</b>	<b>15.715</b>
Sale of treasury shares	0	0	148	0	0	148	0	148
<u>Allocation of 2018 profit</u>								
To previous year profit	0	0	0	46.388	(46.388)	0	0	0
<b>Balance at 31/12/2019</b>	<b>749.738</b>	<b>31.504</b>	<b>409.820</b>	<b>60.987</b>	<b>18.038</b>	<b>1.270.087</b>	<b>0</b>	<b>1.270.087</b>

## 2.5 // Consolidated statement of cash flows

(in thousands of Euros)	31/03/2020	31/12/2019
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Pre-tax profit	15.062	13.602
<b>Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities:</b>		
Financial charges/(income)	9.031	36.752
Depreciation, amortization and provisions	151	1.026
Writedown of receivables	751	561
(Impairment losses)/reversals on work in progress	0	992
Changes in fair value - increases / (decreases)	5.856	71.796
Change in provisions for bonuses to employees and TFM	285	563
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>31.136</b>	<b>125.292</b>
Financial charges paid	(3.864)	(35.385)
Income tax	0	(1.476)
<b>CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX</b>	<b>27.272</b>	<b>88.431</b>
Change in inventory	(849)	(1.309)
Net change in current assets and liabilities w. third parties	(6.024)	7.343
Net change in non-current assets and liabilities w. third parties	(24)	(1.931)
<b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>20.375</b>	<b>92.534</b>
(Investments) in non-current assets	(5.647)	(40.236)
Disposals of non-current assets	0	12.800
(Investments) in equity interests	0	(59)
<b>CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(5.647)</b>	<b>(27.495)</b>
Change in non-current financial assets	0	69
Disposal/(purchase) of treasury shares	(327)	294
Capital increase net of costs	0	23
Distribution of dividends	0	(55.153)
Rents paid for financial rentals	(2.576)	(10.302)
Change in current debt	(1.806)	(177.391)
Change in non-current debt	(8.556)	303.681
<b>CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(13.265)</b>	<b>61.221</b>
Exchange rate differences on cash and cash equivalents	(44)	(133)
<b>NET INCREASE (DECREASE) IN CASH BALANCE</b>	<b>1.419</b>	<b>126.127</b>
<b>CASH BALANCE AT BEGINNING OF THE PERIOD</b>	<b>128.677</b>	<b>2.472</b>
<b>RGD Ferrara cash balance</b>	<b>0</b>	<b>78</b>
<b>CASH BALANCE AT END OF THE PERIOD</b>	<b>130.096</b>	<b>128.677</b>

## 2.6 // Net financial position

The table below presents the net financial position at 31 March 2020 and 31 December 2019. At neither date does it include derivatives held for hedging purposes, which by nature do not constitute monetary assets or liabilities.

The net financial position at 31 March 2020 is about €9.5 million lower than at 31 December 2019 due mainly to:

- a decrease in payables stemming from IFRS 16 application;
- the payment of installments due on a few mortgages.

The uncommitted credit facilities with banks, unutilized at 31 March 2020, amount to €161 million. Committed revolving credit facilities with banks, unutilized at 31 March 2020, amount to €60 million. See the section "Statement of financial position and financial review" and statement of cash flows for more information.

	31/03/2020	31/12/2019	Change
Cash and cash equivalents	(130.096)	(128.677)	(1.419)
<b>LIQUIDITY</b>	<b>(130.096)</b>	<b>(128.677)</b>	<b>(1.419)</b>
Mortgage loans - current portion	44.305	44.090	215
Leasing - current portion	9.193	9.070	123
Bond loans - current portion	8.683	5.660	3.023
<b>CURRENT DEBT</b>	<b>62.181</b>	<b>58.820</b>	<b>3.361</b>
<b>CURRENT NET DEBT</b>	<b>(67.915)</b>	<b>(69.857)</b>	<b>1.942</b>
Non-current financial assets	(174)	(174)	0
Leasing - non-current portion	46.685	49.074	(2.389)
Non-current financial liabilities	463.489	473.289	(9.800)
Bond loans	711.093	710.306	787
<b>NON-CURRENT NET DEBT</b>	<b>1.221.093</b>	<b>1.232.495</b>	<b>(11.402)</b>
<b>Net debt</b>	<b>1.153.178</b>	<b>1.162.638</b>	<b>(9.460)</b>

## **2.7 // Preparation criteria and scope of consolidation**

### **2.7.1 General information**

The interim financial report of Immobiliare Grande Distribuzione at 31 March 2020 was approved and authorized for publication by the Board of Directors on 7 May 2020.

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 31 March 2020 were endorsed as per the procedure outlined in EC Regulation 1606/2002.

The accounting standards, accounting policies, and valuation methods are the same as those used to prepare the consolidated financial statements at 31 December 2019, 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 2020 as a result of the European Commission's future endorsement of new standards, new interpretations or guidelines of 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 31 March 2020 and at 31 December 2019. Therefore, comments on income statement items refer to a comparison with the same period of the prior year (31 March 2019), while balance sheet items are compared with the previous quarter (31 December 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.

## 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 31 March 2020, prepared by the directors of the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies. The scope of consolidation has not changed since 31 December 2019, 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 consolidated Group interest	Held by	% of share capital held	Activities
<b>Parent company</b>								
IGD SIIQ S.p.A.	Bologna via trattati comunitari Europei 1957-2007	Italy	749,738,139.26	Euro				Shopping center management
<b>Subsidiaries fully consolidated</b>								
IGD Management S.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italy	75,071,221.00	Euro	100%	IGD SIIQ S.p.A.	100.00%	Shopping center management and services
Millennium Gallery S.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italy	100,000.00	Euro	100%	IGD SIIQ S.p.A.	100.00%	Shopping center management
Porta Medicea S.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italy	60,000,000.00	Euro	100%	IGD Management s.r.l.	100.00%	Construction and marketing company
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%	Shopping center management
Winmarkt management S.r.l.	Bucarest	Romania	1,001,000	Lei	100%	Win Magazin S.A.	100.00%	Services, Agency and facility management
Arco Campus S.r.l.	Bologna via dell'Arcoveggio n.49/2	Italy	1,500,000.00	Euro	99.98	IGD SIIQ S.p.A.	99.98%	Activities of asset management, sport facilities and equipments management, construction, sale and rent of properties to be used for commercial and sport activities
RGD Ferrara 2013 S.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italy	100,000.00	Euro	100%	IGD SIIQ S.p.A. 50% IGD Management s.r.l. 50%	100%	Darsena city shopping center management

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	52.00%	VIA AMENDOLA 129, IMOLA (BO)
Owner consortium of SC I Bricchi	Direct	72.25%	VIA PRATO BOSCHIERO, ISOLA D'ASTI (LOC MOLINI)
Owner consortium of Centrolame	Direct	66.43%	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	48.69%	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 SC Centrosarca	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 ESP	Direct	64.59%	VIA MARCO BUSSATO 74, RAVENNA (RA)
Owner consortium of SC Puntadiferro	Direct	62.34%	Piazzale della Cooperazione 4, FORLI' (FC)
Owner consortium of commercial area I Commendone	Direct	52.60%	Via Ecuador snc, Grosseto
Owner consortium of SC Le Porte di Napoli	Direct	70.56%	Via S. Maria La Nuova, Afragola (NA)
Owner consortium of Darsena	Direct	77.12%	via Darsena 75, Ferrara (FE)

## 2.7.3 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.

Profit and Loss	31-mar-20	31-mar-19	31-mar-20	31-mar-19	31-mar-20	31-mar-19	31-mar-20	31-mar-19	31-mar-20	31-mar-19
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		Total	
Total revenue and operating income	38.400	38.756	1.618	1.619	0	0	0	0	40.018	40.375
Change in work in progress inventory	0	0	0	0	849	70	0	0	849	70
Direct costs (a) (excluding provision for doubtful accounts)	4.728	4.405	1.391	1.435	978	194	0	0	7.097	6.034
G&A expenses (b)	0	0	0	0	0	0	2.919	3.244	2.919	3.244
Total operating costs (a)+(b)	4.728	4.405	1.391	1.435	978	194	2.919	3.244	10.016	9.278
(Depreciation and amortizations)	(857)	(281)	0	0	(1)	0	(44)	(62)	(902)	(343)
Fair value change - increase/(decreases)	(5.856)	(4.185)	0	0	0	0	0	0	(5.856)	(4.185)
Total depreciation, amortization, provisions, impairment and fair value changes	(6.713)	(4.466)	0	0	(1)	0	(44)	(62)	(6.758)	(4.528)
EBIT	26.959	29.885	227	184	(130)	(124)	(2.963)	(3.306)	24.093	26.639
Income/ (loss) from equity investments and property sales	0	0	0	0	0	0	0	(1)	0	(1)
Financial income	0	0	0	0	0	0	16	23	16	23
Financial charges	0	0	0	0	0	0	9.047	8.079	9.047	8.079
Net financial income	0	0	0	0	0	0	(9.031)	(8.056)	(9.031)	(8.056)
PRE-TAX PROFIT	26.959	29.885	227	184	(130)	(124)	(11.994)	(11.363)	15.062	18.582
Income taxes for the period	0	0	0	0	0	0	118	544	118	544
NET PROFIT FOR THE PERIOD	26.959	29.885	227	184	(130)	(124)	(12.112)	(11.907)	14.944	18.038
Non-controlling interests in (Profit)/ Loss of the period	0	0	0	0	0	0	0	0	0	0
Parent company share of net profit for the period	26.959	29.885	227	184	(130)	(124)	(12.112)	(11.907)	14.944	18.038

BALANCE SHEET	31-mar-20	31-mar-19	31-mar-20	31-mar-19	31-mar-20	31-mar-19	31-mar-20	31-mar-19	31-mar-20	31-mar-19
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		TOTAL	
- Investment property	2.362.214	2.410.094	0	0	0	0	0	0	2.362.214	2.410.094
- Assets under construction	43.627	37.935	0	0	0	0	0	0	43.627	37.935
Intangible assets	11.478	11.355	1.007	1.007	0	0	44	65	12.529	12.427
Other tangible assets	1.087	1.011	182	161	0	1	7.581	7.826	8.850	8.999
- Sundry receivables and other non-current assets	0	0	0	0	0	0	120	114	119	114
- Equity investments	(0)	24	0	0	0	0	223	252	223	276
NWC	(9.131)	(9.796)	1.350	1.701	32.228	32.454	0	0	24.447	24.359
Funds	(5.848)	(6.979)	(1.635)	(1.455)	38	(35)	0	0	(7.444)	(8.469)
Non-current payables and other liabilities	(15.949)	(13.777)	0	0	(5.921)	(5.920)	0	0	(21.869)	(19.697)
Net deferred tax (assets)/ liabilities	(28.857)	(29.160)	0	0	2.562	2.562	0	0	(26.295)	(26.598)
Total use of funds	2.358.621	2.400.707	904	1.414	28.907	29.062	7.968	8.257	2.396.401	2.439.440
Total shareholders' equity	1.197.686	1.243.594	(628)	(448)	29.252	26.973	0	0	1.226.310	1.270.119
Net (assets) and liabilities for derivative instruments	16.912	20.729	0	0	0	0	0	0	16.912	20.729
Net financial position	1.144.024	1.136.384	1.532	1.862	(345)	2.089	7.968	8.257	1.153.179	1.148.592
Total sources	2.358.621	2.400.707	904	1.414	28.907	29.062	7.968	8.257	2.396.401	2.439.440

REVENUE FROM FREEHOLD PROPERTIES	31-mar-20	31-mar-19	31-mar-20	31-mar-19	31-mar-20	31-mar-19	31-mar-20	31-mar-19
	Northern ITALY		CENTRAL/SOUTHERN ITALY&ISLANDS		ABROAD		TOTAL	
Lease & retail income	19.014	18.971	12.895	13.273	2.491	2.432	34.400	34.676
One-off revenue	0	0	0	0	0	0	0	0
Temporary location rentals	604	603	259	277	0	0	863	880
Other rental income	5	16	48	39	29	3	82	58
<b>TOTAL</b>	<b>19.623</b>	<b>19.590</b>	<b>13.202</b>	<b>13.589</b>	<b>2.520</b>	<b>2.435</b>	<b>35.345</b>	<b>35.614</b>

## **2.8 // Certification of the interim management statement pursuant to Art.154-bis (2) of Legislative Decree 58/98**

### **Declaration of the Financial Reporting Officer pursuant to Art. 54 bis (2) of Legislative Decree 58/98**

The financial reporting officer of IGD SIQ 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 31 March 2020 correspond to the company's records, ledgers and accounting entries.

Bologna, 7 May 2020

Carlo Barban  
Financial Reporting Officer