

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

30/09/2022

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Corporate and Supervisory Bodies

Board of Directors	Office	Executive	Non executive	Independent	Control and Risk Committee	Compensation and Nomination Committee	Related Party Transactions Committee
Rossella Saoncella	Chairman			X			
Stefano Dall'Ara	Vice Chairman		X				
Claudio Albertini	Chief Executive Officer	X					
Edy Gambetti	Director		X				
Antonio Rizzi	Director			X	X		X
Silvia Benzi	Director			X		X	X
Rossella Schiavini	Director			X	X	X	
Alessia Savino	Director		X				
Timothy Guy Michele Santini	Director			X		X	
Rosa Cipriotti	Director			X	X		
Géry Robert-Ambroix	Director			X			X

Board of Statutory Auditors	Office	Standing	Alternate
Gian Marco Committeri	Chairman	X	
Massimo Scarafuggi	Auditor	X	
Daniela Preite	Auditor	X	
Daniela Del Frate	Auditor		X
Aldo Marco Maggi	Auditor		X
Ines Gandini	Auditor		X

Supervisory Board (Appointed by the Board of Directors on 20 April 2021)

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

External Auditors

PricewaterhouseCoopers S.p.A.

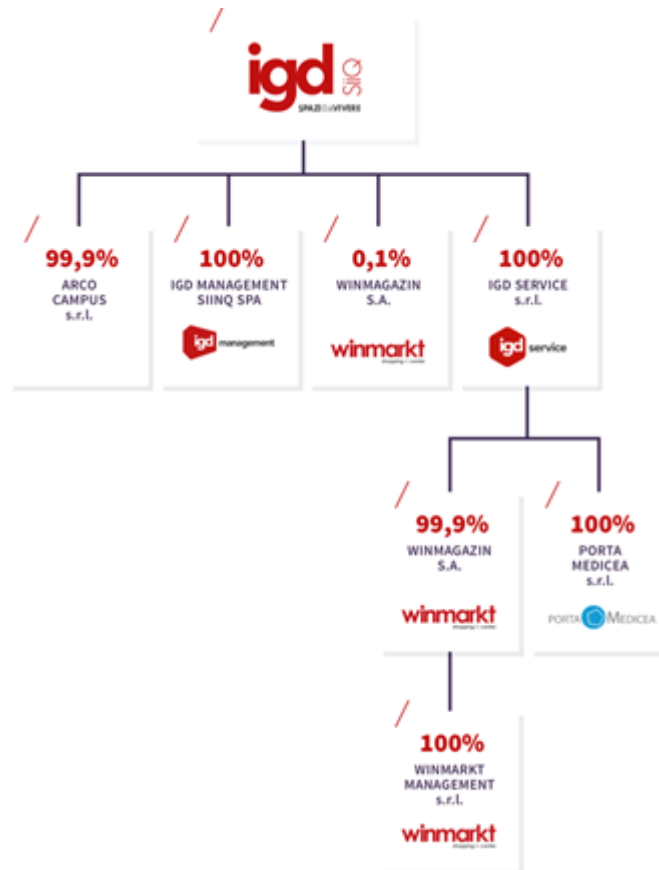
Financial Reporting Officer

Carlo Barban

1. Gruppo IGD Interim Financial Report

1.1. // Gruppo IGD

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 93.5%). The remainder (around 6.5%) 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 2022, in addition to the parent company, Gruppo IGD comprises:

- 100% of **IGD Management SIINQ S.p.A.**, owner of the shopping mall at CentroSarca in Milan and part of the Rovereto shopping mall;
- 99.99% 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 Service S.r.l.**, which, in addition to owning the licenses for the Centro Sarca, Millennium Center, Gran Rondò and Darsena centers, also controls the majority of the operations which are not included in the SIIQ perimeter:
 - 99.9% of **WinMagazine SA**, 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);
- services which include mandates for the management of freehold and leasehold properties.

1.2. // Income Statement Review

The Group reported a net profit of €38,665 thousand at 30 September 2022, an increase of 9.9% compared to 30 September 2021.

In the first nine months of 2022 no Covid impacts were recognized, while in the same period of 2021 the impact of Covid was estimated at €6,945 thousand (€6,407 thousand of which recognized as direct costs and €538 thousand as rebates which reduced rental income).

FFO (Funds from Operations) reached €50,364 thousand, 4.1% higher compared to 30 September 2021.

The consolidated operating income statement is shown below:

GROUP CONSOLIDATED	(a) 30/09/2022	(b) 30/09/2021	Δ (a)/(b)
Revenues from freehold rental activities	96,465	99,910	-3.4%
Revenues from leasehold rental activities	5,612	9,223	-39.2%
Total income from rental activities	102,077	109,133	-6.5%
Rents and payable leases	-2	0	n.a.
Direct costs from rental activities	-18,485	-22,239	-16.9%
Net rental income	83,590	86,894	-3.8%
Revenues from services	5,400	4,833	11.7%
Direct costs from services	-3,993	-3,954	1.0%
Net services income	1,407	879	60.1%
HQ Personnel expenses	-5,306	-4,920	7.8%
G&A expenses	-3,723	-3,275	13.7%
CORE BUSINESS EBITDA (Operating income)	75,968	79,578	-4.5%
<i>Core business Ebitda Margin</i>	<i>70.7%</i>	<i>69.8%</i>	
Revenues from trading	432	440	-1.8%
Cost of sale and other costs from trading	-642	-776	-17.3%
Operating result from trading	-210	-336	-37.6%
EBITDA	75,758	79,242	-4.4%
<i>Ebitda Margin</i>	<i>70.2%</i>	<i>69.3%</i>	
Impairment and Fair Value adjustments	-13,093	-16,734	-21.8%
Depreciation and provisions	-1,163	-506	n.a.
EBIT	61,502	62,002	-0.8%
FINANCIAL MANAGEMENT	-22,054	-24,843	-11.2%
EXTRAORDINARY MANAGEMENT	397	0	n.a.
PRE-TAX RESULTS	39,845	37,159	7.2%
Taxes	-1,180	-1,993	-40.8%
NET RESULT OF THE PERIOD	38,665	35,166	9.9%
(Profit/Loss) for the period related to third parties	0	0	n.a.
GROUP NET RESULT	38,665	35,166	9.9%

The operating income statement for the third quarter stand-alone is shown below:

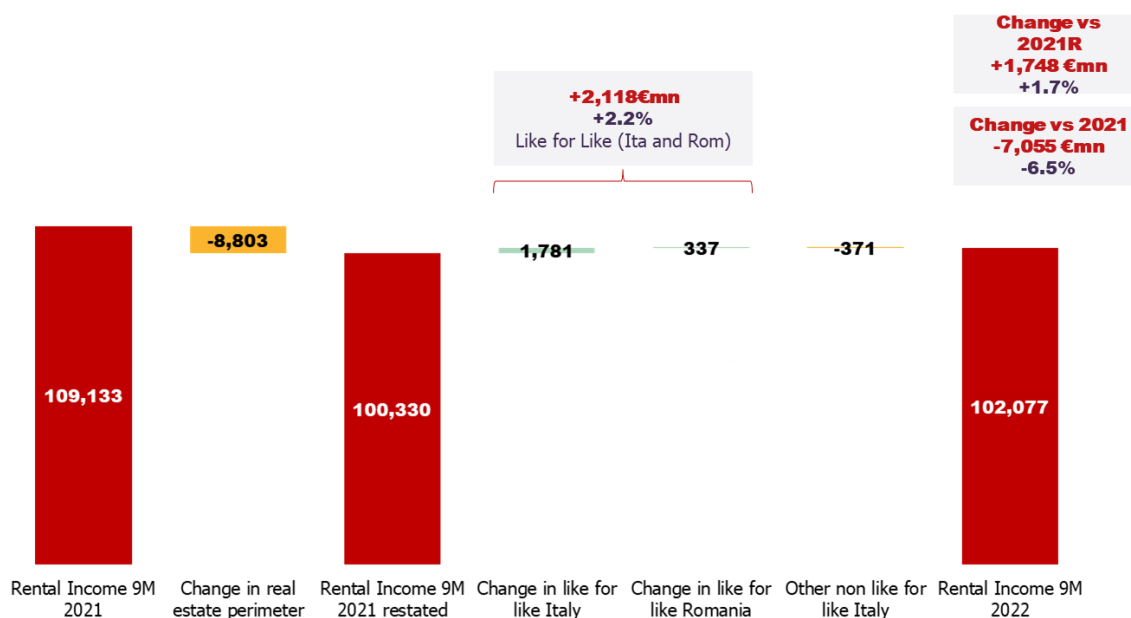
GROUP CONSOLIDATED	(a) 3Q 2022	(b) 3Q 2021	Δ (a)/(b)
Revenues from freehold rental activities	31,938	33,018	-3.3%
Revenues from leasehold rental activities	1,178	3,047	-61.3%
Total income from rental activities	33,116	36,065	-8.2%
Rents and payable leases	0	0	
Direct costs from rental activities	-6,730	-4,703	43.1%
Net rental income	26,386	31,362	-15.9%
Revenues from services	1,716	1,559	10.1%
Direct costs from services	-1,186	-1,229	-3.5%
Net services income	530	330	60.6%
HQ Personnel expenses	-1,590	-1,587	0.2%
G&A expenses	-1,136	-1,155	-1.6%
CORE BUSINESS EBITDA (Operating income)	24,190	28,950	-16.4%
<i>Core business Ebitda Margin</i>	<i>69.4%</i>	<i>76.9%</i>	
Revenues from trading	0	0	#DIV/0!
Cost of sale and other costs from trading	-46	-123	-62.6%
Operating result from trading	-46	-123	-62.6%
EBITDA	24,144	28,827	-16.2%
<i>Ebitda Margin</i>	<i>69.3%</i>	<i>76.6%</i>	
Impairment and Fair Value adjustments	-3,274	-4,278	-23.5%
Depreciation and provisions	-391	31	-1361.3%
EBIT	20,479	24,580	-16.7%
FINANCIAL MANAGEMENT	-7,744	-8,128	-4.7%
EXTRAORDINARY MANAGEMENT	0	0	
PRE-TAX RESULTS	12,735	16,452	-22.6%
Taxes	-527	-740	-28.8%
NET RESULT OF THE PERIOD	12,208	15,712	-22.3%
(Profit/Loss) for the period related to third parties	0	0	
GROUP NET RESULT	12,208	15,712	-22.3%

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 €102,077 thousand at 30 September 2022, a decrease of 6.5% against the same period of the prior year.

For the sake of a more accurate comparison, following the disposal of the portfolio of hypermarkets finalized at year-end 2021 and the termination of the master lease at the Centro Piave Shopping Center as of 1 January 2022, the 2021 rental income was recalculated in order to take into account the change in perimeter and, restated, amounts to €100,330 thousand.

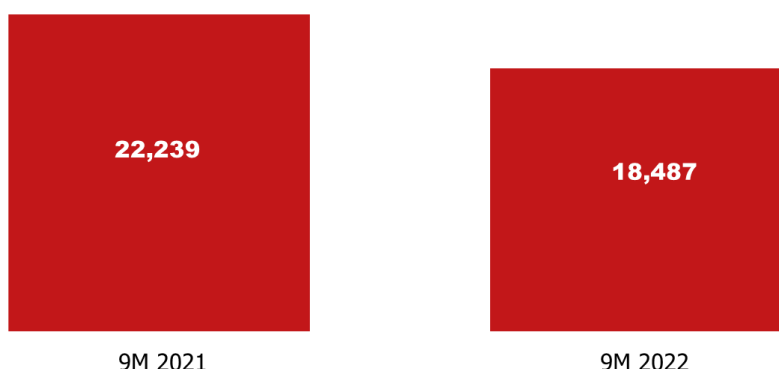


The increase of €1,748 thousand compared to 2021 restated, is explained by:

- like-for-like revenue in Italy (malls +1.8% and hypermarkets +2.6%) due to pre-letting, new openings, as well as lease ISTAT indexing (around €1.0 million for malls and around €0.4 for hypermarkets), partially offset by higher temporary discounts for around €0.1 million. Variable revenue (€0.5 million) and the temporary rentals (€0.5 million) were also higher. 128 leases (60 renewals and 68 turnover) were signed in the reporting period with an average upside of 1.6%;
- for €370 thousand, lower revenue not like-for-like (attributable to the remodeling at Casilino, Palermo, Catania and Conegliano);
- for €337 thousand, higher revenue in Romania due to lower discounts. 273 leases (82 turnover and 191 renewals) were signed in the reporting period with an average upside of 2.4% on renewals.

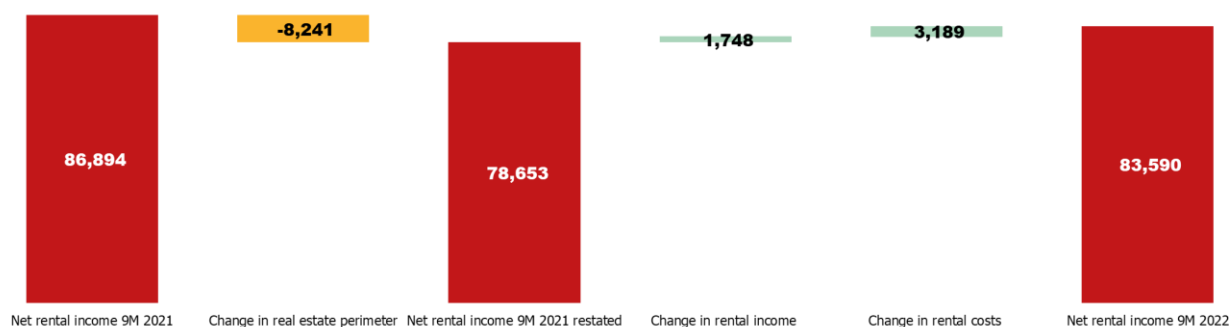
The direct costs for the rental business amounted to €18,487 thousand. The decrease in costs is explained largely by the lack of net direct Covid impacts included among credit losses (which amounted to €6.4 million in 2021) and the absence of the costs relative to the portfolio sold. Net of these items, condominium fees were higher than in the same period of the prior year (due, in part, to higher energy costs), as were the costs for the co-marketing project begun with Coop Alleanza 3.0, while provisions were lower.

Direct costs from rental activities



Net rental income amounted to €83,590 thousand, a decrease of 3.8% against the same period of the prior year but higher like-for-like by 7.8%.

For the sake of a more accurate comparison, the change in the perimeter of €8,241 thousand should be noted, which includes the €8,803 change in revenue relative to the portfolio sold and the direct costs of €562 thousand. Net rental income was €4,937 higher (+6.3%) than the net income restated recorded in the prior year.



Net rental income freehold amounted to €78,007 thousand, 0.7% higher than in the same period of the prior year. The margin is sizeable, coming in at 80.9% which is higher than in the previous year.

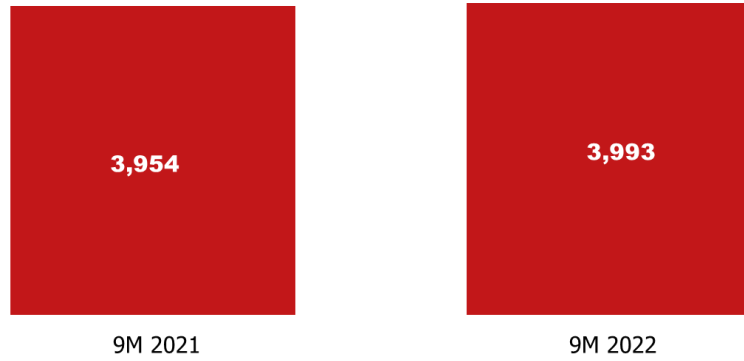
Net rental income leasehold amounted to €5,583 thousand, 40.6% lower than in the same period of the prior year.

Net Services Income

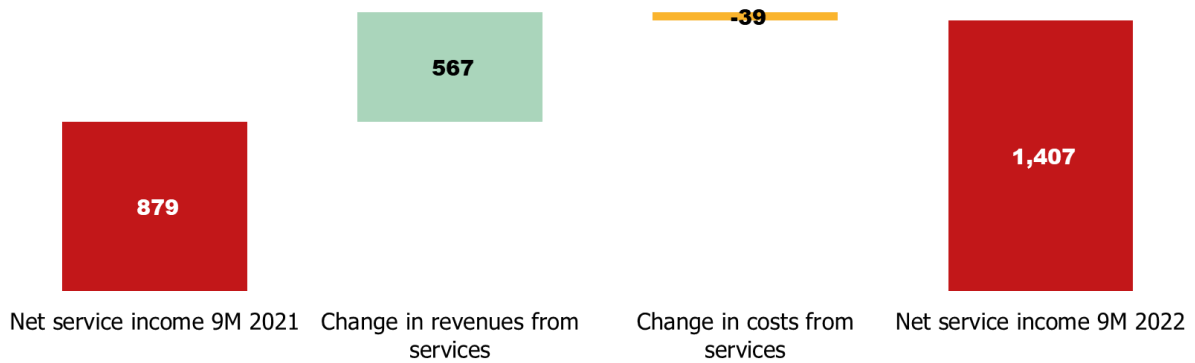
Revenue from services was higher than in the same period of the prior year. Most of this revenue comes from the facility management business (82.3% of the total or €4,444 thousand), which rose as did the revenues from pilotage, agency and outsourcing services.

The direct costs for services amounted to €3,993 thousand, an increase of €39 thousand (+1.0%) compared to the same period of the prior year.

Direct costs from services



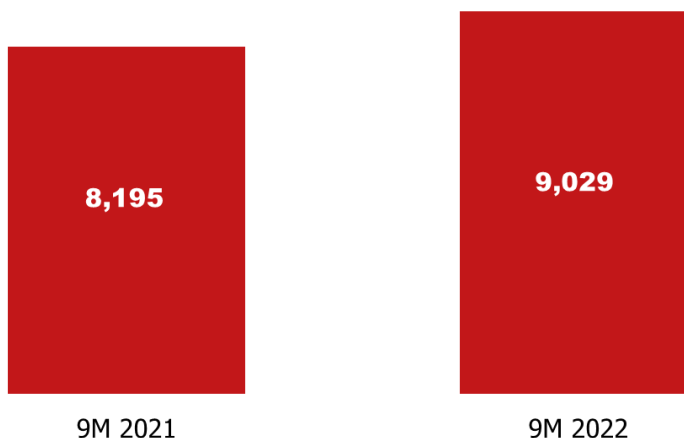
Net services income was 60.1% higher than in the same period of the prior year, coming in at €1,407 thousand, and also rose as a percentage of services income from 18.2% in the same period 2021 to 26.1%.



General expenses for the core business

General expenses for the core business, including payroll costs at headquarters, came to €9,029 thousand, higher (+10.2%) with respect to the prior year due mainly to an increase in payroll costs at headquarters, outsourcing and other costs. These costs came to 8.4% of core business revenue.

G&A expenses

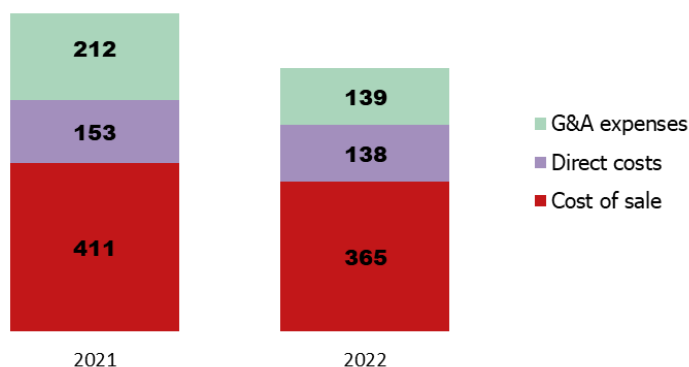


Operating results for trading

Trading posted an operating loss of €210 thousand, slightly better with respect to the prior year.

In 9M 2022 the Porta a Mare – Mazzini project generated revenue from trading of €432 thousand (for more information refer to section 1.4). Binding preliminary sales agreements have been stipulated for 30 out of the 42 apartments up for sale at Officine Storiche. 25 of these sales are expected to close by the end of the year.

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

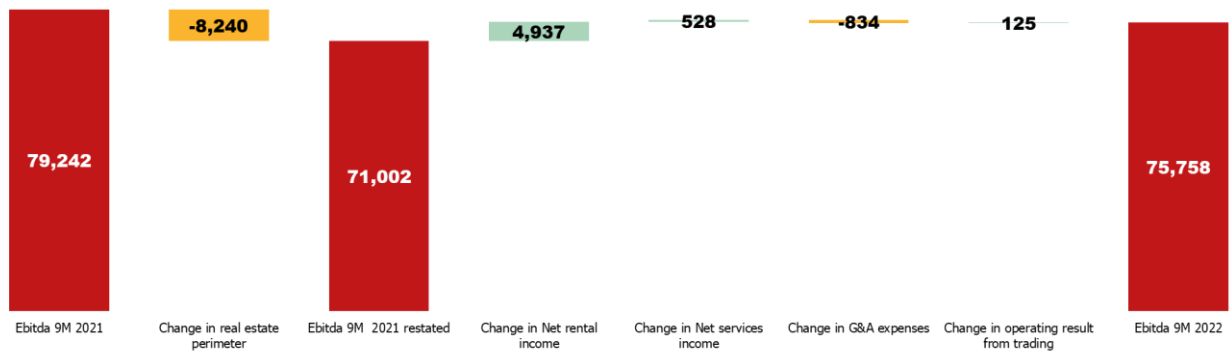


EBITDA

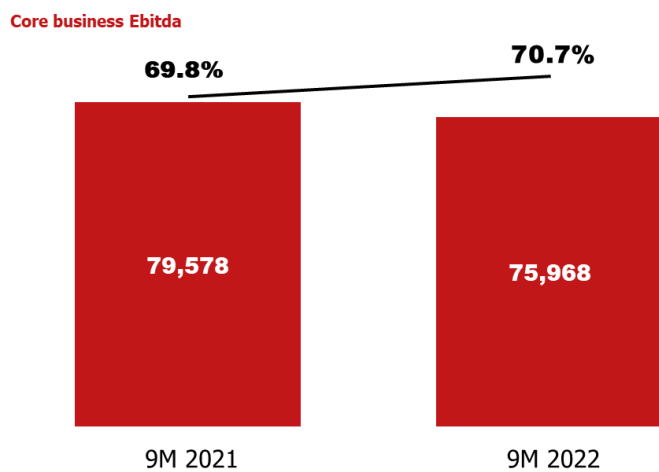
The core business EBITDA amounted to €75,968 thousand in 9M 2022, 4.5% lower than in the same period of the prior year, while total EBITDA fell by 4.4% to €75,758 thousand.

The comparison with the restated 2021 EBITDA shows an increase of €4,756 thousand or +6.7%.

The changes in the components of total EBITDA in the first nine months of 2022 are shown below:



The core business **EBITDA MARGIN** reached 70.7%, higher than in the same period of the prior year.



Fair value adjustments and impairment of work in progress and inventory

Fair value adjustments and impairment were negative for €13,093 thousand at 30 September 2022, lower than the €16,734 thousand recorded at 30 September 2021.

The difference in fair value, negative for €12,611 thousand, is explained by:

- for €4,805 thousand, impairment of the right-of-use assets stemming from IFRS 16 application including increases in the reporting period (of which €1,557 thousand relative to the third quarter of 2022);
- for €9,686 thousand, impairment of the extraordinary maintenance of properties owned and rented by Gruppo IGD's Italian companies (of which €1,308 thousand relative to the third quarter of 2022)
- for €962 thousand, impairment of the extraordinary maintenance of properties owned by the Romanian subsidiary Win Magazin SA (of which €409 thousand in the third quarter of 2022);
- for +€3,562 thousand, a fair value adjustment made to the freehold investment property of Gruppo IGD's Italian subsidiaries based on the appraised market value at 30 June 2022

- for -€720 thousand, impairment of the freehold investment property of Gruppo IGD's Romanian subsidiary Win Magazin SA based on the appraised market value at 30 June 2022.

Impairment losses on work in progress and inventory of €482 thousand are attributable to: (i) an impairment loss of €509 thousand on the Officine residential, Molo, Lips and Arsenale sections of the Porta a Mare project; (ii) partially offset, for €27 thousand, by an impairment reversal on the Porto Grande extension.

EBIT

EBIT amounted to €61,502 thousand, lower than in the same period of the prior year; this change is attributable to the factors described above.

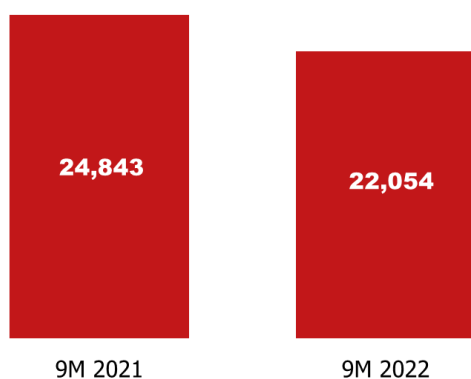
Income/(loss) from the disposal of assets

Amounting to €397 thousand, this item stems from the framework agreement between IGD Service S.r.l. and Do.Ma S.r.l. for the sale, as from 1 January 2022, of the mall at Centro Piave shopping center for consideration of €1 million.

The assets and liabilities of the business division sold were recognized among "Assets held for sale" and "Liabilities associated with the assets held for sale" at 31 December 2021. The assets held for sale, which amounted to €1,801 thousand, included the goodwill and the right-of-use relative to the mall at Centro Piave. "Liabilities associated with assets held for sale", which came to €1,228 thousand, included the financial liability deriving from the application of IFRS 16 to the lease agreement for the mall.

The framework agreement signed by the parties also provided, effective 1 January 2022, for a facility management contract under which IGD Service S.r.l. will manage the mall at Centro Piave for six years, renewable for an additional three years

Financial income and charges



"Financial charges" went from €24,843 thousand at 30 September 2021 to €22,054 thousand at 30 September 2022. The decrease, of around €2,789 thousand, is attributable mainly to:

- lower financial charges on bonds;
- lower financial charges for IRS due to a decrease in the notional amount;
- lower IFRS 16 financial charges, including also as a result of the termination of the lease for the mall at «Centro Piave»;

- lower financial charges on mortgages attributable to the new loan stipulated for €215 million.

The average cost of debt (without considering recurring and non-recurring transaction costs) at 30 September 2022 was 2.11%, lower than the 2.20% recorded at 31 December 2021, while the weighted average effective cost of debt went from 2.66% at 31 December 2021 to 2.58%. The **interest cover ratio (ICR)**, the ratio of Ebitda to interest expense, came to 3.44x, higher than the 3.20x posted at 31 December 2021.

Taxes

	30/09/2022	30/09/2021	Change
Current taxes	860	892	(32)
Deferred tax assets/liabilities	331	1,101	(770)
Extraordinary income/charges - Provisions	(11)	0	(11)
Income taxes	1,180	1,993	(813)

The tax burden, current and deferred, reached €1,180 thousand at 30 September 2022, a decrease of €813 thousand against 30 September 2021.

At 30 September 2022 deferred tax assets of €613 thousand were recognized on the losses carried forward connected to tax consolidation.

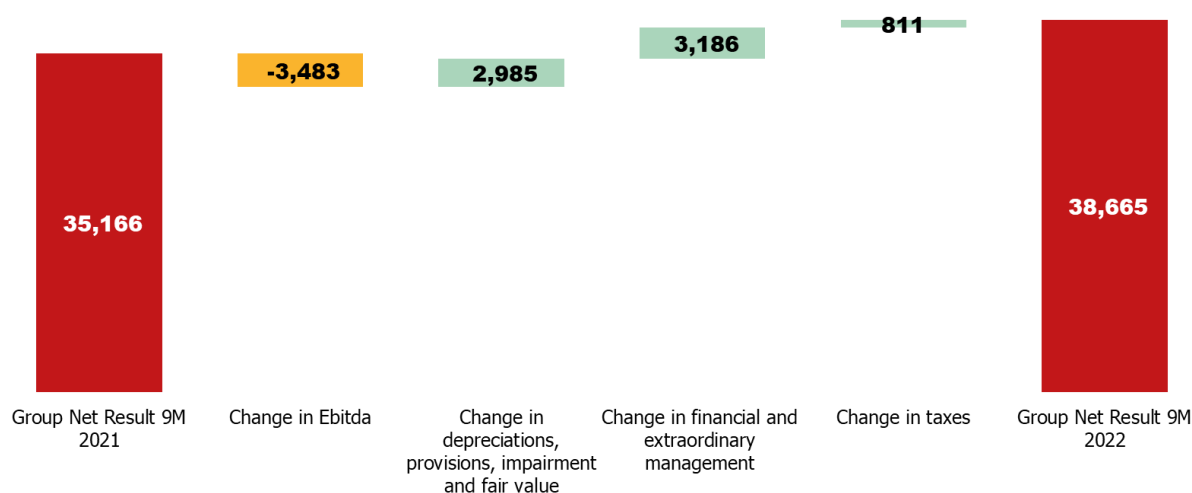
Current taxes are in line with the same period of the prior year.

The change in **deferred tax**, compared to the same period of the prior year, of €770 thousand is attributable to (i) the switch to SIINQ status of the subsidiary IGD Management SIINQ S.p.A. effective as from 1 January 2022, (ii) adjustments consistent with the change in fair value of the real estate investments held by the subsidiary Win Magazin S.A. subject to ordinary taxation (iii) and the impact of IFRS16 application on the lease for the shopping mall in the «Centro Nova» Shopping Center.

Group net profit

As a result of the above, the Group recorded a net profit of €38,665 thousand, an increase of €3,499 thousand compared to the profit of €35,166 thousand recorded at 30 September 2021.

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



Core Business FFO

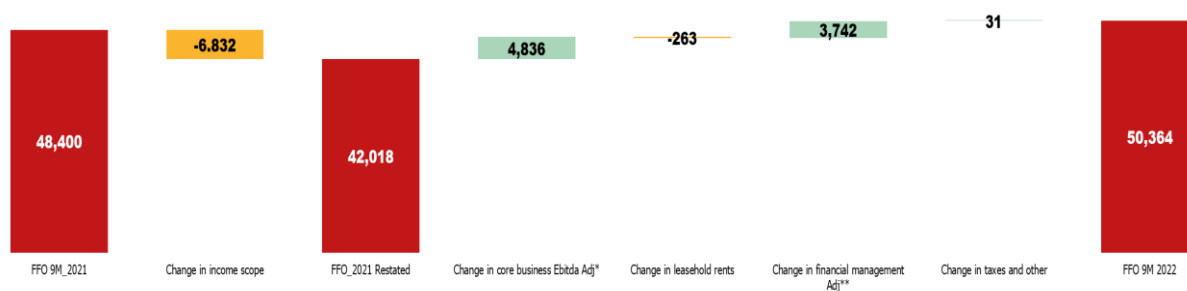
FFO (Funds from Operations), an indicator used widely in the real estate sector (REITs), which measures the cash flow generated by a company's core business, came to €50,364 thousand at 30 September 2022, higher than in same period of the prior year. The decrease in EBITDA was more than offset by a decrease in financial charges adjusted, which includes the negative carry recorded in 2021, and rents payable.

The change in perimeter of €6,832 thousand includes €8,241 thousand relative to the change in net rental income not like-for-like referred to above and the decrease in rents payable following the termination of the Centro Piave master lease effective 1 January 2022 for €1,409 thousand included in the FFO calculation. The increase against the restated 2022 FFO comes to €8,346 thousand (+19.9%).

Funds from Operations	9M 2022	9M 2021	Δ	Δ%
Core business EBITDA*	76,178	79,582	(3,406)	-4.3%
IFRS16 Adjustments (Payable leases)	(6,150)	(7,745)	1,595	-20.6%
Financial management Adj**	(18,803)	(22,545)	3,742	-16.6%
Current taxes for the period Adj	(861)	(892)	31	-3.4%
FFO	50,364	48,400	1,964	4.1%
Change in income scope	-	(6,382)	6,382	n.a.
FFO Restated	50,364	42,018	8,364	19.9%

* Net of the non-recurring expenses excluded from the FFO calculation as per EPRA recommendations for the calculation of EPRA earnings

** Financial charges adj includes the impact of the negative carry, IFRS 16, IFRS 9 and other charges incurred by the Group for the early repayment of debt and the issue of a new bond.



1.3. // Statement of financial position and financial review

Gruppo IGD's statement of financial position at 30 September 2022 can be summarized as follows:

(amounts in thousand of Euro)	30/09/2022	30/06/2022	▲	%	31/12/2021	▲	%
Fixed assets	2,091,643	2,093,143	(1,500)	-0.07%	2,093,176	(1,533)	-0.07%
Assets under construction and advanced payments	47,547	43,420	4,127	9.50%	44,095	3,452	7.83%
Intangible assets	7,990	7,950	40	0.50%	7,888	102	1.29%
Other tangible assets	8,932	8,809	123	1.40%	9,030	(98)	-1.09%
Sundry receivables and other non current assets	127	127	0	0.02%	127	0	0.00%
Equity investments	25,765	25,765	0	0.00%	25,765	0	0.00%
Assets held for sale	0	0	0	0.00%	1,801	(1,801)	-100.00%
NWC	25,522	28,179	(2,657)	-9.43%	24,504	1,018	4.15%
Funds	(7,853)	(7,278)	(575)	7.90%	(7,521)	(332)	4.41%
Sundry payables and other non current liabilities	(19,144)	(19,024)	(120)	0.63%	(19,945)	801	-4.02%
Net deferred tax (assets)/liabilities	(15,272)	(13,856)	(1,416)	10.22%	(11,702)	(3,570)	30.51%
Total use of funds	2,165,257	2,167,235	(1,978)	-0.09%	2,167,218	(1,961)	-0.09%
Total shareholders' equity	1,181,678	1,165,974	15,704	1.35%	1,171,758	9,920	0.85%
Net (assets) and liabilities for derivative instruments	(5,096)	(330)	(4,766)	1444.24%	8,435	(13,531)	-160.41%
Net debt	988,675	1,001,591	(12,916)	-1.29%	987,025	1,650	0.17%
Total sources	2,165,257	2,167,235	(1,978)	-0.09%	2,167,218	(1,961)	-0.09%

The principal changes in the reporting period compared to 30 June 2022, relate to:

- ✓ **investment property**, which was €1,500 thousand lower. At 30 September 2022, the Group adjusted the fair value of the right-of-use assets relative to 2 leasehold shopping centers which resulted in the recognition of an impairment loss of €1,557 thousand, of which €1,500 for fair value adjustments and €57 thousand for impairment of the work down in the quarter on the leasehold assets. During the third quarter necessary extraordinary maintenance relating primarily to energy efficiency upgrades at the Tibertino, Casilino, Maremà, Centro d'Abruzzo and ESP shopping centers, as well as at a few Romanian shopping centers, continued. These increased costs, which amounted to €1,718 thousand, caused a decrease in fair value of the same amount.
- ✓ **assets under construction and advances**, which showed an increase of €4,127 thousand attributable primarily to:
 - for €3,034 thousand, ongoing work at Officine Storiche;
 - for €882 thousand, restyling at the La Favorita Shopping Center in Mantua. The work is expected to be completed in the second half of 2022;
 - for €92 thousand, planning of the restyling at Leonardo Shopping Center in Imola. The work is expected to be completed in 2023;
 - planning of the remodeling at the Katanè center in Catania and La Torre in Palermo, 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. In the third quarter €114 thousand was invested in the restyling of the Katane center. The work is expected to be completed in 2023;
 - for €5 thousand, the net increase in advances.
- ✓ **intangible assets**, which were €40 thousand higher, due mainly to:
 - for €125 thousand, consolidation differences relating to the Romanian subsidiary Win Magazin SA explained by the foreign exchange adjustments;
 - the recognition of the transition to new accounting and management software;

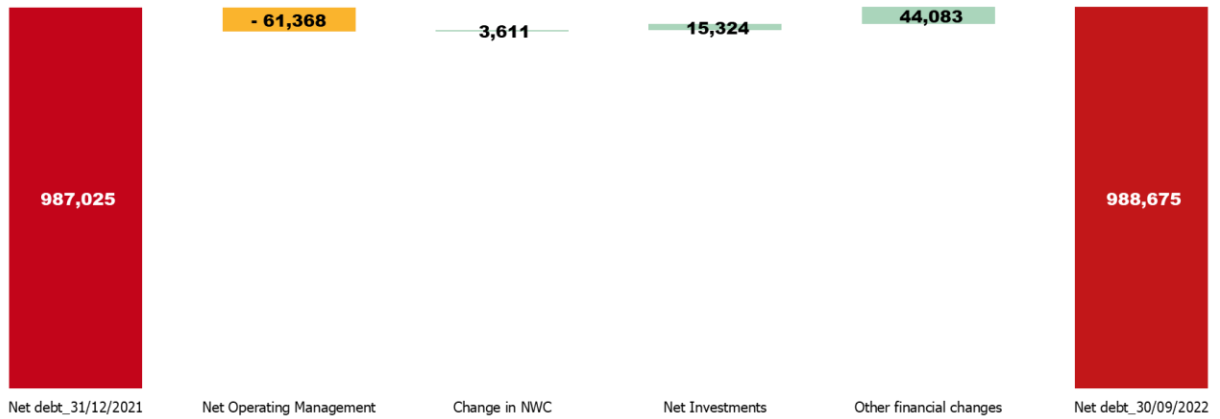
- amortization recognized in the reporting period.
- ✓ **plant, property and equipment** which were €123 thousand higher due mainly to:
 - the installation of multimedia totems in the shopping centers;
 - depreciation recognized in the reporting period.
- ✓ **net working capital** which was lower with respect to 30 June 2022 due mainly to: (i) a decrease in trade and related party receivables of €955 thousand attributable largely to the discounts agreed on with several retailers during the 2021 closures caused by the Covid-19 restrictions; (ii) an increase in inventory of €667 thousand attributable to work done on the residential portion of Officine Storiche, (iii) a decrease in other current assets of €630 thousand, (iv) a decrease in trade and related party payables of €1,660 thousand, (v) a decrease in tax payables of €805 thousand and (vi) an increase in other liabilities of €884 thousand.

(amounts in thousand of Euro)	30/09/2022	30/06/2022	▲	%	31/12/2021	▲	%
Inventories and advanced payments	38,199	37,532	667	1.78%	37,375	824	2.20%
Third parties trade receivables	14,754	13,969	785	5.62%	15,415	(661)	-4.29%
Related parties trade and other receivables	855	2,595	(1,740)	-67.05%	716	139	19.41%
Other current assets	6,035	6,665	(630)	-9.45%	5,717	318	5.56%
Trade and other payables	(14,379)	(12,034)	(2,345)	19.49%	(16,062)	1,683	-10.48%
Related parties trade and other payables	(1,049)	(1,734)	685	-39.50%	(950)	(99)	10.42%
Tax liabilities	(3,510)	(4,315)	805	-18.66%	(2,967)	(543)	18.30%
Other liabilities	(15,383)	(14,499)	(884)	6.10%	(14,740)	(643)	4.36%
Net Working Capital	25,522	28,179	(2,657)	-9.43%	24,504	1,018	4.15%

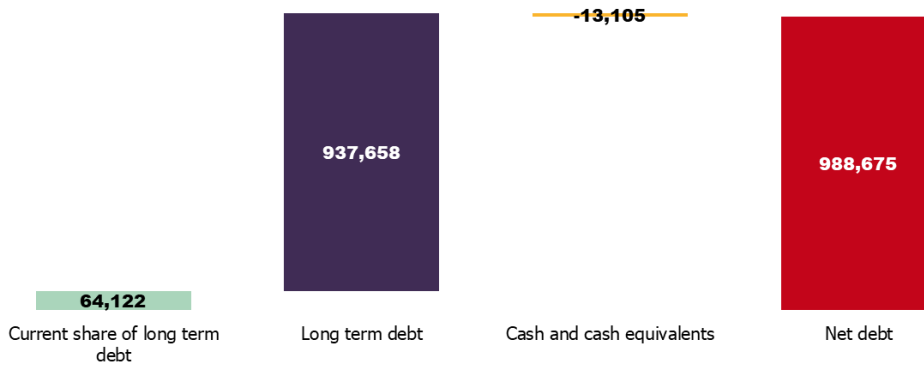
- ✓ **provisions for risks and charges** which showed an increase of €575 thousand explained by: (i) the provisions made for bonuses owed employees for 2022 which will be paid in 2023, (ii) provisions made for a few IMU disputes underway relative to the ESP (Ravenna) and La Torre (Palermo) shopping centers, (iii) earthquake proofing for which IGD is responsible at a few of the supermarkets and hypermarkets sold during the prior year (iv) provisions made for an administrative dispute underway involving the subsidiary Win Magazin S.a., and (v) adjustments to employee severance (TFR).
- ✓ **net deferred tax assets and liabilities**, which went from €13,856 thousand to €15,272 thousand due to tax misalignments relating mainly to (i) fair value adjustments to investment property which is not included in the SIIQ perimeter, and (ii) hedges (IRS);
- ✓ the **Group's net equity**, which amounted to €1,181,678 thousand at 30 September 2022. The increase of €15,704 thousand is explained by:
 - for approximately -€135 thousand, movements in the 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 +€1,883 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 +€1,748 thousand for a subsidiary;
 - for €12,208 thousand, the Group's share of the net profit for the reporting period.

- ✓ **Net liabilities for derivatives**, which were higher against the prior quarter due to the fair value measurement of hedging instruments.

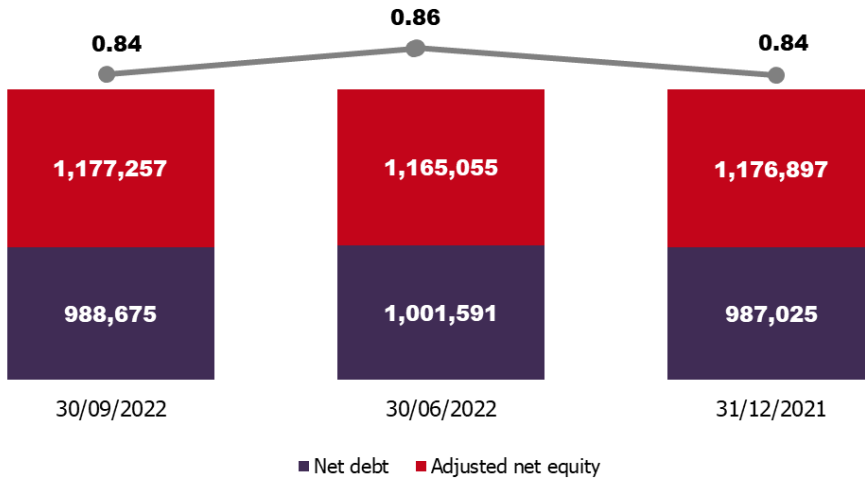
The **net financial position** at 30 September 2022 was about €1,650 thousand higher at 31 December 2021. The changes are shown below:



The net financial position is broken down as follows:



The gearing ratio reflects the debt-to-equity ratio, including non-controlling interests but excluding the CFH reserves. The ratio came to 0.84 at 30 September 2022, in line with the 0.84 recorded at 30 September 2021 and the 0.86 recorded at 30 June 2022.



1.4. // Significant events at 30 September 2022

The main events in the reporting period are described below.

Corporate events

On 24 February 2022 the Board of Directors approved the draft separate and consolidated financial statements for FY 2021, as well as the Annual Report on Corporate Governance and Ownership Structure, included in the annual report, and the Report on Remuneration. The Board of Directors also approved the twelfth Corporate Sustainability Report.

On 23 March 2022 IGD's Board of Directors approved the issue, by 31 July 2022, of EUR 500,000,000.00 in senior green, unsubordinated and non-convertible notes, subject to market conditions, to be offered to institutional investors in Italy and abroad.

On 28 March 2022 IGD decided to postpone the issue of the EUR 500,000,000.00 in senior green, unsubordinated and non-convertible notes, approved by the Board of Directors on 23 March 2022, until market conditions improve.

During the Annual General Meeting held on 14 April 2022, IGD's shareholders approved the 2021 financial statements of IGD SIIQ S.p.A., as presented during the Board of Directors meeting held on 24 February 2022, which closed with a net profit of €54,093,401.45.

Shareholders also resolved to distribute a dividend of €0.35 per share. The total dividend payable, calculated based on the number of IGD shares outstanding at 24 February 2022 (110,341,903 ordinary shares), amounted to €38,619,666.05 and was taken from:

- for €31,733,007.20, distributable income generated by exempt operations;
- for €6,886,658.85, utilization of the reserves released following the disposal of 5 hypermarkets and 1 supermarket finalized during the year.

The net earnings generated by exempt distributed amounted to €38,619,666.05 or €0.35 per share.

Lastly, during the Annual General Meeting shareholders resolved to grant the statutory audit assignment for the period 2022-2030 to the firm Deloitte & Touch S.p.A..

On 21 April 2022 the residual amount outstanding on €162 million in notes of €153.6 million, as well as interest, was repaid at the expiration date.

On 5 May 2022 the Board of Directors examined and approved the interim financial report as at 31 March 2022.

On 2 August 2022 IGD SIIQ S.p.A. entered into a facility agreement with BNP Paribas, in its capacity as Global Coordinator, Green Coordinator and Lender, and Banca Nazionale del Lavoro S.p.A., Banco BPM S.p.A., Cassa Depositi e Prestiti S.p.A. and China Construction Bank in their capacity as Lenders, pursuant to which the lenders granted the Company a EUR 215 million 3-year Green Facility which may be extended by the Company for up to five years.

The loan will be used to finance and/or refinance, in whole or in part, the so-called Eligible Green

Projects referred to in the Company's Green Financing Framework, developed in accordance with the Green Bond Principles 2021, published by the International Capital Market Association (ICMA), and the Green Loan Principles 2021, published by the Loan Market Association (LMA). It will also be used to refinance the Company's existing debt with a pool of banks and lending institutions for a maximum original amount of EUR 200 million, granted under the terms and conditions stated in the loan agreement signed on 16 October 2018.

On 4 August 2021 the Board of Directors examined and approved the half-year financial report as at 30 June 2022.

In September 2022 IGD received the "EPRA BPR Gold Award" (Best Practice Recommendations) for its 2021 Consolidated Annual Report for the fifth year in a row. This prize testifies to IGD's continuous commitment to further increasing transparency and comparability in its communication, which benefits investors, the financial community and all the Group's stakeholders.

For the eighth year in a row, IGD also received the "EPRA sBPR Gold Award" (Sustainability Best Practice Recommendations) for its Corporate Sustainability Report 2021. This prize confirms the high standards achieved by IGD in terms of sustainability reporting.

Investments

During the first nine months of 2022 the Group continued with development of the Porta a Mare – Officine project and restyling of the La Favorita center in Mantua, as well as extraordinary maintenance. The construction of the new stores in the space created by reducing the hypermarket and the restyling of the first floor of the Casilino center in Rome was completed in the reporting period, as was construction of the new stores in the space created following the hypermarket reduction at the Porto Grande Shopping Center in San Benedetto del Tronto.

The investments made at 30 September 2022 are shown below:

	30/09/2022	30/06/2022	III Trimestre 2022
	Euro/mn	Euro/mn	Δ
Development projects:			
Porta a Mare project, Officine Storiche retail (in progress)	6.30	3.27	3.03
Porta a Mare project (Trading) (in progress)	1.71	1.04	0.67
Restyling in progress	2.23	1.14	1.09
Restyling completed in 2022	1.14	1.14	0
Extraordinary maintenances	4.77	3.00	1.77
Other	0.81	0.36	0.45
Total investments carried out	16.96	9.95	7.01

Development projects

"Porta a Mare" Project

During the reporting period work on the residential portion of the Officine Storiche section continued for a total of around €1,704 thousand (of which €667 thousand in the third quarter), as did urbanization work on the Molo, Lips and Arsenale sections. Work on the retail portion, which is expected to be completed by the first half of 2023, amounted to approximately €6,305 thousand (of which €3,034 thousand in the third quarter). Thirty preliminary sales agreements/irrevocable offers, eight of which in the third quarter of 2022, for residential units in the Officine Storiche area had been signed at 30 September 2022.

Lastly, the sale of a residential unit and an enclosed garage in the Mazzini section closed in 9M 2022.



Restyling

In the first half of 2022 work on the new medium-sized stores at the Casilino center in Rome and construction of the new medium-sized stores in the space created by reducing the hypermarket at the Porto Grande Shopping Center in San Benedetto del Tronto was completed. The costs incurred for the work done in the half amounted to €228 thousand and €921 thousand, respectively.

The restyling work is consistent with the strategy, already described at length in the Annual Report and the Corporate Sustainability Report at 31 December 2021, to be increasingly green in order to reach climate change goals, provide financial support through the issue of sustainable finance instruments and increase the property's tradable value.

At 30 September 2022 work was still underway on:

- restyling of the La Favorita Shopping Center in Mantua which is expected to be completed in the second half of 2022. The costs incurred for the work done in the reporting period amounted to €1,792 thousand (€882 thousand in the third quarter alone);
- planning the restyling of the Leonardo Shopping Center in Imola. Work is expected to begin early 2023 and completed in 2024. The costs incurred in the reporting period amounted to €213 thousand (€92 thousand in the third quarter alone);
- the remodeling of the spaces inside the Katanè Shopping Center in Catania and the La Torre Shopping Center created by reducing the size of the hypermarket, which increased the size of the mall, pursuant to the agreement signed between IGD SIIQ and Coop Alleanza 3.0. The work is expected to be completed in 2023. Costs incurred for the work done in the reporting period totaled €141 thousand for Katanè and €82 thousand for La Torre. Costs for the work done on the Katanè center in the third quarter alone amounted to €114 thousand;
- remapping of the space occupied by the hypermarket at the Tiburtino Shopping Center in Guidonia. The cost incurred for the planning work amounted to €1 thousand at 30 September 2022.



La Favorita (MN) – Piazza food

Extraordinary maintenance

In the first nine months of 2022, extraordinary maintenance continued for a total of €4,773 thousand (€1,775 thousand in the third quarter alone), relating mainly to work done to improve the energy efficiency at the Tiburtino, Casilino, Maremà, Centro d’Abruzzo and ESP centers, as well as a few Romanian shopping centers. Based on the fair value measurement of investment property, the value of the extraordinary maintenance completed in the third quarter was fully impaired.

1.5. // Subsequent events

The are no significant events to report after the close of the quarter.

1.6. // Outlook

The global market conditions continue to be characterized by a series of factors that could weigh further on the post-pandemic recovery. More in detail, the increased demand tied to the recession and the lack of commodities (energy and non), fueled further by the conflict in Ukraine and the international sanctions on Russia, are pushing market prices to levels rarely seen before.

Given the above, and even considering the good results achieved by Gruppo IGD, for the moment we are confirming the FFO guidance for 2022 which estimates that growth against 2021 will reach +2/3%.

2. GRUPPO IGD CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

2.1. // Consolidated income statement

<i>(in thousands of Euros)</i>	30/09/2022 (A)	30/09/2021 (B)	Change (A)-(B)	3° Q 2022 (C)	3° Q 2021 (D)	Change (C)-(D)
Revenue	102,468	109,133	(6,665)	33,507	36,065	(2,558)
Revenues from related parties and associates	80,379	79,708	671	27,100	26,500	600
Revenues from related parties	22,089	29,425	(7,336)	6,407	9,565	(3,158)
Other revenue	5,010	4,833	177	1,325	1,559	(234)
Other revenues from third parties	2,792	2,901	(109)	544	917	(373)
Other revenues from related parties	2,218	1,932	286	781	642	139
Revenues from property sales	432	440	(8)	0	0	0
Revenues and operating income	107,910	114,406	(6,496)	34,832	37,624	(2,792)
Change in inventory	1,334	1,967	(633)	667	818	(151)
Revenues and change in inventory	109,244	116,373	(7,129)	35,499	38,442	(2,943)
Construction costs for the period	(1,705)	(2,378)	673	(667)	(818)	151
Service costs	(15,523)	(9,022)	(6,501)	(5,829)	(2,777)	(3,052)
Service costs from third parties	(10,537)	(5,876)	(4,661)	(3,663)	(1,610)	(2,053)
Service costs from related parties	(4,986)	(3,146)	(1,840)	(2,166)	(1,167)	(999)
Cost of labour	(7,676)	(7,427)	(249)	(2,354)	(2,344)	(10)
Other operating costs	(7,504)	(12,107)	4,603	(2,715)	(6,699)	3,984
Total operating costs	(32,408)	(30,934)	(1,474)	(11,565)	(12,638)	1,073
Depreciations, amortization and provisions	(1,163)	(506)	(657)	(391)	(178)	(213)
(Impairment losses)/Reversals on work in progress and inventories	(482)	(54)	(428)	0	0	0
Provisions for doubtful accounts	(1,078)	(6,197)	5,119	210	3,232	(3,022)
Change in fair value	(12,611)	(16,680)	4,069	(3,274)	(4,278)	1,004
Depreciation, amortization, provisions, impairment and change in fair value	(15,334)	(23,437)	8,103	(3,455)	(1,224)	(2,231)
EBIT	61,502	62,002	(500)	20,479	24,580	(4,101)
Income/ (loss) from equity investments and asset disposal	397	0	397	0	0	0
Financial Income	85	73	12	23	22	1
Financial income from third parties	85	73	12	23	22	1
Financial charges	(22,139)	(24,916)	2,777	(7,767)	8,150	(15,917)
Financial charges from third parties	(22,041)	(24,915)	2,874	(7,735)	8,150	(15,885)
Financial charges from related parties	(98)	(1)	(97)	(32)	0	(32)
Net financial income (expense)	(22,054)	(24,843)	2,789	(7,744)	(8,128)	384
Pre-tax profit	39,845	37,159	2,686	12,735	16,452	(3,717)
Income taxes	(1,180)	(1,993)	813	(527)	(740)	213
NET PROFIT FOR THE PERIOD	38,665	35,166	3,499	12,208	15,712	(3,504)
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	38,665	35,166	3,499	12,208	15,712	(3,504)

2.2. // Consolidated statement of comprehensive income

(amounts in thousand of Euro)	30/09/2022	30/09/2021	Changes	3°Q 2022	3°Q 2021	Changes
	(A)	(B)	(A-B)	(C)	(C)	(C-D)
NET PROFIT FOR THE PERIOD	38,665	35,166	3,499	12,208	15,712	(3,504)
Other components of the comprehensive income that will not be reclassified to profit/(loss)						
Total other components of the comprehensive income that will not be reclassified to profit/(loss), net of tax effects	0	0	0	0	0	0
Other components of the comprehensive income that will be reclassified to profit/(loss)						
Effects of hedge derivatives on net equity	13,497	4,883	8,614	4,912	1,452	3,460
Tax effects of hedge derivatives on net equity	(3,239)	(1,137)	(2,102)	(1,283)	(348)	(935)
Other effects on the comprehensive income components	(382)	(457)	75	(135)	(154)	19
Total other components of the comprehensive income that will be reclassified to profit/(loss)	9,876	3,289	6,587	3,494	950	2,544
Total comprehensive profit/(loss) for the period	48,541	38,455	10,086	15,702	16,662	(960)
Non-controlling interests	0	0	0	0	0	0
TOTAL PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	48,541	38,455	10,086	15,702	16,662	(960)

2.3. // Consolidated statement of financial position

<i>(in thousands of Euros)</i>	30/09/2022 (A)	30/06/2022 (B)	31/12/2021 (C)	Change (A)-(B)	Change (A)-(C)
NON-CURRENT ASSETS:					
Intangible assets					
Intangible assets with finite useful lives	780	615	303	165	477
Goodwill	7,210	7,335	7,585	(125)	(375)
	7,990	7,950	7,888	40	102
Property, plant, and equipment					
Investment property	2,091,643	2,093,143	2,093,176	(1,500)	(1,533)
Buildings	7,046	7,057	7,174	(11)	(128)
Plant and machinery	91	98	115	(7)	(24)
Equipment and other goods	1,795	1,654	1,741	141	54
Assets under construction and advance payments	47,547	43,420	44,095	4,127	3,452
	2,148,122	2,145,372	2,146,301	2,750	1,821
Other non-current assets					
Deferred tax assets	2,465	3,899	6,173	(1,434)	(3,708)
Sundry receivables and other non-current assets	127	127	127	(0)	(0)
Equity investments	25,765	25,765	25,765	0	0
Non-current financial assets	174	174	174	0	0
Derivative assets	5,651	2,671	0	2,980	5,651
	34,182	32,636	32,239	1,546	1,943
TOTAL NON-CURRENT ASSETS (A)	2,190,294	2,185,958	2,186,428	4,336	3,866
CURRENT ASSETS:					
Work in progress inventory and advances	38,199	37,532	37,375	667	824
Trade and other receivables	14,754	13,969	15,490	785	(736)
Related party trade and other receivables	855	2,595	716	(1,740)	139
Other current assets	6,035	6,665	5,717	(630)	318
Cash and cash equivalents	13,105	16,209	158,080	(3,104)	(144,975)
TOTAL CURRENT ASSETS (B)	72,948	76,970	217,378	(4,022)	(144,430)
TOTAL ASSETS HELD FOR SALES (C)	0	0	1,801	0	(1,801)
TOTAL ASSETS (A + B + C)	2,263,242	2,262,928	2,405,607	314	(142,365)
NET EQUITY:					
Share capital	650,000	650,000	650,000	0	0
Other reserves	476,846	473,350	467,300	3,496	9,546
Group profit (loss) carried forward	16,167	16,167	1,689	0	14,478
Net profit (loss) of the year	38,665	26,457	52,769	12,208	(14,104)
Total Group net equity	1,181,678	1,165,974	1,171,758	15,704	9,920
Capital and reserves of non-controlling interests	0	0	0	0	0
TOTAL NET EQUITY (D)	1,181,678	1,165,974	1,171,758	15,704	9,920
NON-CURRENT LIABILITIES:					
Derivatives - liabilities	555	2,341	8,435	(1,786)	(7,880)
Non-current financial liabilities	937,832	932,344	951,408	5,488	(13,576)
Provisions for employee severance indemnities	3,514	3,438	3,391	76	123
Deferred tax liabilities	17,737	17,755	17,875	(18)	(138)
Provisions for risks and future charges	4,339	3,840	4,130	499	209
Sundry payables and other non-current liabilities	9,232	8,583	9,504	649	(272)
Related parties sundry payables and other non-current liabilities	9,912	10,441	10,441	(529)	(529)
TOTAL NON-CURRENT LIABILITIES (E)	983,121	978,742	1,005,184	4,379	(22,063)
CURRENT LIABILITIES:					
Current financial liabilities	64,122	85,630	192,643	(21,508)	(128,521)
Trade and other payables	14,379	12,034	16,137	2,345	(1,758)
Related parties trade and other payables	1,049	1,734	950	(685)	99
Current tax liabilities	3,510	4,315	2,967	(805)	543
Other current liabilities	15,383	14,499	14,740	884	643
TOTAL CURRENT LIABILITIES (F)	98,443	118,212	227,437	(19,769)	(128,994)
LIABILITIES RELATED TO ASSETS HELD FOR SALES (G)	0	0	1,228	0	(1,228)
TOTAL LIABILITIES (H=E+F+G)	1,081,564	1,096,954	1,233,849	(15,390)	(152,285)
TOTAL NET EQUITY AND LIABILITIES (D + H)	2,263,242	2,262,928	2,405,607	314	(142,365)

2.4. // Consolidated statement of changes in equity

(amounts in thousand of Euro)	Share capital	Share premium reserve	Other reserves	Profit (loss) from previous year	Profit (loss) of current year	Group net equity	Non-controlling interest capital and reserves	Total net Equity
Balance at 01/01/2022	650,000	0	467,300	1,689	52,769	1,171,758	0	1,171,758
Profit/(loss) for the period	0	0	0	0	38,665	38,665	0	38,665
Cash flow hedge derivative assessment	0	0	10,257	0	0	10,257	0	10,257
Other comprehensive income (losses)	0	0	(382)	0	0	(382)	0	(382)
Total comprehensive profit (losses)	0	0	9,875	0	38,665	48,540	0	48,540
Allocation of 2021 profit								
Dividends paid	0	0	(6,887)	(31,733)	0	(38,620)	0	(38,620)
Fair value reserve reclassification	0	0	0	0	0	0	0	0
Dividends not paid from previous years	0	0	0	0	0	0	0	0
Allocation of 2021 profit	0	0	6,558	46,211	(52,769)	0	0	0
Balance at 30/09/2022	650,000	0	476,846	16,167	38,665	1,181,678	0	1,181,678

(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 01/01/2021	650,000	30,058	499,131	9,574	(74,321)	1,114,442	0	1,114,442
Profit/(loss) for the period	0	0	0	0	35,166	35,166	0	35,166
Cash flow hedge derivative assessment	0	0	3,746	0	0	3,746	0	3,746
Other comprehensive income (losses)	0	0	(457)	0	0	(457)	0	(457)
Total comprehensive income (losses)	0	0	3,289	0	35,166	38,455	0	38,455
Coverage of 2020 loss								
Fair value reserve reclassification	0	0	0	0	0	0	0	0
Coverage of 2020 loss and other reclass	0	(30,058)	(36,378)	(7,885)	74,321	0	0	0
Balance at 30/09/2021	650,000	0	466,042	1,689	35,166	1,152,897	0	1,152,897

2.5. // Consolidated statement of cash flows

(in thousands of Euros)	30/09/2022	30/09/2021
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit (loss) of the year	38,665	35,166
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities		
Taxes of the year	1,180	1,993
Financial charges / (income)	22,054	24,843
Depreciation and amortization	1,163	506
Writedown of receivables	1,078	6,197
(Impairment losses) / reversal on work in progress	482	54
Changes in fair value - increases / (decreases)	12,611	16,680
Income/ (loss) from equity investments and asset disposal	(397)	0
Provisions for employees and end of mandate treatment	1,151	1,117
CASH FLOW FROM OPERATING ACTIVITIES:	77,987	86,556
Financial charge paid	(14,334)	(16,011)
Provisions for employees and end of mandate treatment paid	(1,471)	(723)
Income tax	(814)	(659)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX:	61,368	69,163
Change in inventory	(1,333)	(1,967)
Change in trade receivables	(556)	(10,136)
Net change in other assets	3,390	1,408
Change in trade payables	(1,585)	908
Net change in other liabilities	(3,527)	323
CASH FLOW FROM OPERATING ACTIVITIES (A)	57,757	59,699
(Investments) in intangible assets	(514)	(87)
(Investments) in tangible assets	(14,810)	(11,847)
Disposals in Equity investments	0	52
CASH FLOW FROM INVESTING ACTIVITIES (B)	(15,324)	(11,882)
Dividend distribution	(37,950)	0
Rents paid for financial leases	(6,059)	(6,358)
New issue of long-term binds and other financing activities	255,000	0
Loans repayments and other financing activities	(398,392)	(104,836)
CASH FLOW FROM FINANCING ACTIVITIES (C)	(187,401)	(111,194)
Exchange rate differences on cash and cash equivalents (D)	(7)	(82)
NET INCREASE (DECREASE) IN CASH BALANCE (A+B+C+D)	(144,975)	(63,459)
CASH BALANCE AT BEGINNING OF THE PERIOD	158,080	117,341
CASH BALANCE AT END OF THE PERIOD	13,105	53,882

2.6. // Net financial position

The table below shows the net financial position at 30 September 2022, at 30 June 2022 and at 31 December 2021. At neither date does it include derivatives held for hedging purposes, which by nature do not constitute monetary assets or liabilities.

Net debt increased by about €1.65 million with respect to 31 December 2021, due mainly to:

- dividend payments of €38.6 million in May 2022;
- the three-year €215 million Green loan, with an extension option in favor of the company of up to five years, obtained on 2 August 2022 and the termination of a €200 million loan;
- a decrease in payables as a result of applying IFRS 16;
- cash generated during the reporting period net of capital expenditure and mortgage loan payments.

The revocable credit facilities with banks amount to €120 million and were unutilized for €105 million at 30 September 2022. Committed revolving credit facilities with banks, unutilized at 30 September 2022, amount to €60 million.

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

<i>(in thousands of Euros)</i>	30/09/2022	30/06/2022	31/12/2021
Cash and cash equivalents	(13,105)	(16,209)	(158,080)
LIQUIDITY	(13,105)	(16,209)	(158,080)
Current financial liabilities	15,000	40,029	0
Mortgage loans - current portion	33,904	32,025	27,328
Leasing - current portion	7,594	7,514	7,355
Bond loans - current portion	7,624	6,062	157,960
CURRENT DEBT	64,122	85,630	192,643
CURRENT DEBT RELATED TO ASSETS HELD FOR SALES	0	0	1,228
CURRENT NET DEBT	51,017	69,421	35,791
Non-current financial assets	(174)	(174)	(174)
Leasing - non-current portion	25,291	27,209	31,043
Non-current financial liabilities	417,968	411,211	427,579
Bond loans	494,573	493,924	492,786
NON-CURRENT NET DEBT	937,658	932,170	951,234
NET FINANCIAL POSITION	988,675	1,001,591	987,025

As in previous reporting periods, the net financial position does not include payables for security deposits received from third parties and related parties for the rental of hypermarkets and malls, given their commercial nature.

2.7. // Preparation criteria and scope of consolidation

2.7.1. General information

The interim financial report of Immobiliare Grande Distribuzione at 30 September 2022 was approved and authorized for publication by the Board of Directors on 3 November 2022.

IGD SIIQ S.p.A. is a subsidiary of and subject to the management and coordination of Coop Alleanza 3.0. Soc. Coop.

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 2022 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 2021, 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 2022 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, 30 June 2022 and at 31 December 2021. Therefore, comments on income statement items refer to a comparison with the same period of the prior year (30 September 2021), while balance sheet items are compared with the previous quarter (30 June 2022).

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 were drawn up on the basis of the draft financial statements at 30 September 2022, 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 2021. 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. Below are the exchange rates used to convert foreign subsidiaries' accounts into euros:

Exchange rate	Euro/Ron
Spot exchange rate at 30.09.2022	4.9490
9M 2022 average exchange rate	4.9351
Spot exchange rate at 30.09.2021	4.9471
9M 2021 average exchange rate	4.9111
Spot exchange rate at 31.12.2021	4.9489
2022 average exchange rate	4.9204

Name	Registered office	Country	Share capital	Currency	% of consolidated Group interest	Held by	% of share capital held	Activity
Parent company								
IGD SIIQ S.p.A.	Bologna via trattati comunitari Europei 1957-2007	Italy	650,000,000.00	Euro				Shopping centers management
Subsidiaries fully consolidated								
IGD Management SIIQ S.p.A.	Bologna via trattati comunitari Europei 1957-2007	Italy	20,000,000.00	Euro	100%	IGD SIIQ S.p.A.	100.00%	Shopping centers management and services
IGD Service S.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italy	60,000,000.00	Euro	100%	IGD SIIQ S.p.A.	100.00%	Shopping centers management and services
Porta Medicea S.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italy	34,302,411.00	Euro	100%	IGD Service S.r.l.	100.00%	Construction and marketing company
Win Magazin S.A.	Bucarest	Romania	113,715.30	Lei	100%	IGD Service S.r.l. 99.9% IGD SIIQ S.p.A. 0.1%	100.00%	Shopping centers 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 equipment management, construction, sale and rent of properties to be used for commercial and sport activities
Subsidiaries consolidated using the equity method								
Fondo Juice	Milano, via San Paolo 7	Italy	64,165	Euro	40%*	IGD SIIQ S.p.A.	40%	Hypermarkets/supermarkets property

* IGD SIIQ holds 25,224 shares of B class equal to 40% of the capital of the fund

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	% of control	Registered office
Owner consortium CC Leonardo	Direct	52.00%	VIA AMENDOLA 129, IMOLA (BO)
Owner consortium CC I Bricchi	Direct	72.25%	VIA PRATO BOSCHIERO, ISOLA D'ASTI (LOC MOLINI)
Owner consortium Centrolame	Direct	66.43%	VIA MARCO POLO 3, BOLOGNA (BO)
Consortium of the shopping center Katanè	Direct	53.00%	VIA QUASIMODO, GRAVINA DI CATANIA LOC SAN PAOLO
Consortium of the shopping center Conè	Direct	65.78%	VIA SAN GIUSEPPE SNC, QUARTIERE DELLO SPORT CONEGLIANO (TV)
Consortium of the shopping La Torre-Palermo	Direct	55.04%	VIA TORRE INGASTONE, PALERMO LOC BORGONUOVO
Owner consortium of the shopping center Gran Rondò	Direct	48.69%	VIA G. LA PIRA n. 18. CREMA (CR)
Owner consortium of the shopping center Fonti del Corallo	Direct	68.00%	VIA GINO GRAZIANI 6, LIVORNO
Owner consortium of the shopping center 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 the retail park Clodi	Direct	70.35%	S.S. ROMEA n. 510/B; CHIOGGIA (VE)
Consortium Centro Le Maibliche	Direct	70.52%	VIA BISAURA N.13, FAENZA (RA)
Consortium ESP	Direct	64.59%	VIA MARCO BUSSATO 74, RAVENNA (RA)
Owner consortium Puntadiferro	Direct	62.34%	Piazzale della Cooperazione 4, FORLI' (FC)
Owner consortium of compendio commerciale del Commendone	Direct	52.60%	Via Ecuador snc, Grosseto
Consortium shopping center 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 Centro Commerciale Casilino	Indirect	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 are shown in thousands of euros*).

Profit and Loss	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		Total	
	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####
Total revenue and operating income	109,133	108,977	4,833	4,778	440	708	0	0	114,406	114,463
Change in work in progress inventory	0	0	0	0	1,967	618	0	0	1,967	618
Direct costs (a) (excluding provision for doubtful accounts)	(22,239)	(17,833)	(3,954)	(3,778)	(2,743)	(1,916)	0	0	(28,936)	(23,527)
G&A expenses (b)	0	0	0	0	0	0	(8,195)	(7,886)	(8,195)	(7,886)
Total operating costs (a)+(b)	(22,239)	(17,833)	(3,954)	(3,778)	(2,743)	(1,916)	(8,195)	(7,886)	(37,131)	(31,413)
(Depreciation and amortizations)	(275)	(1,991)	0	0	(3)	(3)	(228)	(226)	(506)	(2,220)
(Impairment losses) /reversals on work in progress and inventory	(15)	(734)	0	0	(39)	(1,425)	0	0	(54)	(2,159)
Fair value change - increase/(decreases)	(16,680)	(75,359)	0	0	0	0	0	0	(16,680)	(75,359)
Total depreciation, amortization, provisions, impairment and fair value changes	(16,970)	(78,084)	0	0	(42)	(1,428)	(228)	(226)	(17,240)	(79,738)
EBIT	69,924	13,060	879	1,000	(378)	(2,018)	(8,423)	(8,112)	62,002	3,930
Income/ (loss) from equity investments and property sales	0	0	0	0	0	0	0	(72)	0	(72)
Financial income	0	0	0	0	0	0	73	68	73	68
Financial charges	0	0	0	0	0	0	(24,916)	(27,084)	(24,916)	(27,084)
Net financial income (expense)	0	0	0	0	0	0	(24,843)	(27,016)	(24,843)	(27,016)
PRE-TAX PROFIT	69,924	13,060	879	1,000	(378)	(2,018)	(33,266)	(35,200)	37,159	(23,158)
Income taxes for the period	0	0	0	0	0	0	(1,993)	1,840	(1,993)	1,840
NET PROFIT FOR THE PERIOD	69,924	13,060	879	1,000	(378)	(2,018)	(35,259)	(33,360)	35,166	(21,318)
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	69,924	13,060	879	1,000	(378)	(2,018)	(35,259)	(33,360)	35,166	(21,318)

BALANCE SHEET	30-Sep-22		30-Jun-22		30-Sep-22		30-Jun-22		30-Sep-22		30-Jun-22	
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL			
- Investment property	2,091,643	2,093,143	0	0	0	0	0	0	2,091,643	2,093,143		
- Assets under construction	47,547	43,420	0	0	0	0	0	0	47,547	43,420		
Intangible assets	6,203	6,328	1,007	1,007	0	0	780	615	7,990	7,950		
Other tangible assets	1,871	1,746	15	6	0	0	7,046	7,057	8,932	8,809		
Non current assets held for sale	0	0	0	0	0	0	0	0	0	0		
- Sundry receivables and other non current assets	0	0	0	0	0	0	127	127	127	127		
- Equity investments	25,693	25,693	0	0	0	0	72	72	25,765	25,765		
NWC	(11,585)	(7,073)	1,875	714	35,232	34,540	0	0	25,522	28,181		
Funds	(6,231)	(5,658)	(1,617)	(1,617)	(7)	(5)	0	0	(7,855)	(7,280)		
Sundry payables and other non current liabilities	(13,226)	(13,108)	0	0	(5,918)	(5,917)	0	0	(19,144)	(19,025)		
Net deferred tax (assets)/liabilities	(17,834)	(16,417)	0	0	2,564	2,563	0	0	(15,270)	(13,854)		
Liabilities due to assets held for sale	0	0	0	0	0	0	0	0	0	0		
Total use of funds	2,124,081	2,128,074	1,280	110	31,871	31,181	8,025	7,871	2,165,257	2,167,236		
Total group's net equity	1,150,053	1,135,271	(610)	(610)	32,235	31,313	0	0	1,181,678	1,165,974		
Net (assets)/liabilities for derivative instruments	(5,096)	(329)	0	0	0	0	0	0	(5,096)	(329)		
Net debt	979,124	993,132	1,890	720	(364)	(132)	8,025	7,871	988,675	1,001,591		
Total sources	2,124,081	2,128,074	1,280	110	31,871	31,181	8,025	7,871	2,165,257	2,167,236		

REVENUE FROM FREEHOLD PROPERTIES	30/09/2021		30/09/2020		30/09/2021		30/09/2020		30/09/2021		30/09/2020	
	NORTH		CENTRAL-SOUTH-ISLANDS		ABROAD		TOTAL					
<i>Lease & retail income</i>	54,477	54,832	37,164	37,576	6,509	5,890	98,149	98,298				
<i>One-off revenue</i>	9	0	2	0	0	0	11	0				
<i>Temporary location rentals</i>	1,016	1,251	703	507	0	0	1,719	1,758				
<i>Other rental income</i>	0	34	27	123	3	18	30	175				
TOTAL	55,502	56,117	37,896	38,206	6,512	5,908	99,910	100,231				

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 30 September 2022 correspond to the company's records, ledgers and accounting entries.

Bologna, 3 November 2022

Carlo Barban
Financial Reporting Officer