IMMOBILIARE GRANDE DISTRIBUZIONE

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

Registered office in Bologna, Via Trattati Comunitari Europei1957-2007 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
30/09/2020

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 Jean Veron	Director			X			X
Livia Salvini	Director			X		X	X
Luca Dondi Dall'Orologio	Director			X	X		X
Timothy Guy Michele Santini	Director			X		X	
Elisabetta Gualandri	Director			X	X		
Isabella Landi(*)	Director			X	X		
Alessia Savino	Director		X				

(*) Coopted by the Board of Directors of 5th November 2020 in substitution of a resigning independent Director

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.

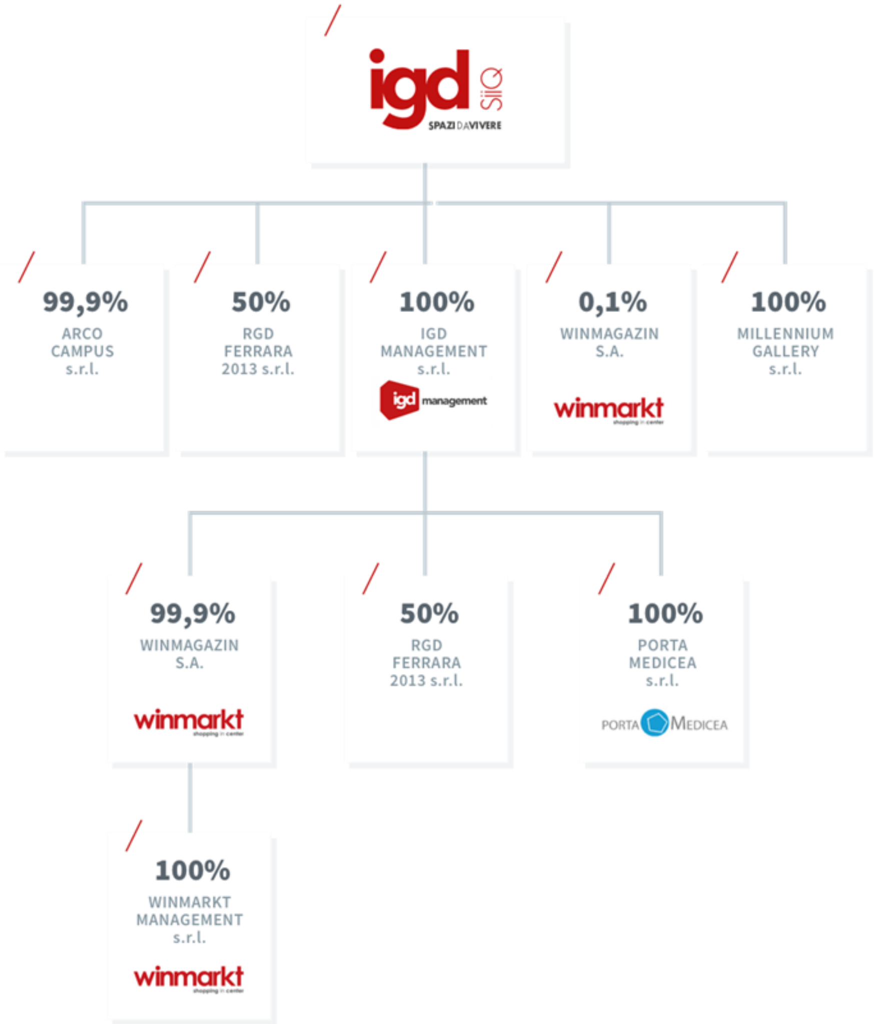
Financial Reporting Officer

Carlo Barban

1.1. The IGD Group’s Interim Financial Report

1.1. // 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.
At 30 September 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 promotion 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, Centro Piave and the Fonti del Corallo mall);
    - service activities which include mandates for the management of freehold and leasehold properties.

1.2. // Income statement review

The first nine months of 2020 were impacted negatively by the spread of the Covid-19 epidemic, first in Asia, then in Europe, followed by the Americas; in an attempt to stem the spread of the virus, many governments were forced to impose severe containment measures: in many sectors activities were shut down completely and national, as well as international, mobility were severely limited, with consequences for world trade and GDP which are estimated to have fallen considerably.[1]

Italy was the first European country to be struck by COVID-19 and to have implemented severe lockdown measures which triggered a profound downturn in the economy. Beginning in mid-May, when the restrictions were eased, the Italian economy began to show signs of a gradual recovery as manufacturing resumed, exports recovered moderately and retail sales of non-food products increased. In recent weeks, however, there has been a new surge in the pandemic, resulting in new restrictions being imposed by the government which will negatively impact the economic recovery underway. There is expected to be a positive rebound in 2021, albeit not enough to offset the loss recorded in 2020, with GDP rising around 6%.

IGD's performance was recorded in this difficult environment and it is inevitable that it was affected by the restrictive measures adopted by the Italian government in response to the COVID-19 health crisis. The restrictions imposed between 12 March and 18 May in response to the health crisis impacted the operating performances of our shopping centers. Beginning in the latter part of May, as these restrictions were eased, the operating performances showed signs of sequential improvement: footfalls showed constant improvement and recovered around 90% of the traffic recorded in the same period of the prior year. An even more significant signal comes from tenants' sales, which were down by -2.9% in September, less than footfalls, which shows an increase in the propensity to spend. The average ticket also rose (+14.1%). Electronics recorded a particularly positive performance (+6.9% Sept. 20 vs Sept. 19), as did household goods (+14.1% Sept. 20 vs. Sept. 19), while food&beverage continues to struggle. Clothing also performed well (-2.1%).
Occupancy was solid at 95.7% (vs. 95.6% at 30 June 2020), thanks also to a series of new openings in IGD's shopping centers (like Pepco at Centro Borgo and La Favorita, Wycon Cosmetics and JD Store at Centro Nova, Chicco at La Torre), testimony to the confidence that retailers continue to have in our business model.
The good faith negotiations with tenants to define payment plans for the March-May lockdown period are being finalized (to date more than 90% of the negotiations have been completed); generally no changes to existing leases were made, while deferred payments and temporary reductions were granted (amounting to around 1.7 monthly payments), the effect of which will be recognized entirely in the current year (without any carry over in subsequent years).

[1] Source: Bank of Italy – *Macroeconomic forecasts for the Italian economy*, June 2020

Romania was also severely impacted by the spread of Covid-19[2]. Similar to Italy, the restrictive measures adopted beginning on 22 March limited the operation of the Winmarkt malls. All of this impacted the operating performance of the Group's assets. Footfalls post-lockdown were down (-19%) and occupancy was slightly lower than at 30 June 2020 coming in at 93.8% due also to the exit of a tenant with multiple points of sale. Despite the complex situation, like Italy, retailers kept active and new stores continued to be opened like KIK in Cluji and Slatina, along with Styl in Tulcea and Braila.

As a result of the above, rental income was down -6.1% against 30 September 2019 due mainly to a decrease in variable revenues and an increase in vacancies as a result of delayed or failed openings and discounts granted to tenants for the lockdown period. There was a more decided decrease (-12.2%) in net rental income.

The combined effect of the dynamics described above led to a 15.0% drop in FFO which amounted to €53.4 million at 30 September 2020.

The FFO guidance, revised and disclosed last 6 August, was based on the estimated impact of the health crisis at that moment and did not take into account the repercussions that worsening health and economic conditions could have for the business.

The positive operating performances recorded to date, in line with the Italian economic trend in the third quarter which exceeded the government's expectations (+16.1% vs 2Q2020), were encouraging and hinted at a sector recovery with the possibility of an improved outlook.

In light, however, of the recent surge in the pandemic and the restrictive measures adopted by a few regions, we are confirming the previous guidance, predicated on the same reservations expressed at that time, namely barring any significant deterioration in the business or global market conditions.

The 2020 FFO guidance is, therefore, confirmed at approximately €0.54/€0.57 per share which represents a reduction of around -28%/-25% compared to the 2019 FFO.

The Group will continue to carefully monitor any changes in the market conditions, paying particular attention to protecting the safe operation of its properties and stabilizing its financial/balance sheet structure.

The Group recorded a loss of €21,318 thousand at 30 September 2020 explained mainly by fair value adjustments and the one-offs related to COVID-19. FFO came to €53,402 thousand, 15% lower than at 30 September 2019, including the one-off impact of Covid-19 for €8,050 thousand.

The estimated impact of these non-recurring items on the income statement at 30 September 2020 (one-off and without any carry over in subsequent years) includes €3,674 thousand in extra discounts already agreed upon and recognized as a drop in revenues and €4,376 thousand in other net COVID-19 costs (recognized in direct expenses) comprised of €5,802 thousand in COVID-19 costs, partially offset by a one-off gain stemming from lower rents payable on leasehold properties of roughly €1,426 thousand.

The consolidated operating income statement is shown below:

[2] Source: European Commission- *Summer Economic Forecast*, July 2020

GROUP CONSOLIDATED	(a) 30/09/2020	(b) 30/09/2019	Δ (a)/(b)
Revenues from freehold rental activities	100,231	106,665	-6.0%
Revenues from leasehold rental activities	8,747	9,378	-6.7%
Total revenues from rental activities	**108,978**	**116,043**	**-6.1%**
Rents and payable leases	-1	-94	-98.8%
Direct costs from rental activities	-19,293	-13,755	40.3%
Net rental income	**89,684**	**102,194**	**-12.2%**
Revenues from services	4,778	4,754	0.5%
Direct costs from services	-3,778	-3,981	-5.1%
Net services income	**1,000**	**773**	**29.4%**
HQ Personnel expenses	-4,595	-4,977	-7.7%
G&A Expenses	-3,291	-3,613	-8.9%
CORE BUSINESS EBITDA (Operating income)	**82,798**	**94,377**	**-12.3%**
Core business Ebitda Margin	*72.8%*	*78.1%*	
Revenues from trading	708	379	86.8%
Cost of sale and other cost from trading	-1,302	-777	67.5%
Operating result from trading	**-594**	**-398**	**49.3%**
EBITDA	**82,204**	**93,979**	**-12.5%**
Ebitda Margin	*71.8%*	*77.6%*	
Impairment and Fair Value adjustments	-77,518	-46,317	67.4%
Depreciations and Provisions	-756	-767	-1.5%
EBIT	**3,930**	**46,895**	**-91.6%**
FINANCIAL MANAGEMENT	-27,016	-24,731	9.2%
EXTRAORDINARY MANAGEMENT	-72	11	n.a.
PRE-TAX RESULT	**-23,158**	**22,175**	**n.a.**
Taxes	1,840	210	n.a.
NET RESULT FOR THE PERIOD	**-21,318**	**22,385**	**n.a.**
(Profit/Loss) for the period related to third parties	0	0	n.a.
GROUP NET RESULT	**-21,318**	**22,385**	**n.a.**

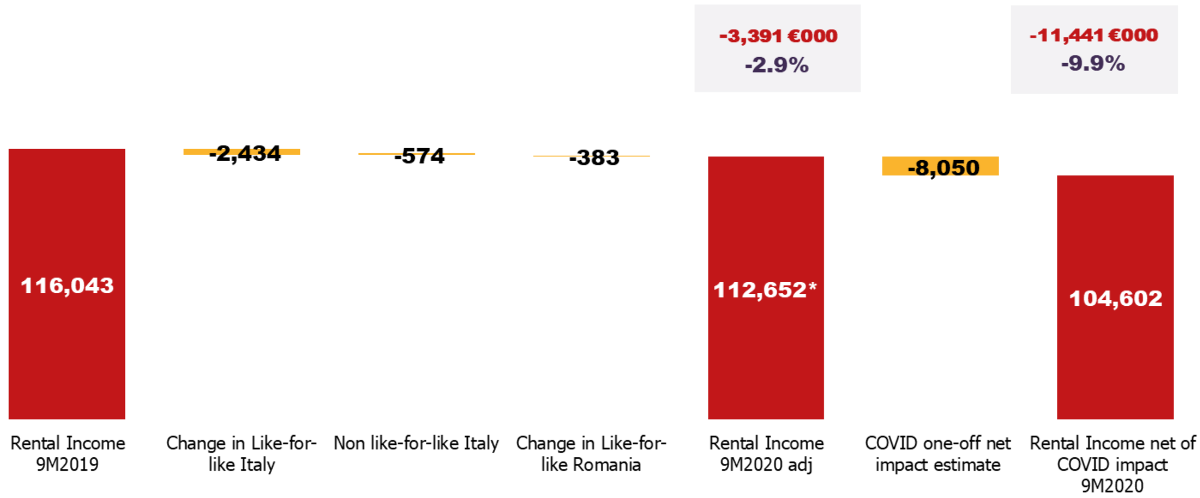
The income statement below shows the figures for the last quarter:

GROUP CONSOLIDATED	(a) 3Q_2020	(b) 3Q_2019	Δ (a)/(b)
Revenues from freehold rental activities	31,538	35,590	-11.4%
Revenues from leasehold rental activities	2,803	3,109	-9.8%
Total revenues from rental activities	**34,341**	**38,699**	**-11.3%**
Rents and payable leases	1	-41	n.a.
Direct costs from rental activities	-947	-5,023	-81.1%
Net rental income	**33,395**	**33,635**	**-0.7%**
Revenues from services	1,640	1,566	4.7%
Direct costs from services	-1,274	-1,258	1.3%
Net services income	**366**	**308**	**18.7%**
HQ Personnel expenses	-1,520	-1,496	1.6%
G&A Expenses	-880	-1,022	-13.9%
CORE BUSINESS EBITDA (Operating income)	**31,361**	**31,425**	**-0.2%**
Core business Ebitda Margin	*87.2%*	*78.0%*	
Revenues from trading	258	379	-32.0%
Cost of sale and other cost from trading	-457	-489	-6.6%
Operating result from trading	**-199**	**-110**	**80.9%**
EBITDA	**31,162**	**31,315**	**-0.5%**
Ebitda Margin	*86.0%*	*77.0%*	
Impairment and Fair Value adjustments	-3,941	-7,501	-47.5%
Depreciations and Provisions	-253	-262	-3.3%
EBIT	**26,968**	**23,552**	**14.5%**
FINANCIAL MANAGEMENT	-9,050	-8,316	8.8%
EXTRAORDINARY MANAGEMENT	0	8	n.a.
PRE-TAX RESULT	**17,918**	**15,244**	**17.5%**
Taxes	-406	42	n.a.
NET RESULT FOR THE PERIOD	**17,512**	**15,286**	**14.6%**
(Profit/Loss) for the period related to third parties	0	0	n.a.
GROUP NET RESULT	**17,512**	**15,286**	**14.6%**

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 fell 6.1% to €108,978 thousand in the first nine months of the year due, only partially, to the unforeseen situation. This figure reflects the roughly €3,674 thousand in COVID-19 discounts that were already agreed upon.



*this value is gross of COVID reductions already granted for €3,676k. Net of the reductions, rental income amounts to €108,978k (-6.1% - €7,065k)

The decrease of €3,391 thousand is explained by:

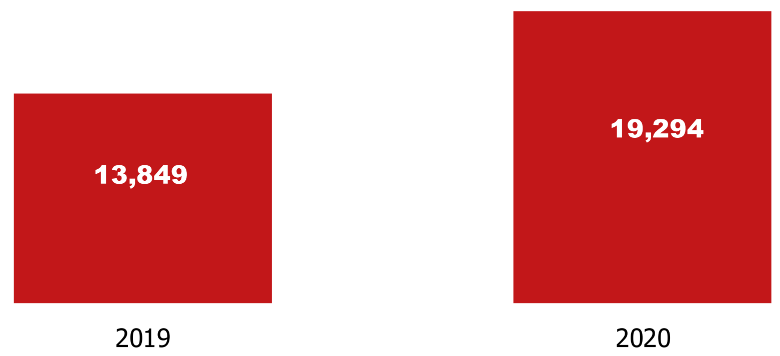
- for around €2,434 thousand, lower revenue like-for-like in Italy. The decrease is almost entirely attributable to malls (-3.2%), explained above all by the drop in variable and temporary revenue attributable to the lockdown period; hypermarkets were up slightly (+0.3%) consistent with their full operation even during the lockdown period. 130 leases were signed in the nine-month period at lower rents;
- for €574 thousand, lower revenue not like-for-like attributable to asset rotation at Darsena and Palazzo Orlando (September 2019) and remodeling of the hypermarkets in Faenza, Livorno, Porto Grande and Conegliano;
- for €383 thousand, lower revenue like-for-like in Romania due to higher discounts for the lockdown period, as well as lower variable revenue and the exit of a tenant with multiple points of sale. 191 leases were signed in the period with an average upside of +0.42% on renewals.

Good faith negotiations are underway with the tenants to define how to manage the lockdown period and become fully operational; **generally, no changes to existing leases were made, while deferred payments and temporary reductions were granted**, the effect of which will be recognized entirely in the current year (without any carry over in subsequent years).

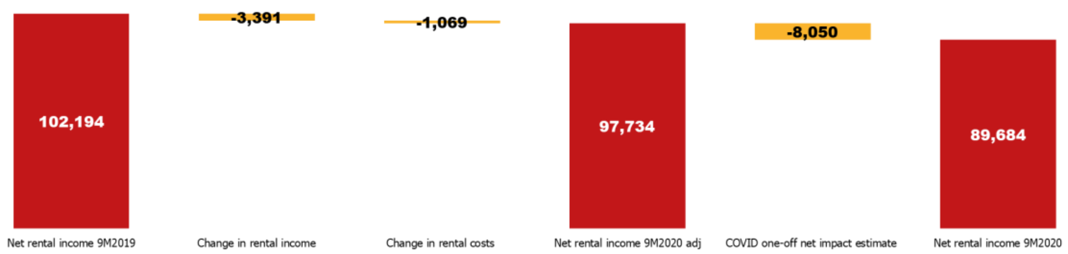
In Italy more than 90% of the negotiations had been completed at 30 September 2020. While waiting to have a complete picture of the agreements and verify the operating performances, in the consolidated figures at 30 September 2020 the Group included the net impact of the COVID-19 one-offs for around €8,050 thousand, which includes €3,674 thousand in extra discounts already agreed upon and recognized as a drop in revenues and €4,376 thousand in other net COVID-19 costs (recognized in direct expenses) comprised of other COVID-19 costs of €5,802 thousand, partially offset by a one-off gain stemming from lower rents payable on leasehold properties of roughly €1,426 thousand. Total revenues, net the non-recurring COVID-19 costs recorded at 30 September 2020, would have been down by 2.9%.

The direct costs for the rental business amounted to €19,294 thousand. The increase in costs is attributable mainly to the other COVID-19 costs described above and higher provisions for doubtful accounts, condominium fees and insurance premiums, partially offset by lower IMU (property tax), commercial contributions, direct personnel expense, and maintenance.
Net of the one-off impact of COVID-19, these costs would have amounted to €14,918 thousand, €1,069 thousand higher than in the same period of the prior year.

Direct costs from rental activities



Net rental income amounted to €89,684 thousand or 12.2% less than in the same period of the prior year.



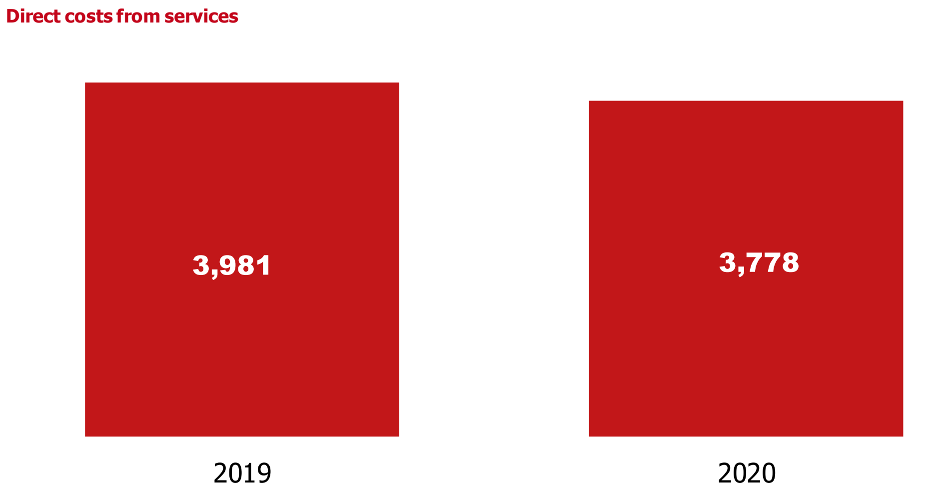
Net rental income freehold amounted to €80,736 thousand, down 13.4% with respect to the same period of the prior year due to the estimated one-off impact of COVID-19 of €8,050 thousand. The margin is sizeable, coming in at 80.6% of revenue, but lower than in the prior year due to the drop in revenue and higher direct costs

Net rental income leasehold amounted to €8,948 thousand or 0.7% less than in the same period of the prior year.

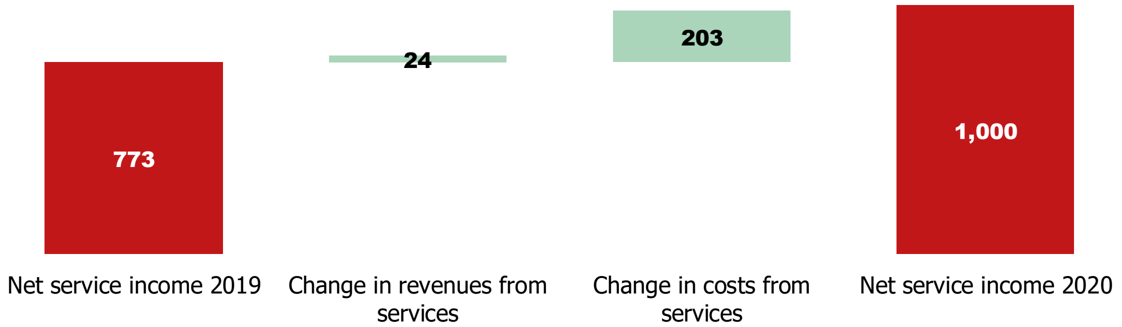
Net service income

Revenue from services was basically in line with the prior year. Most of this revenue comes from the facility management business (91.7% of the total or €4,383 thousand), which was higher than in the prior period (+0.8%) due mainly to a new management mandate. Revenue from agency was up, while revenue from pilotage and other services (outsourcing services) was down**.**

The direct costs for services amounted to €3,778 thousand, a decrease of €203 thousand (-5.1%) compared to the same period of the prior year due mainly to lower network personnel expense.



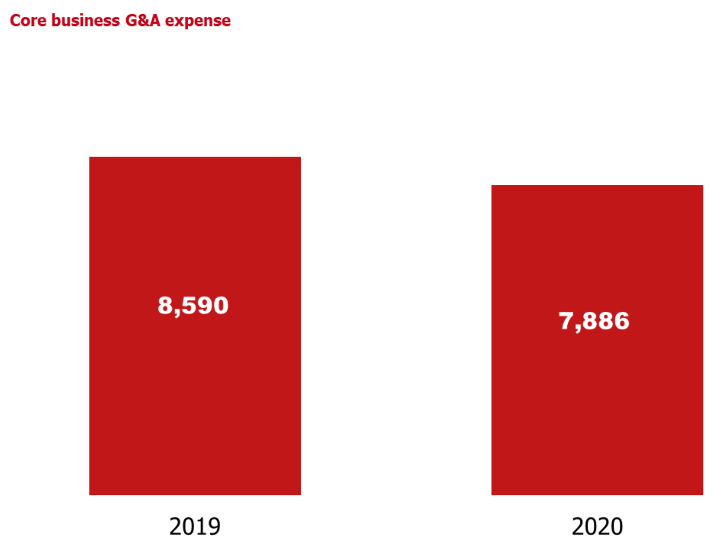
Net services income amounted to €1,000 thousand, an increase of 29.4% compared to the same period of the prior year, rising as a percentage of services income from 16.3% in the same period of the prior year to 20.9%.



General expenses for the core business

General expenses for the core business, including payroll costs at headquarters, came to €7,886 thousand, down (-8.2%) against the €8,590 thousand posted in the first nine months of 2019, attributable to the actions on costs taken by the Group, primarily payroll costs at headquarters and consultancies, partially offset by an increase in corporate communication costs attributable to post-lockdown promotional campaigns.

These costs came to around 6.9% of core business revenue

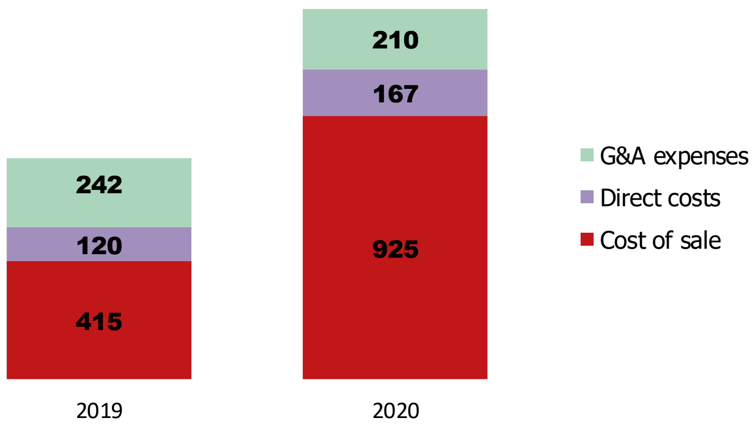


Operating results for trading

Trading posted an operating loss of €594 thousand, which was lower than in the first nine months of 2019.

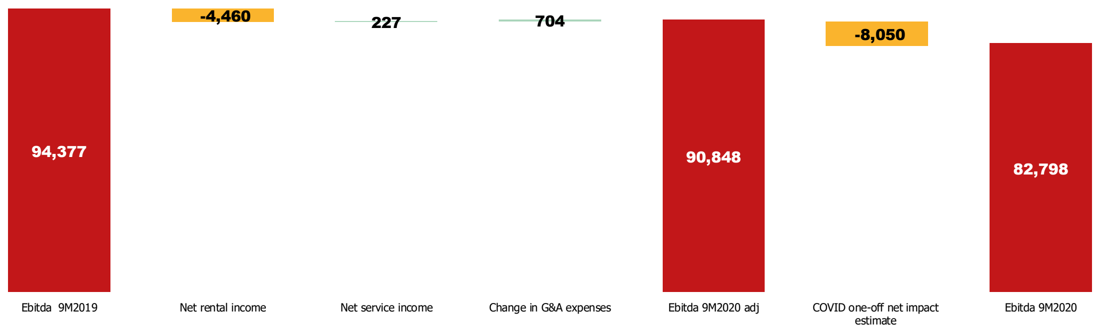
In the first nine months of the year two residential units in the Mazzini area, two garages and two parking spots were sold, as described in greater detail in section 1.4. As a result of these transactions, all the residential units in this area have been sold/pledged.

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

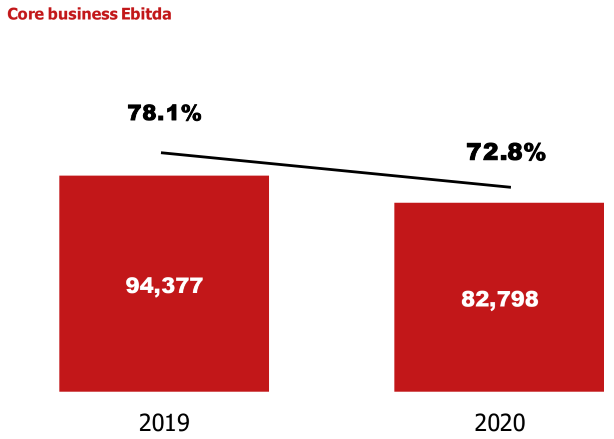


EBITDA

In the first nine months of 2020 **core business EBITDA**, including the estimated impact of COVID-19, fell 12.3% against the same period of the prior year to €82,798 thousand, while total EBITDA fell by 12.5% to €82,204 thousand. The changes in the components of core business EBITDA during the first nine months of 2020 are shown below.



The core business **EBITDA MARGIN** reached 72.8%, lower than in the same period of the prior year.



Fair value adjustments and impairment

Fair value adjustments and impairment were negative for €77,518 thousand at 30 September 2020, higher than the €46,317 thousand recorded at 30 September 2019, explained by:

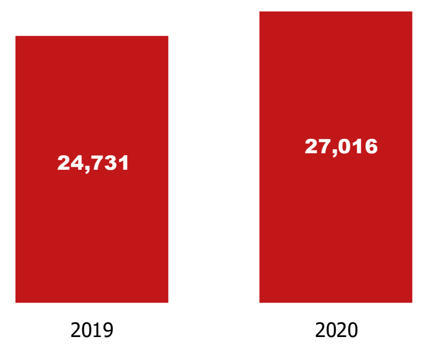
- for €8,805 thousand, the right-of-use assets stemming from IFRS 16 application including the increases recorded in the reporting period (of which €2,610 thousand in the third quarter of 2020);
- for €10,231 thousand, the restyling completed in the reporting period, extraordinary maintenance of the properties owned by the IGD Group's Italian companies and progress on the work done on the Officine Storiche area in Livorno (of which €1,191 thousand relative to the work done in the third quarter of 2020);

- for €50,014 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 2020;
- for €398 thousand, the extraordinary maintenance of the Romanian subsidiary Win Magazin S.a.'s freehold properties (of which €139 thousand relative to work done in the third quarter of 2020);
- for €8,070 thousand, fair value adjustments of investment properties held by the Romanian subsidiary Win Magazin SA based on independent appraisals at 30 June 2020.

EBIT

EBIT amounted to €3,930 thousand, lower than in the same period of the prior year; this change is attributable to the factors described above.

Financial income and charges



Financial charges went from €24,731 thousand at 30 September 2019 to €27,016 thousand at 30 September 2020. The increase, of around €2,285 thousand, is attributable mainly to higher financial expense for bond loans and higher amortized cost 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 30 September 2020 was 2.30%, unchanged compared to 30 June 2020 and slightly lower than the 2.35% recorded at 31 December 2019, while the weighted average effective cost of debt went from 2.98% at 31 December 2019 to 2.68%.
The interest cover ratio (ICR), the ratio of Ebitda to interest expense, came to 3.04x, higher compared to the 2.84x posted at 30 June 2020 and lower compared to 3.39x at 31 December 2019.

Equity investments and property sales

This item showed a loss of -€72 thousand at 30 September 2020 due to the complete write-off of IGD Management S.r.l.'s investment in Iniziative Bologna Nord.

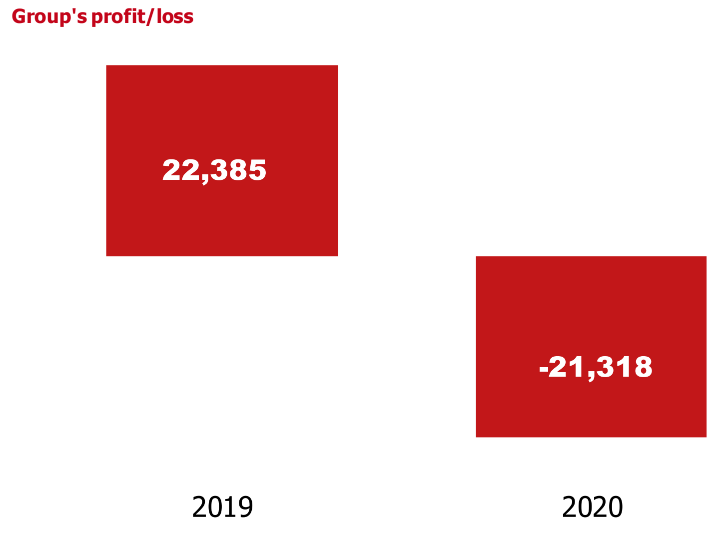
Taxes

	30/09/2020	30/09/2019	Change
Current taxes	803	1,083	(280)
Deferred tax liabilities	(2,575)	(1,217)	(1,358)
Deferred tax assets	66	(73)	139
Out-of-period income/charges	(134)	(3)	(131)
Income taxes	**(1,840)**	**(210)**	**(1,630)**

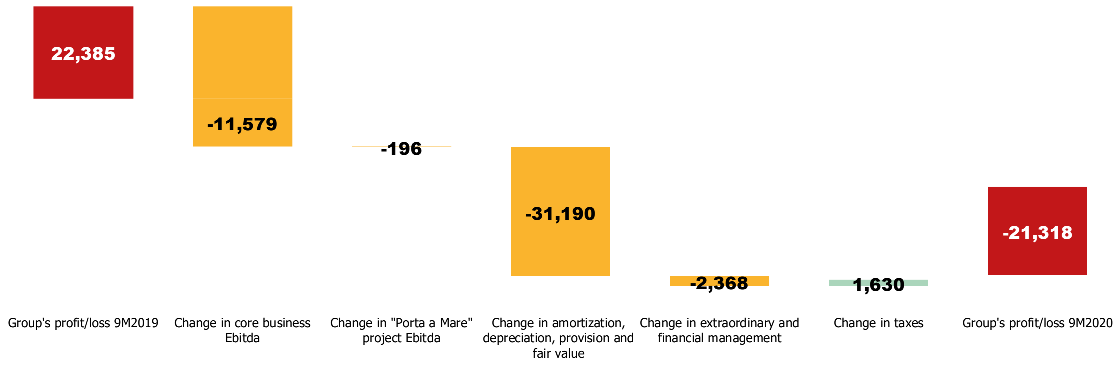
The tax burden, current and deferred, reached €1,840 thousand at 30 September 2020, a decrease of €1,630 thousand against 30 September 2019 explained primarily by: i) the adjustment made to deferred tax assets and liabilities in order to align the fair value with the tax assessed value of a few real estate investments held by subsidiaries and (ii) the impact of the deferred tax recognized in accordance with IFRS 16.
Current tax is €280 thousand lower than in the same period of the prior year as a result mainly of the drop in revenue attributable to the lockdown.
Contingent assets consist mainly of the effects for the various Group companies of the cancellation of the IRAP (regional business tax) balance for 2019 and first advance payment for 2020, as provided for by the "Decreto Rilancio" (Recovery Decree) published in the Gazzetta Ufficiale on 19 May 2020.

Group net loss

As a result of the above, the Group recorded a net loss of €21,318 thousand, €43,703 thousand less than the net profit of €22,385 thousand recorded at 30 September 2019.



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

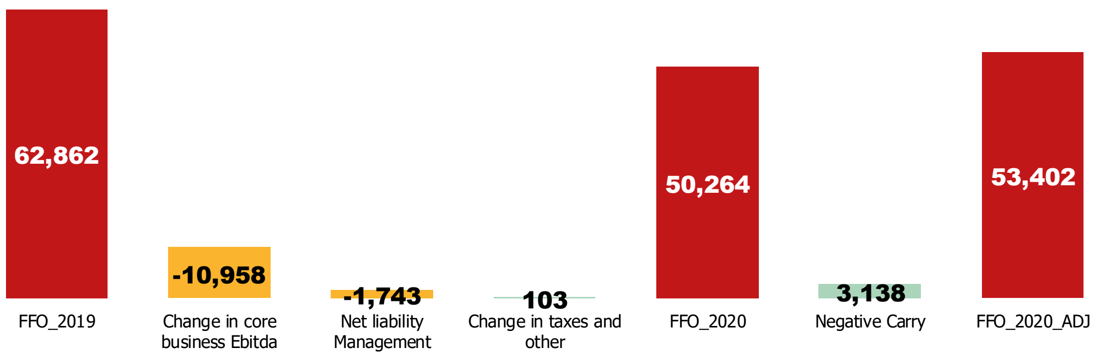


Core business FFO

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 €53,402 thousand at 30 September 2020, lower than the same period of the prior year as a result of the decrease in EBITDA explained primarily by the net one-off impact of COVID-19 on the first nine months of the year. Financial charges were lower, net of the negative carry for 2020 stemming from the new €400 million bond issue finalized in November 2019 and rents payable (which includes the estimated decrease in rents to be paid).

Funds from Operations	2020	2019	Δ	Δ%
Core business EBITDA*	**82,960**	**94,652**	**(11,692)**	-12.4%
IFRS16 Adjustments (Payable leases)	(6,899)	(7,633)	734	-9.6%
Financial management Adj	(25,042)	(23,299)	(1,743)	7.5%
Current taxes for the period Adj	(755)	(858)	103	-12.0%
FFO	**50,264**	**62,862**	**(12,598)**	-20.0%
Negative Carry	3,138	0	3,138	
FFO ADJ	**53,402**	**62,862**	**(9,460)**	-15.0%

* Net of non-recurring costs



*includes the one-off COVID-19 impact of € 8,050 thousand

1.3. // Statement of financial position and financial review

The IGD Group's statement of financial position at 30 September 2020 can be summarized as follows:

	30/09/2020	30/06/2020	Δ	%	31/12/2019	Δ	%
Investment property	2,297,973	2,300,570	(2,597)	-0.11%	2,365,214	(67,241)	-2.84%
Assets under construction and advance payments	42,714	40,610	2,104	5.18%	40,827	1,887	4.62%
Intangible assets	12,519	12,524	(5)	-0.04%	12,535	(16)	-0.13%
Other tangible assets	8,624	8,750	(126)	-1.44%	8,970	(346)	-3.86%
Sundry receivables and other non-current assets	129	127	2	1.83%	118	11	9.70%
Equity investments	151	151	0	0.00%	223	(72)	-32.29%
Net working capital	45,940	19,094	26,846	140.60%	18,441	27,499	149.12%
Funds	(6,817)	(6,420)	(397)	6.18%	(7,125)	308	-4.32%
Sundry payables and other non-current liabilities	(21,275)	(21,831)	556	-2.55%	(21,873)	598	-2.73%
Net deferred tax (assets)/liabilities	(24,575)	(24,097)	(478)	1.98%	(26,313)	1,738	-6.61%
Total use of funds	**2,355,383**	**2,329,478**	**25,905**	**1.11%**	**2,391,017**	**(35,634)**	**-1.49%**
Total shareholders' equity	1,166,911	1,148,084	18,827	1.64%	1,211,014	(44,103)	-3.64%
Net (assets) and liabilities for derivative instruments	14,944	15,830	(886)	-5.60%	17,365	(2,421)	-13.94%
Net debt	1,173,528	1,165,564	7,964	0.68%	1,162,638	10,890	0.94%
Total sources	**2,355,383**	**2,329,478**	**25,905**	**1.11%**	**2,391,017**	**(35,634)**	**-1.49%**

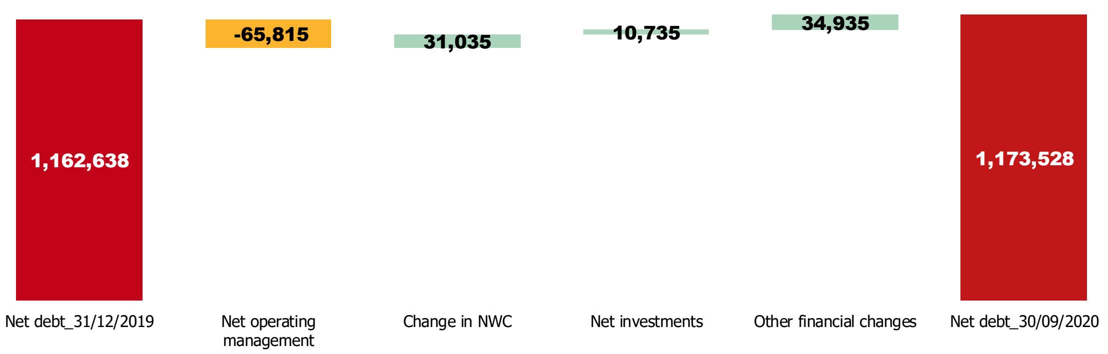
The principal changes in the third quarter, compared to 30 June 2020, relate to

- ✓ **Investment property,** was €2,597 thousand lower. At 30 September 2020, the Group adjusted the fair value of the right-of-use of 3 leashold shopping centers. This adjustment resulted in the recognition of an impairment loss of €2,610 thousand, of which €2,597 thousand relative to the fair value adjustment and €13 thousand relative to the writedown of the leasehold improvement made in the quarter. In the third quarter work continued, which could not be postponed, on extraordinary maintenance relating primarily to earthquake proofing at the Centro d'Abruzzo and Porto Grande shopping centers, waterproofing at the La Favorita and Fonti del Corallo shopping centers and work on fire alarm systems mainly in a few Romanian shopping centers. These costs, amounting to €1,332 thousand, caused a decrease in fair value of the same amount;
- ✓ **Assets under construction and advances**, which showed an increase of €2,104 thousand due mainly to the continuation of work on Officine Storiche (€2,080 thousand). Furthermore, as described in greater detail in section 1.4, as a result of the COVID-19 health crisis and the lockdown period the Group decided to suspend all work underway. In the third quarter, in addition to the work on Officine Storiche, planning of the remodeling projects at "La Favorita" in Mantua and "Porto Grande" in San Benedetto del Tronto continued (€24 thousand);
- ✓ **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 €26,846 thousand against 30 June 2020 explained primarily by: (i) the increase in trade and related party receivables of €3,738 thousand due to the adjustment in payment dates made by the Group in the second quarter of 2020 as an initial form of financial support for tenants during the lockdown period; (ii) a decrease in inventory of €363 thousand linked to the work done in the period explained for €667 thousand by work carried out, partially offset by the sale of one residential unit; (iii) the decrease in other current and related party liabilities of around €25,646 thousand due mainly to the payment of dividends in July 2020; (iv) an increase in trade payables of €1,245 thousand;

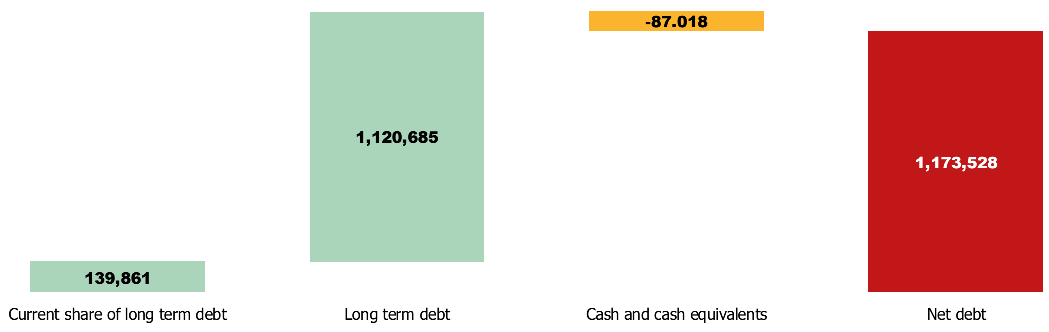
	30/09/2020	30/06/2020	Δ	%	31/12/2019	Δ	%
Inventories	32,796	32,433	363	1.12%	33,602	(806)	-2.40%
Trade and other receivables	36,728	32,429	4,299	13.26%	11,114	25,614	230.47%
Related parties trade and other receivables	1,800	2,361	(561)	-23.76%	921	879	95.44%
Other current assets	4,235	4,576	(341)	-7.45%	3,084	1,151	37.32%
Trade and other payables	(11,544)	(10,299)	(1,245)	12.09%	(15,960)	4,416	-27.67%
Related party trade and other payables	(2,169)	(1,309)	(860)	65.70%	(1,031)	(1,138)	110.38%
Current tax liabilities	(4,997)	(4,542)	(455)	10.02%	(2,601)	(2,396)	92.12%
Other current liabilities	(10,909)	(23,770)	12,861	-54.11%	(10,688)	(221)	2.07%
Related parties other current liabilities	0	(12,785)	12,785	-100.00%	0	0	0.00%
Net Working Capital	**45,940**	**19,094**	**26,846**	**140.60%**	**18,441**	**27,499**	**149.12%**

- ✓ **Provisions for risks and charges** which showed an increase of €397 thousand explained by (i) the provisions made for bonuses 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 €24,097 thousand to €24,575 thousand due to tax misalignments relating to *(i)* fair value adjustments of investment property which is not included in the SIIQ perimeter, and *(ii)* hedges (IRS);
- ✓ The **Group's net equity** amounted to €1,166,911 thousand at 30 September 2020. The increase of €18,827 thousand is explained mainly by:
  - for approximately -€38 thousand, movements in the translation reserve for the translation of foreign currency financial statements;
  - an adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to around +€939 thousand for the parent company and approximately €73 thousand for a subsidiary;
  - the sale of all treasury shares held in September 2020 for €341 thousand, €541 thousand of which is attributable to the elimination of the relative negative reserve and €200 thousand to the contingent liability recognized on the sale of these shares;
  - for €17,512 thousand, the Group's portion of the profit recorded in the third quarter.
- ✓ Net liabilities for derivatives were down against the prior quarter due to the fair value measurement of hedging instruments.

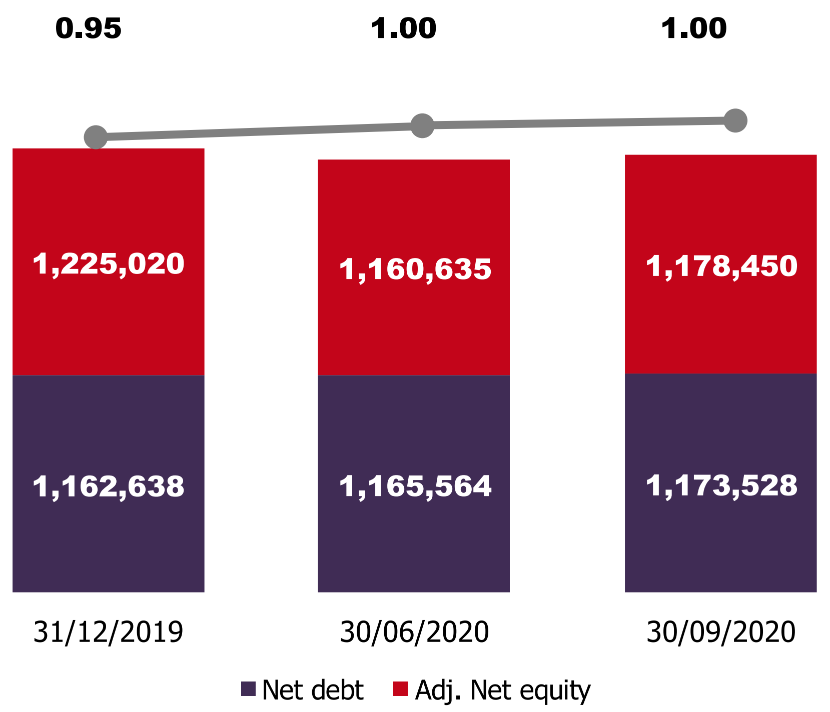
The **net financial position** at 30 September 2020 was slightly higher, by about €7,964 thousand, with respect to the prior quarter. The changes are shown below:



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 ratio came to 1.00 at 30 September 2020, in line with the figure recorded at 30 June 2020.



1.4. // Significant events at 30 September 2020

The main events for the reporting period are described below.

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 and the share capital reduction was recognized in the accounts.

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 severity of the international public health crisis caused by COVID-19, the measures 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, due to 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 were not triggered. On 08 April 2020 Moody's Investors Service put IGD's long term corporate family rating and the "Ba1" senior unsecured rating of its securities maturing 2021 (with an outstanding of around €71 million) on rating watch. The outlook was changed from stable to "under review".

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 proposed 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 Board of Directors also approved the interim financial report at 31 March 2020.

On 11 June 2020 the Ordinary Annual General Meeting of IGD SIIQ S.p.A. approved the 2019 financial statements of IGD SIIQ S.p.A., and resolved to pay a dividend of €0.228152 per share. The total dividend payable on the 110,232,654 ordinary shares of IGD outstanding at 7 May 2020, net of treasury shares held by the company at the same date, amounts to €25,149,800.48 to be taken from:

- for €5,578,654.15, distributable income generated entirely by exempt operations;
- for €19,571,146.33, utilization of the reserve for retained earnings from exempt operations.

The earnings distributed from exempt operations totals €25,149,800.48 or €0.228152 per share.

On 9 July 2020 Moody's downgraded IGD's long-term debt from "Ba1" to "Ba2" with a stable outlook due to the rapid spread of the Coronavirus epidemic and the weakening global economic prospects. As a result of these changes and in accordance with the respective regulations, the step up clauses were not triggered.

On 6 August 2020 the Board of Directors examined and approved the half-year financial report as at 30 June 2020.

Pursuant to the resolution approved during the Ordinary Shareholders' Meeting held on 11 June 2020 which revoked the prior authorization granted on 10 April 2019 for the purchase of treasury shares, Immobiliare Grande Distribuzione SIIQ S.p.A.'s liquidity enhancement program was terminated and all the treasury shares held were sold.

In September 2020 IGD received the "EPRA BPR Gold Award" (Best Practice Recommendations) for its 2019 Consolidated Annual Report for the third year in a row. This prize testifies to IGD's continuous commitment to further increasing the transparency and comparability of its communication, which benefits investors, the financial community and all the Group's stakeholders.
For the sixth consecutive year IGD also received the "EPRA sBPR Gold Award" (sustainability Best Practice Recommendations), for the 2019 Corporate Sustainability Report which was assigned after examining the annual reports of 158 European sector companies. This prize confirms the high standards achieved by IGD in terms of sustainability reporting.

On 24 September 2020 IGD SIIQ signed an agreement with Banca Monte dei Paschi di Siena for a 6-year €36.3 million loan, guaranteed by SACE as part of the Garanzia Italia program (at a rate that, including the cost of the government guarantee, is in line with the Group's average cost of debt). The loan guaranteed by SACE will be used by the Company to finance investments in Italy still in the pipeline and other operating costs, including working capital.

On 28 September 2020, Sergio Lugaresi tendered his resignation as an independent director due to other professional commitments.

Investments

During the first quarter of 2020 the Group continued with development of the Porta a Mare – Officine Storiche 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.
In the wake of the Covid-19 health crisis and the lockdown period, in the second quarter of 2020, and susbsequently in the third quarter, the Group decided to suspend all work underway with the exception of anything that could not be postponed.
The investments made at 30 September 2020 are shown below:

	30/09/2020 Euro/mln	30/06/2020 Euro/mln	III Quarter 2020 Δ
Development projects:			
Porta a Mare project: Officine Storiche retail area (in progress)	4.64	2.55	2.09
Porta a Mare project (Trading) (in progress)	1.53	0.86	0.67
Restyling in progress	0.46	0.43	0.03
Restyling completed in 2020	0.71	0.71	0
Extraordinary maintenance	4.94	3.60	1.34
Total IGD's Portfolio	**12.28**	**8.15**	**4.13**

Development projects

"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. In June, July and August the subsidiary also finalized the sale of two residential units for which the preliminary agreements had been signed in 2019, as well as 2 garages and 2 parking places. As a result of these transactions all the residential units in the Mazzini section have been sold (preliminary agreements are in place for the sale of two units which should close by the end of the year).
As described above, in the second quarter work was suspended due to Covid-19 restrictions. In August and September work resumed on protecting the buildings already constructed and a revised plan was drafted. Work on the revised plan began in September.
Work on the Officine Storiche area (residential portion) continued during the reporting period for a total of around €1,531 thousand (of which €668 thousand in the third quarter), while work on the retail portion, which is now expected to be completed in 2021 because of the pandemic, amounted to approximately €5,065 thousand, €432 thousand of which related to advances paid in prior periods (€2,206 thousand in the third quarter, €126 thousand of which related to advances paid in prior periods). Three preliminary sales agreements for residential units in the Officine Storiche area had been signed at 30 September 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 Coop Alleanza 3.0 to reduce the area of the hypermarket and create, consequently, two new midsize retail areas. The costs incurred for work done in the quarter amounted to €153 thousand. The substitution of lighting with LED lighting systems in order to increase energy efficiency at the Punta di Ferro Shopping Center in Forlì was completed, as was the restyling of the first floor of the Darsena Shopping Center in preparation for the opening of a leisure zone. The work completed in the first half amounted to €184 thousand and €375 thousand, respectively.

At 30 September 2020 work was 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 begin early 2021. The costs incurred for the work done in the reporting period amounted to €194 thousand (€20 thousand of which in the third quarter);
- 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 2021. Work totaling €103 thousand was completed at 30 September (€6 thousand of which in the third quarter);
- creating new midsize retail areas in the Gran Rondò Shopping Center and Retail Park in Crema for a total of €155 thousand at 30 June 2020. No work was done in the quarter.

As described above, in the wake of the Covid-19 health crisis and the lockdown, the Group decided to suspend all the work underway. The planning of the improvements to be made at the La Favorita center in Mantua and Porto Grande in San Benedetto del Tronto resumed in the third quarter and work is expected to begin early 2021.

La Favorita (MN) – Piazza food

Galleria Gran Rondò - Crema

Extraordinary maintenance

In the first, second and third quarters of 2020, only extraordinary maintenance deemed essential continued for a total of €4,941 thousand, relating mainly to earthquake proofing at the Centro d'Abruzzo and Porto Grande shopping centers, waterproofing at La Favorita and Fonti del Corallo shopping centers, 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 30 September 2020.

1.5. // Subsequent events

On 1 October 2020 the rating agency Fitch Ratings Ltd confirmed the investment grade rating BBB-, removed the Rating Watch Negative and changed the outlook to negative.

On 16 October 2020 Banca Monte dei Paschi di Siena disbursed a 6-year €36.3 million loan, guaranteed by SACE as part of the Garanzia Italia program (at a rate that, including the cost of the government guarantee, is in line with the Group's average cost of debt) to IGD SIIQ S.p.A. as per the loan agreement signed on 24 September 2020.

1.6. // Outlook

With regard to the Covid-19 health crisis, including in light of the recent surge in infections both domestically and in Europe, the Group is carefully assessing the possible impact of the pandemic on the economic-financial results and financial position, by focusing on three key indicators, specifically: (i) profitability, (ii) valuation of the real estate investments, and (iii) liquidity.
With regard to FY profitability projections, the Group simulated the impact that a drop in the rental income generated by Italian malls and Romania would have (hypermarkets and supermarkets, as well as a series of "essential" activities, were not affected by the containment measures by the government in response to the health crisis). The Company decided to activate a series of initiatives aiming to modify lease payments falling due in the second quarter of 2020 and, after obtaining the necessary indications from the government regarding tax relief and financial assistance being offered businesses impacted by the pandemic (i.e. the "Cura Italia" Legislative Decree and the "Rilancio" Legislative Decree), began good faith negotiations with individual tenants in order to adjust the leases. These activities, which have basically been concluded with respect to the first half (lock-down period and restart of activities), are prudently being assessed by the Company's management while waiting to have a better picture as how the epidemic will unfold in the fall.
At the same time the Group had already implemented a series of measures to contain operating costs in order to mitigate the economic impact.
Significant uncertainty still surrounds the valuation of real estate investments; currently, in light of the unpredictable evolution of infection rates domestically and globally, as well as the lack of significant transactions (a considerable decline in retail investments was also recorded in the third quarter of 2020), we believe that it would be premature to provide indications in this regard. At any rate, in our view the Group's equity is more than enough to sustain the impact of any additional fair value adjustments that might materialize at 31 December 2020.
With regard to liquidity, subsequent to the issue of a new €400 million bond and the partial buyback of existing bonds in November 2019, the Group had cash on hand of around €87 million at 30 September 2020. Thanks to this liquidity, as well as the available credit lines (including recently renewed committed facilities) and including the bond maturities repayable in May 2021 of around €71 million, the Group is currently not subject to any financial distress. In order to mitigate the negative effects of a hypothetical drop in revenue, the foreseeable difficulties with credit collection and maintain a solid and balanced financial structure, the Group decided to adopt additional extraordinary measures including the suspension/postponement of a few capex slotted for this year which will result in total savings of around €40 million, the reformulation of the 2020 dividend and the use of government funding (the application for a €36.3 million loan guaranteed

by Sace Spa was finalized and the funds were disbursed on 16 October 2020). Thanks also to the actions described above, the Group will be able to meet all upcoming maturities.
As announced on 7 May 2020, when the results for 1Q 2020 were approved, and reiterated on 6 August 2020, when the results for 1H 2020 were approved, as a result of the economic-financial impact of the Covid-19 health crisis, the 2020 FFO guidance originally disclosed to the market on 27 February 2020 needed to be revised.
In light of the results achieved in 3Q 2020, both financial-economic and operating, and taking into account the estimated impact of COVID-19 on the current year (one-off and, therefore, without considering further implications for subsequent years), the new 2020 FFO guidance is approximately €0.54/€0.57 per share which represents a decrease of around -28%/-25% compared to the 2019 FFO. It is important to stress, as mentioned in the introduction, that elements of risk and uncertainty not controllable by the company remain including, for example, the risk of a second wave of the virus or the implementation of new restrictions.
Given this backdrop, the 2021 targets for the Business Plan 2019-2021 (presented on 7 November 2018) should no longer be considered current as they were defined based on hypotheses formulated before the spread of the pandemic and the onset of the Covid-19 emergency, in a scenario that is very different from the current one, that changes every day. The Company will prepare an updated Business Plan when the overall picture is clearer and more stable in order to base the plan on the new, most updated macroeconomic and sector conditions.

2. IGD GROUP CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2020

2.1. // Consolidated income statement

(in thousands of Euros)	30/09/2020 (A)	30/09/2019 (B)	Change (A)-(B)	3° Q 2020 (C)	3° Q 2019 (D)	Change (C)-(D)
Revenue	108,926	116,043	(7,117)	34,290	38,699	(4,409)
Other revenue	4,829	4,754	75	1,690	1,566	124
Revenues from property sales	708	379	329	258	379	(121)
Ricavi e proventi operativi	**114,463**	**121,176**	**(6,713)**	**36,238**	**40,644**	**(4,406)**
Change in inventory	618	425	193	364	123	241
Revenues and change in inventory	**115,081**	**121,601**	**(6,520)**	**36,602**	**40,767**	**(4,165)**
Construction costs for the period	1,530	832	698	666	509	157
Service costs	9,433	11,217	(1,784)	1,960	3,873	(1,913)
Cost of labour	7,024	7,446	(422)	2,309	2,345	(36)
Other operating costs	13,426	8,108	5,318	8,371	2,667	5,704
Total operating costs	**31,413**	**27,603**	**3,810**	**13,306**	**9,394**	**3,912**
Depreciations, amortization and provisions	(457)	(461)	4	(156)	(158)	2
(Impairment losses)/Reversals on work in progress and inventories	(2,159)	(141)	(2,018)	0	0	0
Provisions for doubtful accounts	(1,763)	(325)	(1,438)	7,769	(162)	7,931
Change in fair value	(75,359)	(46,176)	(29,183)	(3,941)	(7,501)	3,560
Depreciation, amortization, provisions, impairment and change in fair value	**(79,738)**	**(47,103)**	**(32,635)**	**3,672**	**(7,821)**	**11,493**
EBIT	**3,930**	**46,895**	**(42,965)**	**26,968**	**23,552**	**3,416**
Income/ (loss) from equity investments and asset disposal	**(72)**	**11**	**(83)**	**0**	**8**	**(8)**
Financial Income	68	51	17	41	25	16
Financial charges	27,084	24,782	2,302	9,091	8,341	750
Net financial income (expense)	**(27,016)**	**(24,731)**	**(2,285)**	**(9,050)**	**(8,316)**	**(734)**
Pre-tax profit	**(23,158)**	**22,175**	**(45,333)**	**17,918**	**15,244**	**2,674**
Income taxes	(1,840)	(210)	(1,630)	406	(42)	448
NET PROFIT FOR THE PERIOD	**(21,318)**	**22,385**	**(43,703)**	**17,512**	**15,286**	**2,226**
Non-controlling interests in (profit)/loss for the period	0	0	0	0	0	0
Profit/(loss) for the period attributable to the Parent Company	**(21,318)**	**22,385**	**(43,703)**	**17,512**	**15,286**	**2,226**

2.2. // Consolidated statement of comprehensive income

(in thousands of Euros)	30/09/2020 (A)	30/09/2019 (B)	Change (A-B)	3°Q 2020 (C)	3°Q 2019 (D)	Change (C-D)
NET PROFIT FOR THE PERIOD	**(21,318)**	**22,385**	**(43,703)**	**17,512**	**15,286**	**2,226**
Total components of comprehensive income that will not be reclassified to profit/(loss), net of tax effects	**0**	**0**	**0**	**0**	**0**	**0**
Other components of comprehensive income that will be reclassifed to profit/(loss)						
Effetcs of hedge derivatives on net equity	3,163	(5,444)	8,607	1,303	(353)	1,656
Tax effects on hedge derivatives on net equity	(697)	1,367	(2,064)	(291)	106	(397)
Other effects on income statement components	(99)	(87)	(12)	(38)	(24)	(14)
Total components of comprehensive income that will be reclassifed to profit/(loss)	**2,367**	**(4,164)**	**6,531**	**974**	**(271)**	**1,245**
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	**(18,951)**	**18,221**	**(37,172)**	**18,486**	**15,015**	**3,471**
Non-controlling interests in (profit)/loss for the period	0	0	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	**(18,951)**	**18,221**	**(37,172)**	**18,486**	**15,015**	**3,471**

2.3. // Consolidated statement of financial position

(in thousands of Euros)	30/09/2020 (A)	30/06/2020 (B)	31/12/2019 (C)	Change (A)-(B)	Change (A)-(C)
NON-CURRENT ASSETS:					
Intangible assets					
Intangible assets with finite useful lives	34	39	50	(5)	(16)
Goodwill	12,485	12,485	12,485	0	0
	12,519	**12,524**	**12,535**	**(5)**	**(16)**
Property, plant, and equipment					
Investment property	2,297,973	2,300,570	2,365,214	(2,597)	(67,241)
Buildings	7,474	7,535	7,643	(61)	(169)
Plant and machinery	149	157	161	(8)	(12)
Equipment and other goods	1,001	1,058	1,166	(57)	(165)
Assets under construction and advance payments	42,714	40,610	40,827	2,104	1,887
	2,349,311	**2,349,930**	**2,415,011**	**(619)**	**(65,700)**
Other non-current assets					
Sundry receivables and other non-current assets	129	127	118	2	11
Equity investments	151	151	223	0	(72)
Non-current financial assets	174	174	174	0	0
	454	**452**	**515**	**2**	**(61)**
TOTAL NON-CURRENT ASSETS (A)	**2,362,284**	**2,362,906**	**2,428,061**	**(622)**	**(65,777)**
CURRENT ASSETS:					
Work in progress inventory and advances	32,796	32,433	33,602	363	(806)
Trade and other receivables	36,728	32,429	11,114	4,299	25,614
Related party trade and other receivables	1,800	2,361	921	(561)	879
Other current assets	4,235	4,576	3,084	(341)	1,151
Cash and cash equivalents	87,018	102,958	128,677	(15,940)	(41,659)
TOTAL CURRENT ASSETS (B)	**162,577**	**174,757**	**177,398**	**(12,180)**	**(14,821)**
TOTAL ASSETS (A + B)	**2,524,861**	**2,537,663**	**2,605,459**	**(12,802)**	**(80,598)**
NET EQUITY:					
Share capital	650,000	650,000	749,738	0	(99,738)
Share premium reserve	30,058	30,058	30,058	0	0
Treasury share reserve	0	(541)	(198)	541	198
Other reserves	490,209	489,435	416,263	774	73,946
Group profit (loss) carried forward	17,962	17,962	5,682	0	12,280
Net profit (loss) of the year	(21,318)	(38,830)	9,471	17,512	(30,789)
Total Group net equity	**1,166,911**	**1,148,084**	**1,211,014**	**18,827**	**(44,103)**
Capital and reserves of non-controlling interests	0	0	0	0	0
TOTAL NET EQUITY (C)	**1,166,911**	**1,148,084**	**1,211,014**	**18,827**	**(44,103)**
NON-CURRENT LIABILITIES:					
Derivatives - liabilities	14,944	15,830	17,365	(886)	(2,421)
Non-current financial liabilities	1,120,859	1,132,293	1,232,669	(11,434)	(111,810)
Provisions for employee severance indemnities	3,259	3,169	3,057	90	202
Deferred tax liabilities	24,575	24,097	26,313	478	(1,738)
Provisions for risks and future charges	3,558	3,251	4,068	307	(510)
Sundry payables and other non-current liabilities	7,554	8,110	8,152	(556)	(598)
Related parties sundry payables and other non-current liabilities	13,721	13,721	13,721	0	0
TOTAL NON-CURRENT LIABILITIES (D)	**1,188,470**	**1,200,471**	**1,305,345**	**(12,001)**	**(116,875)**
CURRENT LIABILITIES:					
Current financial liabilities	139,861	136,403	58,820	3,458	81,041
Trade and other payables	11,544	10,299	15,960	1,245	(4,416)
Related parties trade and other payables	2,169	1,309	1,031	860	1,138
Current tax liabilities	4,997	4,542	2,601	455	2,396
Other current liabilities	10,909	23,770	10,688	(12,861)	221
Related parties other current liabilities	0	12,785	0	(12,785)	0
TOTAL CURRENT LIABILITIES (E)	**169,480**	**189,108**	**89,100**	**(19,628)**	**80,380**
TOTAL LIABILITIES (F=D+E)	**1,357,950**	**1,389,579**	**1,394,445**	**(31,629)**	**(36,495)**
TOTAL NET EQUITY AND LIABILITIES (C + F)	**2,524,861**	**2,537,663**	**2,605,459**	**(12,802)**	**(80,598)**

2.4. // Consolidated statement of changes in equity

(In thousands of Euro)	Share capital	Share premium reserve	Other reserves	Group profit (loss) carried forward	Group profit (loss) of the period	Group net equity	Non-controlling interest capital and reserves	Total net equity
Balance at 01/01/2020	**749,738**	**30,058**	**416,065**	**5,682**	**9,471**	**1,211,014**	**0**	**1,211,014**
Profit for the period	0	0	0	0	(21,318)	(21,318)	0	(21,318)
Cash flow hedge derivative assessment	0	0	2,466	0	0	2,466	0	2,466
Other comprehensive income (losses)	0	0	(99)	0	0	(99)	0	(99)
Total comprehensive income (losses)	**0**	**0**	**2,367**	**0**	**(21,318)**	**(18,951)**	**0**	**(18,951)**
(Purchase)/sale of treasury shares	0	0	(2)	0	0	(2)	0	(2)
Capital reduction	(99,738)	0	99,738	0	0	0	0	0
Allocation of 2019 profit								
Dividends paid	0	0	0	(25,150)	0	(25,150)	0	(25,150)
Fair value reserve reclassification	0	0	(27,959)	27,959	0	0	0	0
Allocation of profits previous years	0	0	0	9,471	(9,471)	0	0	0
Balance at 30/09/2020	**650,000**	**30,058**	**490,209**	**17,962**	**(21,318)**	**1,166,911**	**0**	**1,166,911**

(In thousands of Euro)	Share capital	Share premium reserve	Other reserves	Group profit (loss) carried forward	Group profit (loss) of the period	Group net equity	Non-controlling interest capital and reserves	Total net equity
Balance at 01/01/2019	**749,738**	**31,504**	**410,109**	**14,599**	**46,388**	**1,252,338**	**0**	**1,252,338**
FTA IFRS 16	0	0	1,886	0	0	1,886	0	1,886
Balance at 01/01/2019 post IFRS 16	**749,738**	**31,504**	**411,995**	**14,599**	**46,388**	**1,254,224**	**0**	**1,254,224**
Profit for the period	0	0	0	0	22,385	22,385	0	22,385
Cash flow hedge derivative assessment	0	0	(4,079)	0	0	(4,079)	0	(4,079)
Other comprehensive income (losses)	0	0	(63)	0	0	(63)	0	(63)
Total comprehensive income (losses)	**0**	**0**	**(4,142)**	**0**	**(21,318)**	**18,243**	**0**	**18,243**
(Purchase)/sale of treasury shares	0	0	146	0	0	146	0	146
Allocation of 2018 profit								
Dividends paid	0	(1,446)	(557)	(12,037)	(41,113)	(55,153)	0	(55,153)
To legal reserve	0	0	1,893	0	(1,893)	0	0	0
To other reserves	0	0	3,382	0	(3,382)	0	0	0
Balance at 30/09/2019	**749,738**	**30,058**	**412,717**	**2,562**	**22,385**	**1,217,460**	**0**	**1,217,460**

2.5. // Consolidated statement of cash flows

(in thousands of Euro)	9/30/2020	9/30/2019
CASH FLOW FROM OPERATING ACTIVITIES:		
Pre-tax profit	**(23,158)**	**22,175**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities:		
Financial charges/(income)	27,016	24,731
Depreciation, amortization and provisions	457	461
Writedown of receivables	1,763	325
(Impairment losses)/reversals on work in progress	2,159	141
Changes in fair value - increases / (decreases)	75,359	46,176
Gains/losses from disposals - equity investments	72	0
Changes in provisions for employees and administrators benefits	(67)	319
CASH FLOW FROM OPERATING ACTIVITIES	**83,601**	**94,328**
Financial charges paid	(17,287)	(28,815)
Income tax	(499)	(1,080)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX	**65,815**	**64,433**
Change in inventories	(617)	(504)
Net change in current assets and liabilities	(30,236)	4,886
Net change in non-current assets and liabilities	(182)	(3,724)
CASH FLOW FROM OPERATING ACTIVITIES (A)	**34,780**	**65,091**
(Investments) in non-current assets	(10,791)	(32,051)
Disposals of non-current assets	56	13,395
(Investments) in equity interests	0	(59)
CASH FLOW FROM INVESTING ACTIVITIES (B)	**(10,735)**	**(18,715)**
Change in non-current financial assets	0	69
Disposal/ (purchase) of treasury shares	198	146
Extraordinary income/(expense) from disposal of treasury shares	(200)	0
Distribution of dividends	(25,150)	(55,153)
Fees paid for finance leases	(4,642)	(7,633)
Change in current debt	(4,504)	(146,392)
Change in non-current debt	(31,307)	166,079
CASH FLOW FROM FINANCING ACTIVITIES (C)	**(65,605)**	**(42,884)**
Exchange rate differences on cash and cash equivalents (D)	(99)	(87)
NET INCREASE (DECREASE) IN CASH BALANCE (A+B+C+D)	**(41,659)**	**3,405**
CASH BALANCE AT BEGINNING OF THE PERIOD	**128,677**	**2,472**
CASH BALANCE RGD FERRARA	**0**	**78**
CASH BALANCE AT END OF THE PERIOD	**87,018**	**5,955**

2.6. // Net financial position

The table below presents the net financial position at 30 September 2020, at 30 June 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 uncommitted credit facilities with banks, unutilized at 30 September 2020, amount to €151 million.

Committed revolving credit facilities with banks, unutilized at 30 September 2020, amount to €60 million.

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

(in thousands of Euros)	30/09/2020	30/06/2020	31/12/2019
Cash and cash equivalents	(87,018)	(102,958)	(128,677)
LIQUIDITY	**(87,018)**	**(102,958)**	**(128,677)**
Mortgage loans - current portion	49,789	49,480	44,090
Leasing - current portion	9,354	9,259	9,070
Bond loans - current portion	80,718	77,664	5,660
CURRENT DEBT	**139,861**	**136,403**	**58,820**
CURRENT NET DEBT	**52,843**	**33,445**	**(69,857)**
Non-current financial assets	(174)	(174)	(174)
Leasing - non-current portion	41,989	44,352	49,074
Non-current financial liabilities	436,829	446,729	473,289
Bond loans	642,041	641,212	710,306
NON-CURRENT DEBT	**1,120,685**	**1,132,119**	**1,232,495**
NON-CURRENT NET DEBT	**1,173,528**	**1,165,564**	**1,162,638**

2.7. // Preparation criteria and scope of consolidation

2.7.1. General information

The interim financial report of Immobiliare Grande Distribuzione at 30 September 2020 was approved and authorized for publication by the Board of Directors on 5 November 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 30 September 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 30 September 2020 and at 31 December 2019. Therefore, comments on income statement items refer to a comparison with the same period of the prior year (30 September 2019), while balance sheet items are compared with the previous quarter (30 June 2020).
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 30 September 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 and 30/06/2020. 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 capital	Currency	% of consolidated Group interest	Held by	% of share capital held	Activities
Parent company								
IGD SIIQ S.p.A.	Bologna via trattati comunitari Europei 1957-2007	Italy	650,000,000.00	Euro				Shopping center management
Subsidiaries fully consolidated								
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 consotium 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
Consortium of SC Centrosarca	Indirect	62.50%	VIA MILANESE, SESTO SAN GIOVANNI (MI)
Consortium Porta a Mare Mazzini	Direct	80.90%	VIA G. D'ALESIO, 2 - LIVORNO
Consortium of RP Clodì	Direct	70.35%	S.S. ROMEA n. 510/B; CHIOGGIA (VE)
Consortium of SC Centro 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 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)
Consortium Darsena	Direct	77.12%	Via Darsena 75 - Ferrara (FE)
Consortium of SC Casilino	Direct	45.80%	Via Casilina 1011 - (Roma)

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.

(amounts in thousands of euros).

Profit and Loss	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		Total	
Total revenue and operating income	**108,977**	**116,043**	**4,778**	**4,754**	**708**	**379**	**0**	**0**	**114,463**	**121,176**
Change in work in progress inventory	**0**	**0**	**0**	**0**	**618**	**425**	**0**	**0**	**618**	**425**
Direct costs (a) (excluding provision for doubtful accounts)	17,833	13,849	3,778	3,981	1,916	1,202	0	0	23,527	19,032
G&A expenses (b)	0	0	0	0	0	0	7,886	8,571	7,886	8,571
Total operating costs (a)+(b)	**17,833**	**13,849**	**3,778**	**3,981**	**1,916**	**1,202**	**7,886**	**8,571**	**31,413**	**27,603**
(Depreciation and amortizations)	(1,991)	(555)	0	(2)	(3)	(1)	(226)	(228)	(2,220)	(786)
(Impairment losses) /reversals on work in progress and inventory	(734)	(59)	0	0	(1,425)	(82)		0	(2,159)	(141)
Fair value change - increase/(decreases)	(75,359)	(46,231)	0	0	0	55		0	(75,359)	(46,176)
Total depreciation, amortization, provisions, impairment and fair value changes	**(78,084)**	**(46,845)**	**0**	**(2)**	**(1,428)**	**(28)**	**(226)**	**(228)**	**(79,738)**	**(47,103)**
EBIT	**13,060**	**55,349**	**1,000**	**771**	**(2,018)**	**(426)**	**(8,112)**	**(8,799)**	**3,930**	**46,895**
Income/ (loss) from equity investments and property sales	**0**	**0**	**0**	**0**	**0**	**0**	**(72)**	**11**	**(72)**	**11**
Financial income	0	0	0	0	0	0	68	51	68	51
Financial charges	0	0	0	0	0	0	27,084	24,782	27,084	24,782
Net financial income (expense)	**0**	**0**	**0**	**0**	**0**	**0**	**(27,016)**	**(24,731)**	**(27,016)**	**(24,731)**
PRE-TAX PROFIT	**13,060**	**55,349**	**1,000**	**771**	**(2,018)**	**(426)**	**(35,200)**	**(33,519)**	**(23,158)**	**22,175**
Income taxes for the period	0	0	0	0	0	0	(1,840)	(210)	(1,840)	(210)
NET PROFIT FOR THE PERIOD	**13,060**	**55,349**	**1,000**	**771**	**(2,018)**	**(426)**	**(33,360)**	**(33,309)**	**(21,318)**	**22,385**
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	**13,060**	**55,349**	**1,000**	**771**	**(2,018)**	**(426)**	**(33,360)**	**(33,309)**	**(21,318)**	**22,385**

Balance sheet	30/09/2020	30/06/2020	30/09/2020	30/06/2020	30/09/2020	30/06/2020	30/09/2020	30/06/2020	30/09/2020	30/06/2020
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		TOTAL	
Investment property	2,297,973	2,300,570	0	0	0	0	0	0	2,297,973	2,300,570
Assets under construction	42,714	40,610	0	0	0	0	0	0	42,714	40,610
Intangible assets	11,478	11,478	1,007	1,007	0	0	34	40	12,519	12,525
Other tangible assets	987	1,043	165	174	0	0	7,472	7,536	8,624	8,753
Sundry receivables and other non-current assets	0	0	0	0	0	0	129	125	129	125
Equity investments	0	0	0	0	0	0	151	151	151	151
NWC	13,762	(15,477)	2,242	2,253	29,936	32,316	0	0	45,940	19,092
Funds	(5,378)	(5,075)	(1,444)	(1,347)	5	3	0	0	(6,817)	(6,419)
Non-current payables and other liabilities	(15,355)	(15,912)	0	0	(5,920)	(5,920)	0	0	(21,275)	(21,832)
Net deferred tax (assets)/ liabilities	(27,137)	(26,659)	0	0	2,562	2,562	0	0	(24,575)	(24,097)
Total use of funds	**2,319,043**	**2,290,578**	**1,970**	**2,087**	**26,583**	**28,961**	**7,786**	**7,852**	**2,355,383**	**2,329,478**
Total shareholders' equity	1,140,203	1,120,852	(437)	(340)	27,145	27,572	0	0	1,166,911	1,148,084
Net (assets) and liabilities for derivative instruments	14,944	15,830	0	0	0	0	0	0	14,944	15,830
Net financial position	1,163,897	1,153,896	2,407	2,427	(562)	1,389	7,786	7,852	1,173,528	1,165,564
Total sources	**2,319,043**	**2,290,578**	**1,970**	**2,087**	**26,583**	**28,961**	**7,786**	**7,852**	**2,355,383**	**2,329,478**

REVENUE FROM FREEHOLD PROPERTIES	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019	9/30/2020	9/30/2019
	NORTH		CENTER-SOUTH-ISLANDS		ABROAD		TOTAL	
Lease & retail income	54,832	56,885	37,576	39,575	5,890	7,378	98,298	103,838
One-off revenue	0	0	0	0	0	0	0	0
Temporary location rentals	1,251	1,772	507	859	0	0	1,758	2,631
Other rental income	34	85	123	100	18	11	175	196
TOTAL	**56,117**	**58,742**	**38,206**	**40,534**	**5,908**	**7,389**	**100,231**	**106,665**

2.8. // 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 31 March 2020 correspond to the company's records, ledgers and accounting entries.

Bologna, 5 November 2020

Carlo Barban
Financial Reporting Officer