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
30/09/2023

Corporate and Supervisory Bodies

Board of Directors	Office	Executive	Non executive	Independent	Control and Risk Committee	Nomination and Compensation Committee	Related Party 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		
Gèry 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

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

External Auditors

PricewaterhouseCoopers S.p.A.

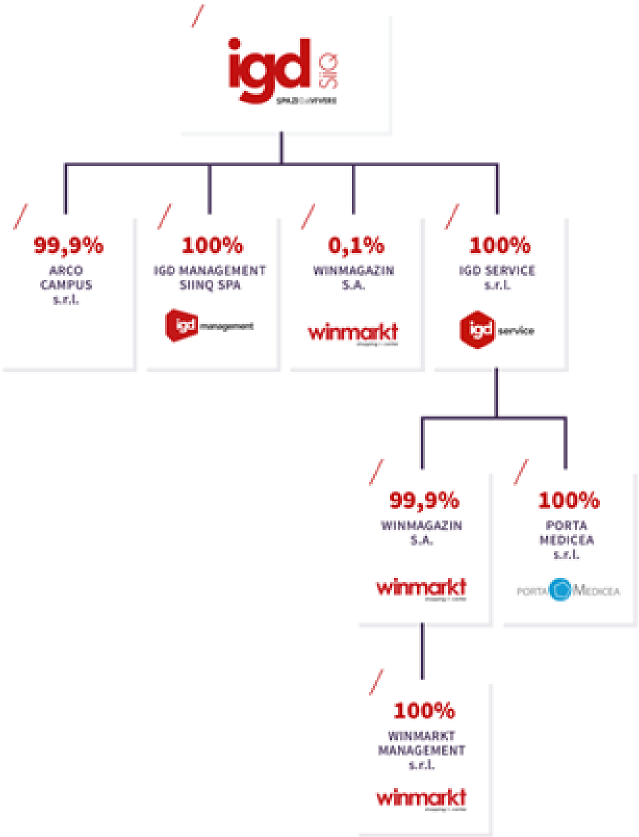
Financial Reporting Officer

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 93.7%). The remainder (around 6.3%) 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 2023, 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 project involving Livorno's waterfront.

1.2. // Income statement review

Due to the decrease in the fair value of the investment properties, the Group reported a consolidated net loss of €38,954 thousand at 30 September 2023, compared to a net profit of €38,665 thousand at 30 September 2022.
The consolidated operating income statement is shown below:

GROUP CONSOLIDATED	(a) 9/30/2023	(b) 9/30/2022	Δ (a)/(b)
Revenues from freehold rental activities	98,542	96,465	2.2%
Revenues from leasehold rental activities	6,811	5,612	21.4%
Total income from rental activities	**105,353**	**102,077**	**3.2%**
Rent and payable leases	-2	-2	0.0%
Direct costs from rental activities	-16,959	-18,485	-8.3%
Net rental income	**88,392**	**83,590**	**5.7%**
Revenues from services	5,778	5,400	7.0%
Direct costs from services	-4,075	-3,993	2.1%
Net services income	**1,703**	**1,407**	**21.0%**
HQ personnel expences	-5,566	-5,306	4.9%
G&A expenses	-3,493	-3,723	-6.2%
CORE BUSINESS EBITDA (Operating income)	**81,036**	**75,968**	**6.7%**
Core business Ebitda Margin	*72.9%*	*70.7%*	
Revenues from trading	5,602	432	n.a.
Cost of sale and other costs from trading	-5,880	-642	n.a.
Operating result from trading	**-278**	**-210**	**32.4%**
EBITDA	**80,758**	**75,758**	**6.6%**
Ebitda Margin	*69.2%*	*70.2%*	
Impairment and fair value adjustments	-86,589	-13,093	n.a.
Depreciation and provisions	-1,408	-1,163	21.1%
EBIT	**-7,239**	**61,502**	**n.a.**
FINANCIAL MANAGEMENT	-31,064	-22,054	40.9%
EXTRAORDINARY MANAGEMENT	0	397	n.a.
PRE-TAX RESULTS	**-38,303**	**39,845**	**n.a.**
Taxes	-651	-1,180	-44.8%
NET RESULT OF THE PERIOD	**-38,954**	**38,665**	**n.a.**
(Profit/Loss) for the period related to third parties	0	0	n.a.
GROUP NET RESULT	**-38,954**	**38,665**	**n.a.**

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

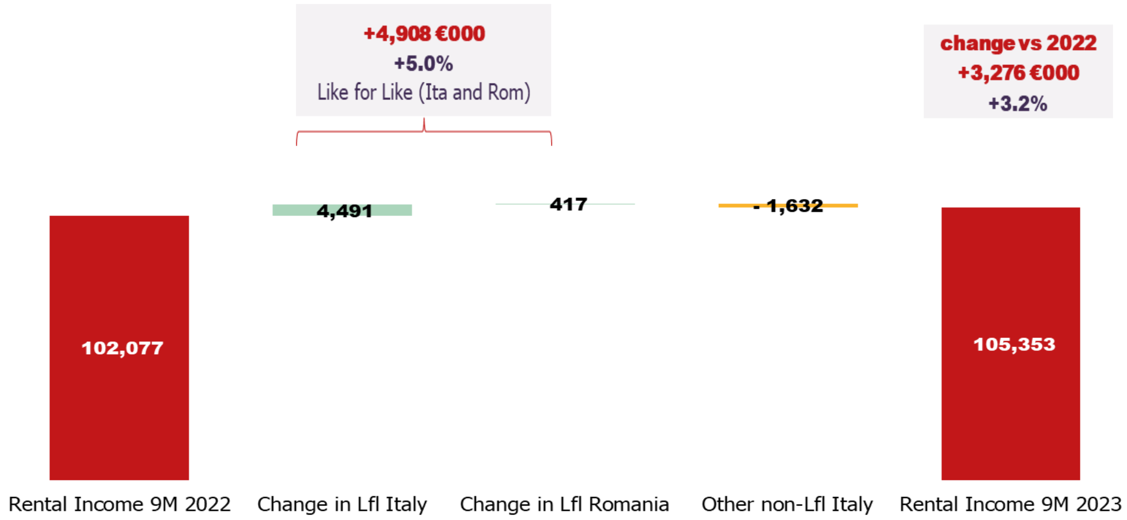
GROUP CONSOLIDATED	(a) 9/30/2023	(b) 9/30/2022	Δ (a)/(b)
Revenues from freehold rental activities	32,965	31,938	3.2%
Revenues from leasehold rental activities	2,303	1,178	95.5%
Total income from rental activities	**35,268**	**33,116**	**6.5%**
Rent and payable leases	-1	0	n.a.
Direct costs from rental activities	-5,916	-6,730	-12.1%
Net rental income	**29,351**	**26,386**	**11.2%**
Revenues from services	2,001	1,716	16.6%
Direct costs from services	-1,231	-1,186	3.8%
Net services income	**770**	**530**	**45.3%**
HQ personnel expences	-1,682	-1,590	5.8%
G&A expenses	-1,191	-1,136	4.8%
CORE BUSINESS EBITDA (Operating income)	**27,248**	**24,190**	**12.6%**
Core business Ebitda Margin	*73.1%*	*69.4%*	
Revenues from trading	30	0	n.a.
Cost of sale and other costs from trading	-149	-46	223.9%
Operating result from trading	**-119**	**-46**	**158.7%**
EBITDA	**27,129**	**24,144**	**12.4%**
Ebitda Margin	*72.7%*	*69.3%*	
Impairment and fair value adjustments	-6,312	-3,274	92.8%
Depreciation and provisions	-508	-391	29.9%
EBIT	**20,309**	**20,479**	**-0.8%**
FINANCIAL MANAGEMENT	-11,865	-7,744	53.2%
PRE-TAX RESULTS	**8,444**	**12,735**	**-33.7%**
Taxes	-335	-527	-36.4%
NET RESULT OF THE PERIOD	**8,109**	**12,208**	**-33.6%**
(Profit/Loss) for the period related to third parties	0	0	n.a.
GROUP NET RESULT	**8,109**	**12,208**	**-33.6%**

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).

The interim results shown in the consolidated operating income statement, particularly, core business EBTDA, EBITDA and EBIT are not identified as accounting measures under the international accounting standards and, therefore, should not be considered a substitute measure of the Group's performance. The criteria used by the Group to determine the interim results could also differ from those used by other sectors companies and/or groups and, therefore, these figures may not be comparable.

Net rental income

Rental income amounted to €105,353 thousand at 30 September 2023, an increase of 3.2% against the same period of the prior year.

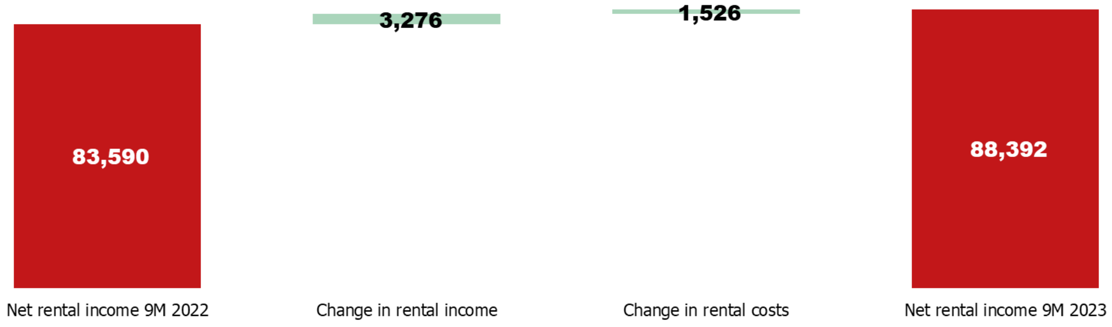


The increase against 2022, of €3,276 thousand, is attributable to:

- like-for-like revenue in Italy (malls +4.7% and hypermarkets +5.7%) explained by pre-lets, marketing and ISTAT adjustments (attributable for approximately €5.1 million to malls, +7.0%, and around €1 million to hypermarkets, +5.7%) offset by higher temporary discounts for around €1.3 million and the turnover of a few tenants, above all in the last quarter, which will begin producing revenue as of the fourth quarter or in 2024. Revenues for temporary spaces increased (+0.2 million), as did variable revenue (+€0.1 million). 135 leases comprising renewals (93) and turnover (42) were signed, with an average downside of 1.4%;
- for around -€1,632 thousand, lower revenue not like-for-like following remodeling of the hypermarkets at the Palermo, Catania, Casilino, Porto Grande, Tiburtino, Leonardo and Lungo Savio centers, only partially offset by the opening of Officine Storiche's new mixed-use complex;
- for around €417 thousand, higher revenues like-for-like in Romania attributable to indexing and fewer discounts. 404 leases were signed in the reporting period (116 turnover and 288 renewals), with an average upside of 2.3%on renewals.

The direct costs for the rental business amounted to €16,961 thousand. The decrease in costs is attributable largely to a decrease in provisions for bad debt and lower condominium fees.

Net rental income amounted to €88,392 thousand, an increase of 5.7% against the same period of the prior year and higher like-for-like by 8.1%.

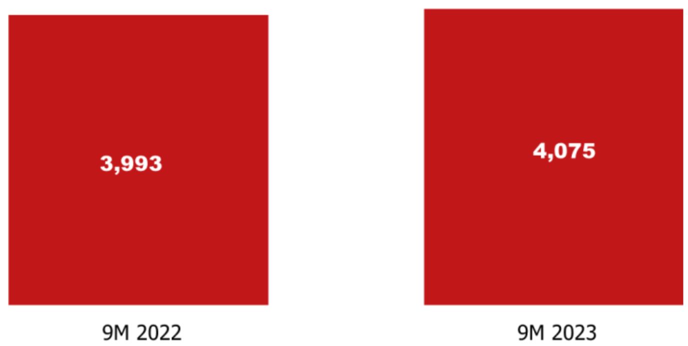


Net rental income freehold amounted to €85,554 thousand, 9.7% higher than in the same period of the prior year. The margin is sizeable, coming in at 86.8%, in line with the previous year.
Net rental income leasehold amounted to €2,838 thousand, a decrease of 49.2% compared to the same period of the prior year.

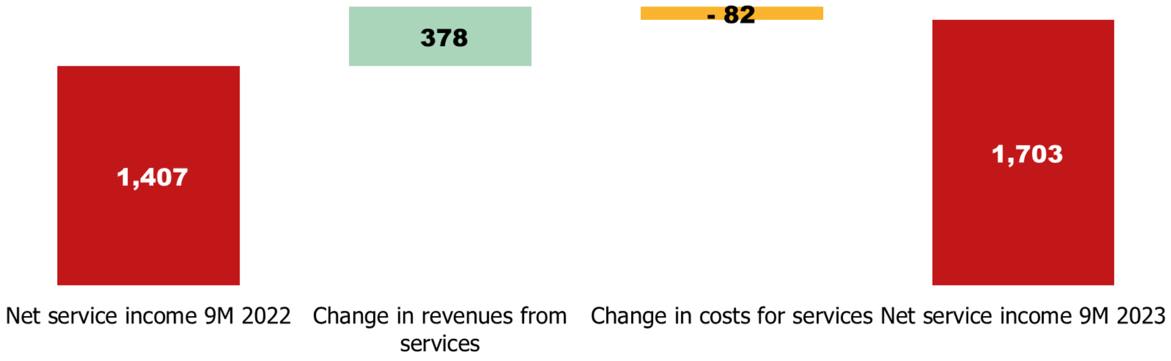
Net services income

Revenue from services showed an increase with respect to the same period of the prior year. Most of this revenue comes from the facility management business (82.8% of the total or €4,785 thousand) which was higher than in the prior reporting period, as was pilotage, offset by revenue from outsourcing services**.**

The direct costs for services amounted to €4,075 thousand, €82 thousand higher than in the same period of the prior year.



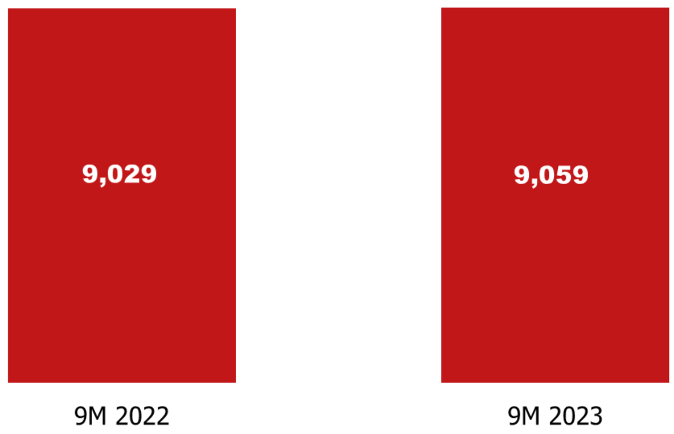
Net services income was 21% higher than in the same period of the prior year, coming in at €1,703 thousand or 29.5% of services income compared to 26.2% in the prior year.



General expenses for the core business

General expenses for the core business, including payroll costs at headquarters, came to €9,059 thousand, slightly higher (+0.3%) than the €9,029 thousand recorded in 2022 explained mainly by an increase in payroll costs at headquarters offset by savings on consultancies, utilities and corporate management costs.

These costs came to 8.2% of core business revenue.

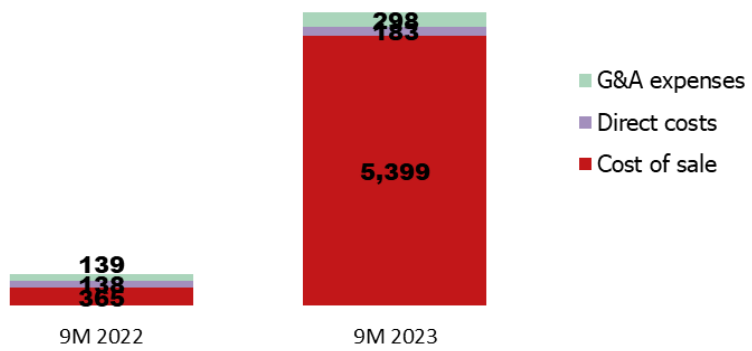


Operating results for trading

Trading posted an operating loss of €278 thousand, slightly bigger than in the same period 2022.

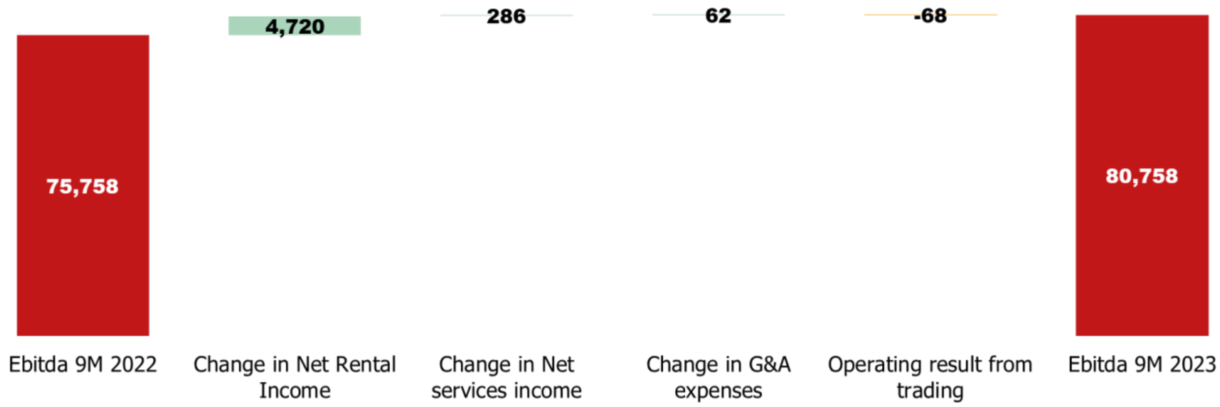
In 2023 the Porta a Mare – Mazzini project generated revenue from trading of €5,602 thousand due to the closing of 12 residential units at Officine Storiche and 1 residential unit in the Mazzini section. All the units at Mazzini have now been sold while at Officine Storiche the sale of 29 units have closed and 3 binding preliminary sales agreements have been stipulated out a total of 42 units.

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

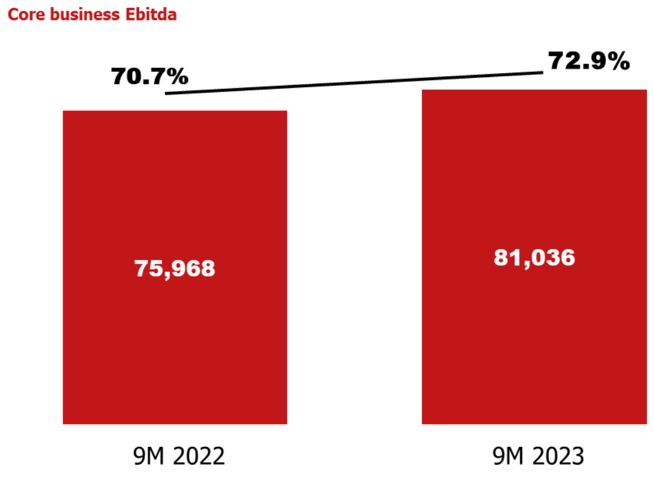


EBITDA

The core business EBITDA amounted to €81,036 thousand, 6.7% higher than in the same period of the prior year, while total EBITDA rose by 6.6% to €80,758 thousand.
The changes in the components of total EBITDA in 2023 are shown below:



The core business **EBITDA MARGIN** reached 72.9%, 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 €86,589 thousand at 30 September 2023, higher than the €13,093 thousand recorded at 30 September 2022.
The difference in fair value, negative for €86,190 thousand, is explained by:

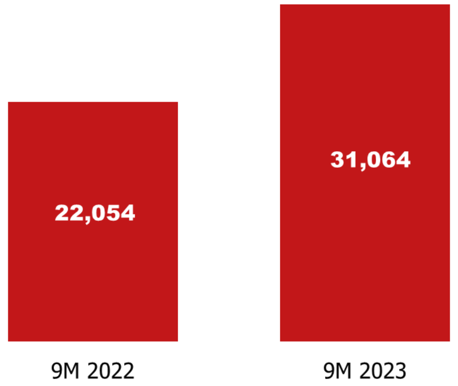
- for €6,064 thousand, impairment of the right-of-use assets stemming from IFRS 16 application including increases in the year (of which €2,422 thousand relative to the third quarter of 2023);
- for €10,682 thousand, impairment of the extraordinary maintenance of properties owned and leased by Gruppo IGD's Italian companies (of which €4,992 thousand relative to the third quarter of 2023);
- for €910 thousand, impairment of the extraordinary maintenance of properties owned by the Romanian subsidiary Win Magazin SA (of which €323 thousand relative to the third quarter of 2023);
- for €67,075 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 2023;
- for €1,459 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 2023.

Impairment losses on work in progress and inventory of €399 thousand are attributable to: (i) an impairment loss of €279 thousand on the Porto Grande expansion project; (ii) an impairment loss of €120 thousand on the Officine residential, Molo, Lips and Arsenale sections based on the appraised market value at 30 June 2023

EBIT

EBIT amounted to -€7,239 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 €22,054 thousand at 30 September 2022 to €31,064 thousand at 30 September 2023. The increase, of around €9 million, is attributable mainly to:

- an increase in interest on mortgages following the signing of the new €215 million green loan in August 2022, the new €250 million loan obtained in May 2023 and higher interest rates;
- lower financial charges on bond loans;
- lower financial charges for IRS due to a decrease in the notional amount.

The average cost of debt (without considering recurring and non-recurring transaction costs) at 30 September 2023 was 3.48%, higher than the 2.26% recorded at 31 December 2022, while the weighted average effective cost of debt went from 2.71% at 31 December 2022 to 3.96%.
The **interest cover ratio (ICR)**, the ratio of Ebitda to interest expense, came to 2.66x, lower than the 3.6x posted at 31 December 2022.

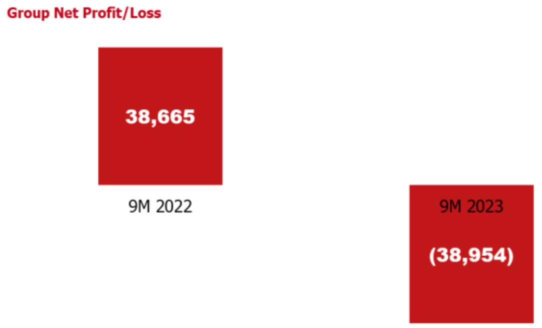
Taxes

	30/09/2023	30/09/2022	Change
Current taxes	863	860	3
Deferred tax liabilities/assets	(218)	331	(549)
Out of period income/charges - Provisions	6	(11)	17
Income taxes	**651**	**1,180**	**(529)**

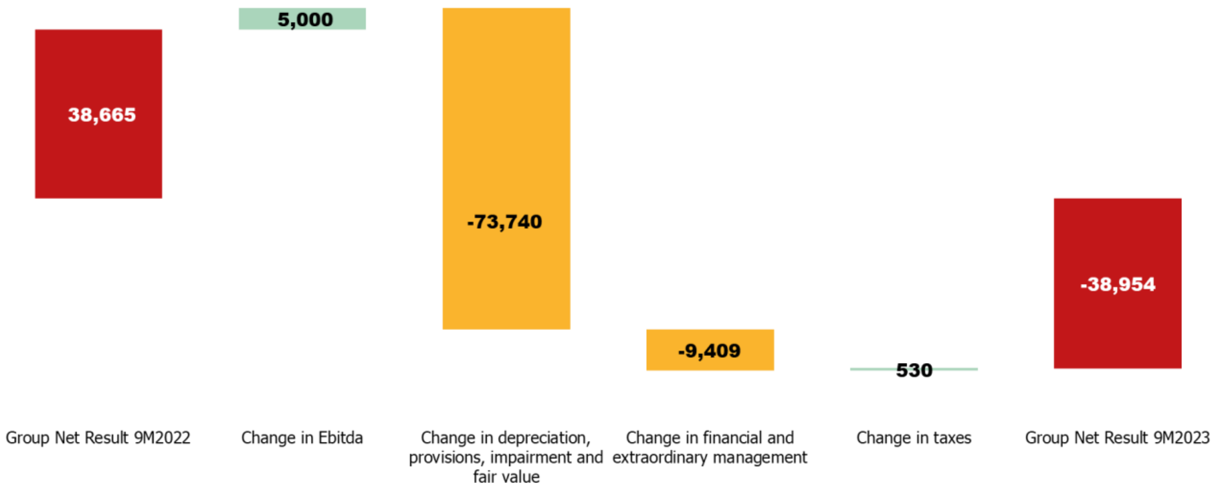
The tax burden, current and deferred, reached €651 thousand at 30 September 2023, a decrease of €529 thousand against 30 September 2022.
Current taxes were in line with the same period of the prior year.
The change in **deferred tax** of €549 thousand is attributable mainly to (i) adjustments consistent with the change in fair value of the real estate investments held by the subsidiary Win Magazin S.A. subject to ordinary taxation and (ii) the impact of IFRS16 application on the lease for the shopping mall in the «Centro Nova» Shopping Center.

Group net profit/loss

As a result of the above, the Group recorded a net loss of €38,954 thousand, compared to a profit of €38,665 thousand in the same period of the prior year.



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

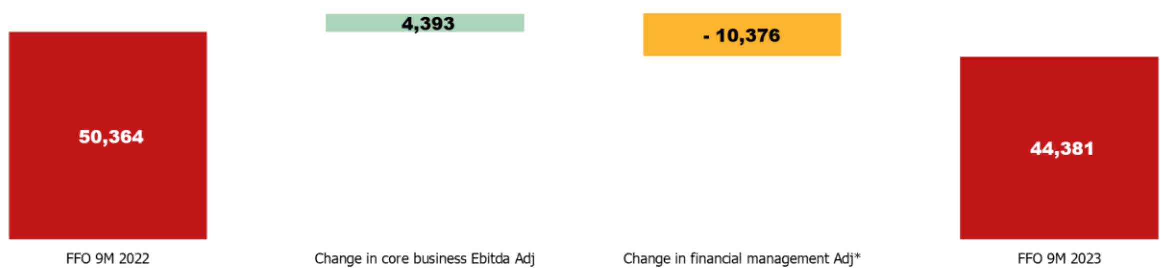


Core business FFO

FFO (Funds from Operations), a performance indicator used widely in the real estate sector (REITs), which measures the cash flow generated by a company's core business, came to €44,381 thousand at 30 September 2023, lower (-11.9%) than in same period of the prior year due to an increase in adjusted financial charges, including the negative carry recorded in 2022 and rents payable.

Funds from Operations	9M 2023	9M 2022	Δ	Δ%
Core business EBITDA*	**81,036**	**76,178**	**4,858**	**6.4%**
IFRS16 Adjustments (Payable Leases)	(6,613)	(6,150)	(463)	7.5%
Financial Management Adj**	(29,179)	(18,803)	(10,376)	55.2%
Current taxes for the period	(863)	(861)	(2)	0.2%
FFO	**44,381**	**50,364**	**(5,983)**	-11.9%

*Net of the non-recurring expenses recorded in 2022
** Adj. financial charges refer to financial charges net of IFRS 16, IFRS 9, other non-recurring exchange costs and negative carry



1.3. // Statement of financial position and financial review

Gruppo IGD's statement of financial position at 30 September 2023 can be summarized as follows:

	30/09/2023	30/06/2023	Δ	%	31/12/2022	Δ	%
Investment property	1,999,415	1,969,733	29,682	1.51%	2,041,330	(41,915)	-2.05%
Assets under construction and advanced payments	6,438	35,223	(28,785)	-81.72%	36,662	(30,224)	-82.44%
Intangible assets	7,499	7,692	(193)	-2.51%	7,881	(382)	-4.85%
Other tangible assets	8,900	9,079	(179)	-1.97%	9,424	(524)	-5.56%
Sundry receivables and other non current assets	112	109	3	2.42%	121	(9)	-7.69%
Equity investments	25,765	25,765	0	0.00%	25,765	0	0.00%
NWC	6,446	9,652	(3,206)	-33.22%	12,770	(6,324)	-49.52%
Funds	(8,482)	(8,005)	(477)	5.96%	(7,400)	(1,082)	14.62%
Sundry payables and other non current liabilities	(18,388)	(18,318)	(70)	0.38%	(19,828)	1,440	-7.26%
Net deferred tax (assets)/liabilities	(13,642)	(13,659)	17	-0.12%	(14,099)	457	-3.24%
Total use of funds	**2,014,063**	**2,017,271**	**(3,208)**	**-0.16%**	**2,092,626**	**(78,563)**	**-3.75%**
Total Group's net equity	1,048,508	1,040,798	7,710	0.74%	1,121,800	(73,292)	-6.53%
Net (assets) and liabilities for derivative instruments	(5,307)	(5,493)	186	-3.39%	(6,115)	808	-13.21%
Net debt	970,862	981,966	(11,104)	-1.13%	976,941	(6,079)	-0.62%
Total sources	**2,014,063**	**2,017,271**	**(3,208)**	**-0.16%**	**2,092,626**	**(78,563)**	**-3.75%**

The principal changes in the third quarter compared to 30 June 2023, relate to:

- ✓ **investment property** which was €29,682 thousand higher.

  In the quarter €32.2 million in assets under construction relative to the mixed-use complex Officine Storiche were reclassified following its inauguration on 14 September 2023.

  At 30 September 2022, the Group had 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 €2,442 thousand, of which €2,418 thousand for fair value adjustments and €4 thousand for impairment of the work down in the quarter on the leasehold assets.

  In the third quarter extraordinary maintenance continued, relating primarily to waterproofing at the Leonardo Shopping Center, fit-outs at the mixed-use complex Officine Storiche and energy efficiencies at Punto di Ferro, Centro d'Abruzzo, Tiburtino, Porte di Napoli, La Torre, as well as at a few Romanian centers. These increased costs, which amounted to €3,773 thousand, caused a decrease in fair value of the same amount.

- ✓ **assets under construction and advances**, which were €28,785 thousand lower explained mainly by:
  - for €32.3 million, by the reclassification to investment property of the mixed-use complex Officine Storiche following its inauguration on 14 September 2023;
  - for €6,384 thousand (of which €1,575 thousand in the third quarter), completion of work at Officine Storiche partially offset by the deduction of costs incurred for various works eligible for offsetting amounting to €1,878 thousand;
  - restyling (second phase) of the Porto Grande Shopping Center in San Benedetto del Tronto (€789 thousand in the quarter). The work is expected to be finished in 2023;
  - restyling of the Leonardo Shopping Center in Imola (€1,043 thousand in the quarter). The work is expected to be finished in 2023;
  - for €44 thousand, the writedown of Officine Storiche (Porta a Mare project) in advance stage of construction;
  - for €55 thousand, the net increase in advances.

- ✓ **intangible assets** which were €193 thousand lower due mainly to:

- for €125 thousand, consolidation differences relating to the Romanian subsidiary Win Magazin SA attributable to foreign exchange adjustments;
- the costs incurred to implement new integrated accounting and management software;
- amortization recognized in the reporting period.

✓ for €179 thousand**,** by a reduction in **plant, property and equipment** due mainly to depreciation recognized in the reporting period.

✓ **net working capital** which was lower compared to 30 June 2023 due mainly to: *(i)* a decrease in trade and related party payables of €1,025 thousand; *(ii)* an increase in inventory recorded in the reporting period of €392 thousand attributable to the work done at the residential section of Officine Storiche, *(iii)* a decrease in other current assets of €1,452 thousand, *(iv)* an increase in trade and related party payables of €4,661 thousand, (*v*) an increase in tax liabilities of €575 thousand and (*vi*) a decrease in other liabilities of €1,211 thousand.

	30/09/2023	30/06/2023	Δ	%	31/12/2022	Δ	%
Work in progress inventory and advances	24,729	24,337	392	1.61%	29,297	(4,568)	-15.59%
Third parties trade receivables	9,780	10,803	(1,023)	-9.47%	15,212	(5,432)	-35.71%
Related parties trade and other receivables	1,225	1,227	(2)	-0.16%	1,242	(17)	-1.37%
Other current assets	9,833	8,381	1,452	17.32%	7,586	2,247	29.62%
Sundry payables and other liabilities	(17,009)	(14,115)	(2,894)	20.50%	(22,746)	5,737	-25.22%
Related parties payables and other liabilities	(3,236)	(1,469)	(1,767)	120.29%	(1,845)	(1,391)	75.39%
Current tax liabilities	(3,758)	(3,183)	(575)	18.06%	(1,813)	(1,945)	107.28%
Other liabilities	(15,118)	(16,329)	1,211	-7.42%	(14,163)	(955)	6.74%
Net working capital	**6,446**	**9,652**	**(3,206)**	**-33.22%**	**12,770**	**(6,324)**	**-49.52%**

✓ **Provisions for risks and charges** which showed an increase of €477 thousand explained by: *(i)* the provisions made for 2023 employee bonuses which will be paid in 2024, *(ii)* provisions made for a few IMU disputes underway relative to the ESP (Ravenna), La Torre (Palermo), and Tiburtino (Guidonia) shopping centers, *(iii)* earthquake proofing for which IGD is responsible at a few of the supermarkets and hypermarkets sold in 2021.

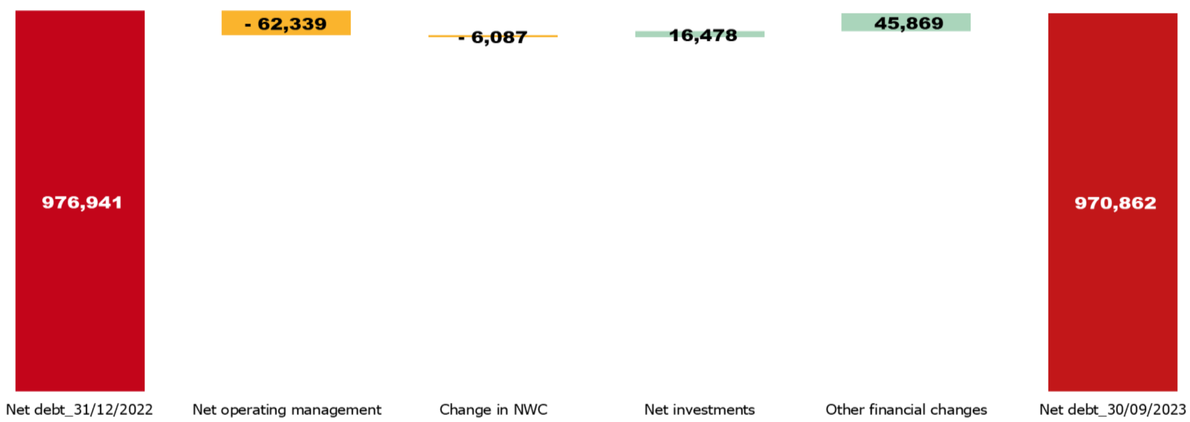
✓ **Net deferred tax assets and liabilities** which went from €13,659 thousand to €13,642 thousand due mainly to the change in fair value of hedging instruments (IRS).

✓ The **Group's net equity** amounted to €1,048,508 thousand at 30 September 2023. The increase of €7,710 thousand is explained by:

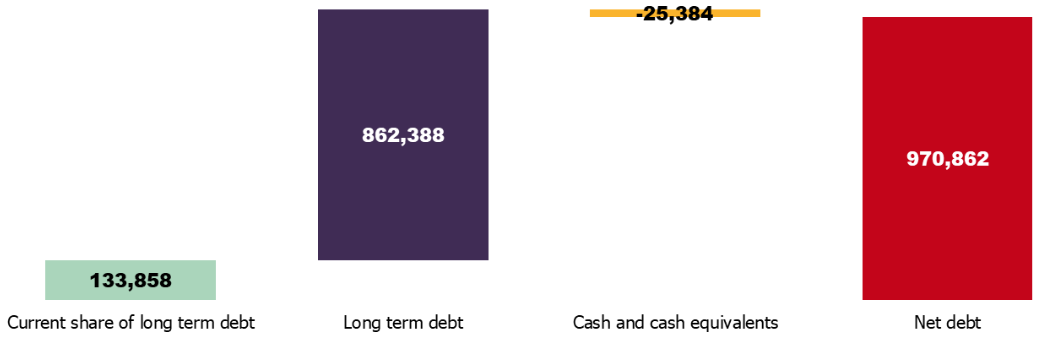
- for approximately -€142 thousand, movements in the reserve for the translation of foreign currency financial statements
- an adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to around -€79 thousand for the parent company;
- an adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to around -€185 thousand for a subsidiary;
- for €8,109 thousand, the Group's share of the earnings posted in the reporting period.

✓ **Net (assets) liabilities for derivatives** which were lower than in the prior quarter due to the change in fair value of hedging instruments;

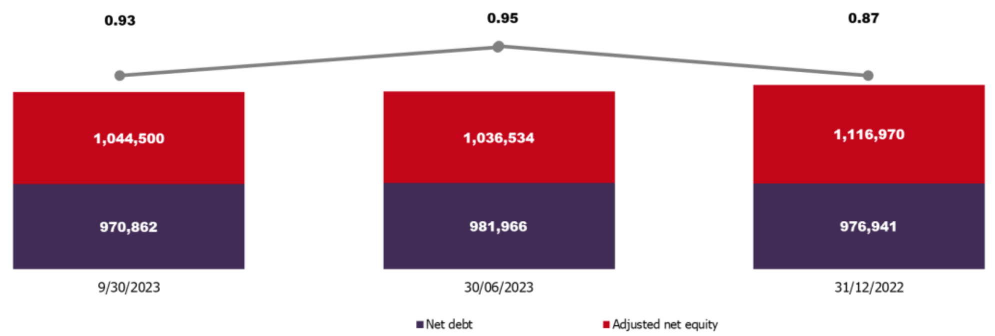
The **net financial position** showed improvement at 30 September 2023 and was €6,079 thousand lower compared to 31/12/2022. The changes are shown below:



The net financial position can be 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 0.93 at 30 September 2023, higher than the 0.87 recorded at 31 December 2022, but lower than the 0.95 recorded at 30 June 2023.



1.4. // Significant events at 30 September 2023

The main events in the reporting period are described below.

Corporate events

On 23 February 2023 the Board of Directors approved the draft separate and consolidated financial statements for FY 2022, 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 thirteenth Corporate Sustainability Report.

During the Annual General Meeting held on 13 April 2023 IGD's shareholders approved the separate 2022 financial statements of IGD SIIQ S.p.A., as presented during the Board of Directors meeting held on 23 February 2022, which closed with a net loss of €5,027,925.94. Shareholders also resolved to distribute a dividend of €0.30 per share. The total dividend payable, calculated based on the number of IGD shares outstanding at 23 February 2023 or 110,343,903 ordinary shares, amounted to €33,102,570.90 to be taken from:

- for €16,259,872.48, the retained earnings from exempt operations;
- for €6,578,584.26, other reserves for distributable income generated by exempt operations;
- for €10,264,114.16, other distributable reserves released following the disposal of 5 hypermarkets and 1 supermarket in 2021.

The earnings distributed generated by exempt operations amounted to €33,102,570.90 or €0.30 per share.

On 4 May 2023 the Board of Directors examined and approved the interim financial report as at 31 March 2023.
Lastly, on the same date the Board of Directors approved the merger by incorporation project of the wholly-owned subsidiary IGD MANAGEMENT SIINQ, whose Board of Directors also approved the Project. The merger will take effect for legal purposes as from 1 October 2023 and for statutory and tax purposes as from 1 January 2023.

On 9 May 2023 IGD signed a 5-year €250 million green secured facility, of which €130 million have already been used, with a pool of premiere domestic and global lenders which includes Intesa Sanpaolo S.p.A. (IMI Corporate & Investment Banking Division), who acted as the global coordinator, green coordinator, agent and lender, Gruppo MPS, through MPS Capital Services Banca per le Imprese S.p.A., who acted as global coordinator and lender, and Banca Nazionale del Lavoro S.p.A., Banco BPM S.p.A., Cassa depositi e prestiti S.p.A., Deutsche Bank S.p.A., BPER Banca S.p.A. and UniCredit S.p.A., who acted as lenders. The facility will be used to completely or partially finance and/or refinance "Eligible Green Projects", referred to in the Company's "Green Financing Framework", developed in accordance with the Green Bond Principles (ICMA), and the Green Loan Principles (LMA), as well as for general corporate purposes. After the first transaction in August 2022, green loans now amount to €465 million or 41% of the Company's total debt, confirming IGD's commitment to a sustainable economy and achieving the sustainability targets and ambitions identified in the 2022-2024 Business Plan.

On 2 August 2023 the Board of Directors examined and approved the half-year financial report as at 30 June 2023.

In September 2023 IGD received the "EPRA BPR Gold Award" (Best Practice Recommendations) for its 2022 Consolidated Annual Report for the sixth year in a row. This prize testifies to IGD's continuous commitment to further increasing transparency and comparability in its communication, to the benefit of investors, the financial community and all the Group's stakeholders.

For the ninth year in a row, IGD also received the "EPRA sBPR Gold Award" (Sustainability Best Practice Recommendations) for its 2022 Corporate Sustainability Report. This prize confirms the high standards achieved by IGD in terms of sustainability reporting.

Investments

On 14 September 2023 the urban renewal project of Porta a Mare's Officine Storiche was inaugurated. The redevelopment of Officine Storiche, which began in 2019 and was suspended for a year during the pandemic, is part of the bigger urban renewal plan for the multi-use Porta a Mare waterfront project. This complex spans more than ten hectares near the Nuova Darsena and the Molo Mediceo docks of Livorno's historic port. On 4 September 2023 IGD SIIQ purchased Officine Storiche from the subsidiary for €32.1 million.

During the first nine months of 2023 the Group continued with development of the Porta a Mare – Officine project and restyling of the Leonardo center in Imola and Porto Grande in San Benedetto del Tronto, as well as extraordinary maintenance.
The investments made at 30 September 2023 are shown below:

	9/30/2023 Euro/mln	6/30/2023 Euro/mln	III Quarter 2023 Δ
Development projects:			
Porta a Mare project: Officine Storiche retail area (in progress)	6.38	4.81	1.57
Porta a Mare project (Trading) (in progress)	0.74	0.35	0.39
Restyling in progress	3.19	1.40	1.79
Extraordinary maintenance	6.70	2.83	3.87
Other	0.02	0.02	-
IT Project	0.26	0.24	0.02
Total IGD's Portfolio	**17.29**	**9.65**	**7.64**

Development projects

"Porta a Mare" Project

During the first nine months of the year work on the residential portion of the Officine Storiche section continued for a total of around €737 thousand (of which €392 thousand in the third quarter), while work on the retail portion, which amounted to around €6,384 thousand in the period (of which €1,575 thousand in the third quarter), was completed. This investment was partially offset by the deduction of costs incurred for various works eligible for offsetting which amounted to €1,878 thousand.
At Officine Storiche the sale of 11 residential units, 9 enclosed garages and 2 parking space (1 parking space in the third quarter) were closed at 30 September 2023, for a total of 29 closings, along with 3 binding offers, out of a total of 42 residential units.

The sale of the last residential unit and an enclosed garage in the Mazzini section closed in the first quarter of 2023.

Restyling

At 30 September 2023 work was also underway on:

- restyling – second phase – of the Porto Grande Shopping Center in San Benedetto which is expected to be finished by year-end 2023. The work done in the reporting period totaled €1,866 thousand, while work in the quarter amounted to €789 thousand;
- expansion of the Gran Rondò Shopping Center in Crema;
- restyling at the Leonardo Shopping Center in Imola which is expected to be finished by the end of 2023. The work done in the reporting period totaled €1,325 thousand, while work in the quarter amounted to €1,043 thousand.

Porto Grande – San Benedetto del Tronto – Ingresso principale

Extraordinary maintenance

In the first nine months of 2023, extraordinary maintenance continued for a total of €6,695 thousand (of which €3,773 thousand in the third quarter), relating mainly to waterproofing the Leonardo Shopping Center, fit-outs at the mixed-use Officine Storiche complex and energy efficiencies at the Punta di Ferro, Centro d'Abruzzo, Tiburtino Porte di Napoli, La Torre 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 at 30 September 2023.

1.5. // Subsequent events

On 5 October 2023 the Board of Directors of Immobiliare Grande Distribuzione SIIQ S.p.A. ("IGD" or the "Company") resolved upon the issuance of a non-subordinated and non-convertible senior bond, up to a maximum amount of Euro 400,000,000 (the "New Notes"), to be issued, based on market conditions, by 31 December 2023, to institutional investors in Italy and abroad (excluding the United States of America, pursuant to Regulation S of The United States Securities Act of 1933, as amended), in accordance with applicable laws and regulations.
At the same meeting, IGD's Board of Directors resolved to launch (i) an exchange offer of the bond due 28 November 2024 (ISIN XS2084425466) (the "Existing Notes") for the New Notes, subject to certain conditions; and (ii) a tender offer of the Existing Notes for a cash amount provided that a specified amount resulting from such repurchase is reinvested in the purchase of New Notes.
The exchange offer, tender offer and consent solicitation period will start on 5 October 2023 and will end on 10 November 2023.
Holders of Existing Notes who will adhere to the exchange offer by 13 October 2023 will have the option to exchange the Existing Notes for a combination of (a) New Notes for an amount equal to 90 percent of the nominal value of the Existing Notes exchanged and (b) a cash amount for the residual part.
Existing Notes exchanged and repurchased by the Company will be voided. Existing Notes that have not been exchanged and/or repurchased by the Company will remain traded or admitted to trading on Euronext Dublin and Euronext Access Milan (formerly ExtraMot Pro).
The exchange offer and the tender offer are part of a broader transaction that includes a *consent solicitation* process addressed to the holders of the Existing Notes. For this purpose, the Company has resolved to call, on first and single call on 14 November 2023, a meeting of the holders of the Existing Notes to propose certain amendments to the terms and conditions of the Existing Notes, relating, in particular, to maturity, coupon and redemption options, in order to align these provisions with the relevant terms and conditions of the New Notes.
Moreover, the terms and conditions of the New Notes will provide for certain undertakings by the Company, additional to and different from those that will be provided for the Existing Notes, including, *inter alia*, the blocking of the dividend distribution (or the making of other forms of distributions) in excess of what is necessary in order to comply with the rules applicable to the Company as a listed real estate investment company.

The perfection of the exchange offer, the tender offer and the issuance of the New Notes is subject to, *inter alia*, the approval by the holders of the Existing Notes of the abovementioned proposed amendments to the terms and conditions of the Existing Notes.
The final results of the exchange offer, tender offer and consent solicitation will be announced upon the termination of the relevant offering periods in accordance with applicable legal and regulatory provisions, as provided in the "Publications and Announcements" section of the Exchange Offer, Tender Offer and Consent Solicitation Memorandum.

1.6. // Outlook

In light of the good operating results achieved and based on the scenario currently foreseeable, albeit with the maximum caution given what is still a challenging financial and global environment, the Company confirms the FY 2023 FFO of between €54 and €55 million, disclosed when the results at 30 June 2023 were presented. This estimate does not include the economic impact of the refinancing transaction referred to in the press release issued by the Company on 5 October 2023.

2. GRUPPO IGD CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2023

2.1. // Consolidated income statement

(in thousands of Euros)	30/09/2023 (A)	30/09/2022 (B)	Change (A)-(B)	3° Q 2023 (C)	3° Q 2022 (D)	Change (C)-(D)
Revenue	**105,353**	**102,077**	**3,276**	**35,268**	**33,116**	**2,152**
Revenues from third parties	86,096	79,988	6,108	28,733	26,709	2,024
Revenues from related parties	19,257	22,089	(2,832)	6,535	6,407	128
Other revenue	**6,142**	**5,401**	**741**	**2,001**	**1,716**	**285**
Other revenues from third parties	3,573	3,183	390	1,160	935	225
Other revenues from related parties	2,569	2,218	351	841	781	60
Revenues from property sales	**5,602**	**432**	**5,170**	**30**	**0**	**30**
Revenues and operating income	**117,097**	**107,910**	**9,187**	**37,299**	**34,832**	**2,467**
Change in inventory	(4,448)	1,334	(5,782)	392	667	(275)
Revenues and change in inventory	**112,649**	**109,244**	**3,405**	**37,691**	**35,499**	**2,192**
Construction costs for the period	(951)	(1,705)	754	(392)	(667)	275
Service costs	(15,000)	(15,523)	523	(5,126)	(5,829)	703
Service costs from third parties	(11,522)	(10,537)	(985)	(3,781)	(3,663)	(118)
Service costs from related parties	(3,478)	(4,986)	1,508	(1,345)	(2,166)	821
Cost of labour	(7,899)	(7,676)	(223)	(2,349)	(2,354)	5
Other operating costs	(7,390)	(7,504)	114	(2,577)	(2,715)	138
Total operating costs	**(31,240)**	**(32,408)**	**1,168**	**(10,444)**	**(11,565)**	**1,121**
Depreciations, amortization and provisions	(1,772)	(1,163)	(609)	(508)	(391)	(117)
(Impairment losses)/Reversals on work in progress and inventories	(399)	(482)	83	0	0	0
Provisions for doubtful accounts	(287)	(1,078)	791	(118)	210	(328)
Change in fair value	(86,190)	(12,611)	(73,579)	(6,312)	(3,274)	(3,038)
Depreciation, amortization, provisions, impairment and change in fair value	**(88,648)**	**(15,334)**	**(73,314)**	**(6,938)**	**(3,455)**	**(3,483)**
EBIT	**(7,239)**	**61,502**	**(68,741)**	**20,309**	**20,479**	**(170)**
Income/ (loss) from equity investments and asset disposal	**0**	**397**	**(397)**	**0**	**0**	**0**
Financial Income	**104**	**85**	**19**	**25**	**23**	**2**
Financial income from third parties	104	85	19	25	23	2
Financial charges	**(31,168)**	**(22,139)**	**(9,029)**	**(11,890)**	**(7,767)**	**(4,123)**
Financial charges from third parties	(30,778)	(22,041)	(8,737)	(11,747)	(7,735)	(4,012)
Financial charges from related parties	(390)	(98)	(292)	(143)	(32)	(111)
Net financial income (expense)	**(31,064)**	**(22,054)**	**(9,010)**	**(11,865)**	**(7,744)**	**(4,121)**
Pre-tax profit	**(38,303)**	**39,845**	**(78,148)**	**8,444**	**12,735**	**(4,291)**
Income taxes	(651)	(1,180)	529	(335)	(527)	192
NET PROFIT FOR THE PERIOD	**(38,954)**	**38,665**	**(77,619)**	**8,109**	**12,208**	**(4,099)**
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	**(38,954)**	**38,665**	**(77,619)**	**8,109**	**12,208**	**(4,099)**

2.2. // Consolidated statement of comprehensive income

(amount in thousands of euro)	9/30/2023 (A)	9/30/2022 (B)	Change (A-B)	3°Q 2023 (C)	3°Q 2022 (D)	Change (C-D)
NET PROFIT FOR THE PERIOD	**(38,954)**	**38,665**	**(77,619)**	**8,109**	**12,208**	**(4,099)**
Other components of comprehensive income that will not be reclassified to profit/(loss)						
Recalculation of defined benefit plans			0	0	0	0
Tax effect						
Total other components of comprehensive income that will not be reclassified to profit/(loss), net of tax effect	**0**	**0**	**0**	**0**	**0**	**0**
Other components of comprehensive income that will be reclassified to profit/(loss)						
Effects of hedge derivatives on net equity	(1,079)	13,497	(14,576)	(338)	4,912	(5,250)
Tax effect of hedge derivatives	259	(3,239)	3,498	81	(1,283)	1,364
Traslation reserve	(415)	(382)	(33)	(142)	(135)	(7)
Total other components of comprehensive income that will be reclassified to profit/(loss)	**(1,235)**	**9,876**	**(11,111)**	**(399)**	**3,494**	**(3,893)**
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	**(40,189)**	**48,541**	**(88,730)**	**7,710**	**15,702**	**(7,992)**
Non-controlling interest profit/(loss) for the period	0	0	0	0	0	0
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	**(40,189)**	**48,541**	**(88,730)**	**7,710**	**15,702**	**(7,992)**

2.3. // Consolidated statement of financial position

(in thousands of Euros)	30/09/2023 (A)	30/06/2023 (B)	31/12/2022 (C)	Change (A)-(B)	Change (A)-(C)
NON-CURRENT ASSETS:					
Intangible assets					
Intangible assets with finite useful lives	789	857	796	(68)	(7)
Goodwill	6,710	6,835	7,085	(125)	(375)
	7,499	**7,692**	**7,881**	**(193)**	**(382)**
Property, plant, and equipment					
Investment property	1,999,415	1,969,733	2,041,330	29,682	(41,915)
Buildings	6,816	6,878	6,998	(62)	(182)
Plant and machinery	70	78	86	(8)	(16)
Equipment and other goods	2,014	2,123	2,340	(109)	(326)
Assets under construction and advance payments	6,438	35,223	36,662	(28,785)	(30,224)
	2,014,753	**2,014,035**	**2,087,416**	**718**	**(72,663)**
Other non-current assets					
Deferred tax assets	2,912	2,735	2,537	177	375
Sundry receivables and other non-current assets	112	109	121	3	(9)
Equity investments	25,765	25,765	25,765	0	0
Non-current financial assets	174	174	174	0	0
Derivative assets	5,307	5,493	6,314	(186)	(1,007)
	34,270	**34,276**	**34,911**	**(6)**	**(641)**
TOTAL NON-CURRENT ASSETS (A)	**2,056,522**	**2,056,003**	**2,130,208**	**519**	**(73,686)**
CURRENT ASSETS:					
Work in progress inventory and advances	24,729	24,337	29,297	392	(4,568)
Trade and other receivables	9,780	10,803	15,212	(1,023)	(5,432)
Related party trade and other receivables	1,225	1,227	1,242	(2)	(17)
Other current assets	9,833	8,381	7,748	1,452	2,085
Cash and cash equivalents	25,384	16,311	27,069	9,073	(1,685)
TOTAL CURRENT ASSETS (B)	**70,951**	**61,059**	**80,568**	**9,892**	**(9,617)**
TOTAL ASSETS (A + B + C)	**2,127,473**	**2,117,062**	**2,210,776**	**10,411**	**(83,303)**
NET EQUITY:					
Share capital	650,000	650,000	650,000	0	0
Other reserves	458,276	458,675	477,948	(399)	(19,672)
Group profit (loss) carried forward	(20,814)	(20,814)	16,167	0	(36,981)
Net profit (loss) of the year	(38,954)	(47,063)	(22,315)	8,109	(16,639)
Total Group net equity	**1,048,508**	**1,040,798**	**1,121,800**	**7,710**	**(73,292)**
Capital and reserves of non-controlling interests	0	0	0	0	0
TOTAL NET EQUITY (D)	**1,048,508**	**1,040,798**	**1,121,800**	**7,710**	**(73,292)**
NON-CURRENT LIABILITIES:					
Derivatives - liabilities	0	0	199	0	(199)
Non-current financial liabilities	862,562	864,001	905,350	(1,439)	(42,788)
Provisions for employee severance indemnities	2,759	2,774	2,756	(15)	3
Deferred tax liabilities	16,554	16,394	16,636	160	(82)
Provisions for risks and future charges	5,723	5,231	4,644	492	1,079
Sundry payables and other non-current liabilities	7,926	7,843	9,387	83	(1,461)
Related parties sundry payables and other non-current liabilities	10,462	10,475	10,441	(13)	21
TOTAL NON-CURRENT LIABILITIES (E)	**905,986**	**906,718**	**949,413**	**(732)**	**(43,427)**
CURRENT LIABILITIES:					
Current financial liabilities	133,858	134,450	98,834	(592)	35,024
Trade and other payables	17,009	14,115	22,746	2,894	(5,737)
Related parties trade and other payables	3,236	1,469	1,845	1,767	1,391
Current tax liabilities	3,758	3,183	1,975	575	1,783
Other current liabilities	15,118	16,329	14,163	(1,211)	955
TOTAL CURRENT LIABILITIES (F)	**172,979**	**169,546**	**139,563**	**3,433**	**33,416**
TOTAL LIABILITIES (H=E+F)	**1,078,965**	**1,076,264**	**1,088,976**	**2,701**	**(10,011)**
TOTAL NET EQUITY AND LIABILITIES (D + H)	**2,127,473**	**2,117,062**	**2,210,776**	**10,411**	**(83,303)**

2.4. // Consolidated statement of changes in equity

(Amounts in thousands of euro)	Share Capital	Share premium reserve	Other reserve	Profit (loss) from previous years	Profit (loss) of the year	Group net equity	Non-controlling interest capital and reserves	Total net equity
Balance at 01/01/2023	**650,000**	**0**	**477,948**	**16,167**	**(22,315)**	**1,121,800**	**0**	**1,121,800**
Profit/(loss) for the year	0	0	0	0	(38,954)	(38,954)	0	(38,954)
Cash flow hedge derivative assessment	0	0	(820)	0	0	(820)	0	(820)
Other comprehensive income/(losses)	0	0	(415)	0	0	(415)	0	(415)
Total comprehensive profit/(losses)	**0**	**0**	**(1,235)**	**0**	**(38,954)**	**(40,189)**	**0**	**(40,189)**
Allocation of 2022 profit								
Dividends paid	0	0	(18,437)	(14,666)	0	(33,103)	0	(33,103)
Fair value reserve riclassifications	0	0	0	0	0	0	0	0
Allocation of 2022 profit	0	0	0	(22,315)	22,315	0	0	0
Balance at 30/09/2023	**650,000**	**0**	**458,276**	**(20,814)**	**(38,954)**	**1,048,508**	**0**	**1,048,508**

(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 interes 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**

2.5. // Consolidated statement of cash flows

(in thousands of Euros)	30/09/2023	30/09/2022
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit (loss) of the year	**(38,954)**	**38,665**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities		
Taxes of the year	651	1,180
Financial charges / (income)	31,064	22,054
Depreciation and amortization	1,772	1,163
Writedown of receivables	287	1,078
(Impairment losses) / reversal on work in progress	399	482
Changes in fair value - increases / (decreases)	86,190	12,611
Income/ (loss) from equity investments and asset disposal	0	(397)
Provisions for employees and end of mandate treatment	996	1,151
CASH FLOW FROM OPERATING ACTIVITIES:	**82,405**	**77,987**
Financial charge paid	(18,388)	(14,334)
Provisions for employees and end of mandate treatment paid	(909)	(1,471)
Income tax	(769)	(814)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX:	**62,339**	**61,368**
Change in inventory	4,448	(1,333)
Change in trade receivables	5,162	(556)
Net change in other assets	(2,451)	3,390
Change in trade payables	(4,347)	(1,585)
Net change in other liabilities	3,275	(3,527)
CASH FLOW FROM OPERATING ACTIVITIES (A)	**68,426**	**57,757**
(Investments) in intangible assets	(267)	(514)
(Investments) in tangible assets	(16,211)	(14,810)
Disposals in Equity investments	0	0
CASH FLOW FROM INVESTING ACTIVITIES (B)	**(16,478)**	**(15,324)**
Dividend distribution	(33,103)	(37,950)
Rents paid for financial leases	(6,588)	(6,059)
New issue of long-term binds and other financing activities	131,851	255,000
Loans repayments and other financing activities	(145,753)	(398,392)
CASH FLOW FROM FINANCING ACTIVITIES (C)	**(53,593)**	**(187,401)**
Exchange rate differences on cash and cash equivalents (D)	(40)	(7)
NET INCREASE (DECREASE) IN CASH BALANCE (A+B+C+D)	**(1,685)**	**(144,975)**
CASH BALANCE AT BEGINNING OF THE PERIOD	**27,069**	**158,080**
CASH BALANCE AT END OF THE PERIOD	**25,384**	**13,105**

2.6. // Net financial position

The table below presents the net financial position at 30 September 2023, 30 June 2023 and 31 December 2022. At neither date does it include derivatives held for hedging purposes which by nature do not constitute monetary assets or liabilities

Net debt was about €6.1 million lower with respect to 31 December 2022, due mainly to:

- dividend payments of €33.1 million in May 2023;
- a decrease in payables as a result of applying IFRS 16;
- cash generated during the first nine months of the year net of capital expenditure and mortgage loan payments.

Uncommitted credit facilities amount to €103 million: €53 million from banks and €50 million from the parent company, Coop Alleanza 3.0. They were fully unutilized at 30 September 2023.

Committed revolving credit facilities with banks, unutilized at 30 September 2023, amount to €60 million.

See the "Statement of financial position and financial review" section of the Directors' Report for additional comments.

(in thousands of Euros)	9/30/2023	6/30/2023	12/31/2022
Cash and cash equivalents	(25,384)	(16,311)	(27,069)
LIQUIDITY	**(25,384)**	**(16,311)**	**(27,069)**
Current financial liabilities	0	0	13,000
Mortgage loans - current portion	18,469	20,675	76,348
Leasing - current portion	7,827	7,776	7,674
Bond loans - current portion	107,562	105,999	1,812
CURRENT DEBT	**133,858**	**134,450**	**98,834**
CURRENT NET DEBT	**108,474**	**118,139**	**71,765**
Non-current financial assets	(174)	(174)	(174)
Leasing - non-current portion	17,463	19,433	23,370
Non-current financial liabilities	447,973	448,110	386,757
Bond loans	397,126	396,458	495,223
NON-CURRENT NET DEBT	**862,388**	**863,827**	**905,176**
NET FINANCIAL POSITION	**970,862**	**981,966**	**976,941**

As in previous years, the net financial position does not include payables for security deposits and guarantees received from third parties and related parties for the lease 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 2023 was approved and authorized for publication by the Board of Directors on 8 November 2023.
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

Attestazione di conformità ai principi contabili internazionali

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 2023 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 2022, 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 2023 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 2023 and at 31 December 2022. Therefore, comments on income statement items refer to a comparison with the same period of the prior year (30 September 2022), while balance sheet items are compared with the previous quarter (30 June 2023).
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

Area di consolidamento

The consolidated financial statements have been drawn up on the basis of the draft financial statements at 30 September 2023, prepared by the boards of directors of the consolidated companies and adjusted, where necessary, to align them with the Group’s IFRS-compliant accounting and classification policies. The scope of consolidation has not changed since 31 December 2022. 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 30.09.2023	4.9746
9M 2023 average exchange rate	4.9388
Spot exchange rate at 30.09.2022	4.9351
9M 2022 average exchange rate	4.9455
Spot exchange rate at 31.12.2022	4.9474
2022 average exchange rate	4.9315

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 SIINQ 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 center 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 center management and services
Porta Medicea S.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italy	15,112,273.00	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 center management
Winmarkt management S.r.l.	Bucarest	Romania	1,001,000	Lei	100%	Win Magazin S.A.	100.00%	Agency and facility management services
Arco Campus S.r.l.	Bologna via dell'Arcoveggio n.49/2	Italy	1,500,000.00	Euro	99.98	IGD SIIQ S.p.A.	99.98%	Asset management, sport facilities and equipment management, construction, sale and rent of properties to be used for commercial and sport activities
Associated companies consolidated at net equity								
Fondo Juice	Milano, via San Paolo 7	Italy	64,165,000	Euro	40%*	IGD SIIQ S.p.A.	40%	Hypermarkets/Supermarkets property

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

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). These consortiums 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'ALESIO, 2 - LIVORNO
Consortium of the retail park Clodì	Direct	70.35%	S.S. ROMEA n. 510/B; CHIOGGIA (VE)
Consortium 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 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. Operating segments

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

INCOME STATEMENT	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
Total revenues and operating income	**105,353**	**102,077**	**5,778**	**5,400**	**5,602**	**432**	**0**	**0**	**116,733**	**107,909**
Change in work in progress inventories	**0**	**0**	**0**	**0**	**(4,448)**	**1,334**	**0**	**0**	**(4,448)**	**1,334**
Direct costs (a)	(16,961)	(18,487)	(4,075)	(3,993)	(1,432)	(1,976)	0	0	(22,468)	(24,456)
G&A expenses (b)	0	0	0	0	0	0	(9,059)	(9,029)	(9,059)	(9,029)
Total operating costs (a)+(b)	**(16,961)**	**(18,487)**	**(4,075)**	**(3,993)**	**(1,432)**	**(1,976)**	**(9,059)**	**(9,029)**	**(31,527)**	**(33,485)**
(Depreciations and provisions)	(1,408)	(1,159)	0	(1)	0	(3)	0	0	(1,408)	(1,163)
(Impairment)/Reversals on work in progress and inventories	(279)	27	0	0	(120)	(509)	0	0	(399)	(482)
Change in fair value - Increases/(decreases)	(80,694)	(9,577)	0	0	(5,496)	(3,034)	0	0	(86,190)	(12,611)
Total depreciations, provisions, impairment and change in fair value	**(82,381)**	**(10,709)**	**0**	**(1)**	**(5,616)**	**(3,546)**	**0**	**0**	**(87,997)**	**(14,256)**
OPERATING RESULT	**6,011**	**72,881**	**1,703**	**1,406**	**(5,894)**	**(3,756)**	**(9,059)**	**(9,029)**	**(7,239)**	**61,502**
Income/Loss from equity investment and property sales	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**397**	**0**	**397**
Financial income:	0	0	0	0	0	0	104	85	104	85
Financial charges:	0	0	0	0	0	0	(31,168)	(22,139)	(31,168)	(22,139)
Net financial income	**0**	**0**	**0**	**0**	**0**	**0**	**(31,064)**	**(22,054)**	**(31,064)**	**(22,054)**
PRE-TAX PROFIT	**6,011**	**72,881**	**1,703**	**1,406**	**(5,894)**	**(3,756)**	**(40,123)**	**(30,686)**	**(38,303)**	**39,845**
Income taxes for the period	0	0	0	0	0	0	(651)	(1,180)	(651)	(1,180)
NET PROFIT FOR THE PERIOD	**6,011**	**72,881**	**1,703**	**1,406**	**(5,894)**	**(3,756)**	**(40,774)**	**(31,866)**	**(38,954)**	**38,665**
Non-controlling interests in (profit)/loss for the period	0	0	0	0	0	0	0	0	0	0
Parent company share of net profit for the period	**6,011**	**72,881**	**1,703**	**1,406**	**(5,894)**	**(3,756)**	**(40,774)**	**(31,866)**	**(38,954)**	**38,665**

BALANCE SHEET	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
	30-Sep-23	30-Jun-23	30-Sep-23	30-Jun-23	30-Sep-23	30-Jun-23	30-Sep-23	30-Jun-23	30-Sep-23	30-Jun-23
- Investment property	1,999,415	1,969,733	0	0	0	0	0	0	1,999,415	1,969,733
- Assets under construction	6,438	35,223	0	0	0	0	0	0	6,438	35,223
Intangible assets	5,703	5,828	1,007	1,007	0	0	789	857	7,499	7,692
Other tangible assets	2,051	2,167	32	34	0	0	6,817	6,881	8,900	9,082
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	112	109	112	109
- Equity investments	25,693	25,693	0	0	0	0	72	72	25,765	25,765
NWC	(13,288)	(14,456)	2,275	1,318	17,383	22,787	0	0	6,370	9,649
Funds	(7,009)	(6,612)	(1,422)	(1,351)	(52)	(42)	0	0	(8,483)	(8,005)
Sundry payables and other non current liabilities	(14,349)	(14,279)	0	0	(4,039)	(4,039)	0	0	(18,388)	(18,318)
Net deferred tax (assets)/liabilities	(16,203)	(16,220)	0	0	2,561	2,561	0	0	(13,642)	(13,659)
Liabilities related to assets held for sale	0	0	0	0	0	0	0	0	0	0
Total use of funds	**1,988,451**	**1,987,077**	**1,892**	**1,008**	**15,853**	**21,267**	**7,790**	**7,919**	**2,013,986**	**2,017,271**
Total shareholders' equity	1,030,961	1,019,014	(415)	(347)	17,885	22,131	0	0	1,048,431	1,040,798
Capitale e riserve attribuibili agli azionisti di minoranza	0	0	0	0	0	0	0	0	0	0
Net (assets) / liabilities for derivative instruments	(5,307)	(5,493)	0	0	0	0	0	0	(5,307)	(5,493)
Net debt	962,797	973,556	2,307	1,355	(2,032)	(864)	7,790	7,919	970,862	981,966
Total sources	**1,988,451**	**1,987,077**	**1,892**	**1,008**	**15,853**	**21,267**	**7,790**	**7,919**	**2,013,986**	**2,017,271**

REVENUES FROM FREEHOLD PROPERTIES	NORTH		CENTER-SOUTH-ISLANDS		ABROAD		TOTAL	
	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22	30-Sep-23	30-Sep-22
LEASE AND RETAIL INCOME	55,225	54,284	33,022	32,779	7,251	6,824	95,498	93,887
ONE-OFF REVENUES	10	70	0	34	0	0	10	104
TEMPORARY REVENUES	1,822	1,542	984	881	0	0	2,806	2,423
OTHER RENTAL INCOME	107	0	106	26	15	25	228	51
TOTAL	**57,164**	**55,896**	**34,112**	**33,720**	**7,266**	**6,849**	**98,542**	**96,465**

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 2023 correspond to the company's records, ledgers and accounting entries.

Bologna, 8 November 2023

Carlo Barban
Financial Reporting Officer