| Informazione Regolamentata n. 0746-42-2020 | Data/Ora Ricezione 06 Agosto 2020 12:13:36 | MTA - Star |
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|---|---|---|
| Societa' | : | IGD - Immobiliare Grande Distribuzione |
| Identificativo Informazione Regolamentata | : | 135988 |
| Nome utilizzatore | : | IGDN01 - Di Donato |
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| Oggetto | : | Resilient 1H2020 results in the face of the "stress test" caused by the pandemic |

*Testo del comunicato*

Vedi allegato.

## RESILIENT 1H 2020 RESULTS IN THE FACE OF THE "STRESS TEST" CAUSED BY THE PANDEMIC

- **c. 80% (last week 85%) of footfalls recovered; retailers' sales -13.6% in June vs 2019**
- **70% of the tenant negotiations finalized in Italy; 98% in Romania. Payment deferrals and discounts foreseen, the effect of which will be recognized entirely in the current year (without any carry over to subsequent years)**
- **More than satisfactory results for the turnover collected (net of deferrals) in the first half: c. 87%**
- **Net rental income: €56.3 million (-17.9%), including the estimated one-off impact of Covid-19 on the first half**
- **FFO: €32.9 million (-21.4%), which also includes the estimated one-off impact of Covid-19 on the first half**
- **Cash on hand at the end of the reporting period of roughly €103 million, committed credit lines of €60 million and uncommitted lines of €160 million**
- **New EPRA performance indicators: NAV and NRV at €10.81 per share (-5.1%); NTA at €10.70 per share (-5.2%); NDV at €11.35 per share (+5.0%)**
- **New guidance for FFO 2020: -25%/-28% vs 2019 or around €0.54 /€0.57 per share (includes the estimated one-off impact of Covid-19 on the current year, without any further impact in subsequent years)**

**Bologna, 6 August 2020** Today the Board of Directors of **IGD - Immobiliare Grande Distribuzione SIIQ S.p.A. ("IGD"** or the "**Company**") examined and approved the **Half-year financial report at 30 June 2020** during a meeting chaired by **Elio Gasperoni**.

**Message from the Chief Executive Officer, Claudio Albertini**

"Not only did IGD's real estate portfolio, with local shopping centers, dominant and points of reference in their respective areas, guarantee the ability to serve the local community during the lockdown (remaining open in Italy selling food products and essentials), but it is also demonstrating a high degree of resilience with respect to the considerable difficulties caused by COVID-19. Occupancy has remained basically unchanged and footfalls, from the full recovery of operations, have reached a good level, equal to about 85% of the prior year, with visitors who have stated they appreciate the initiatives implemented to guarantee health and safety inside the shopping centers; several limiting factors still exist, like the impossibility to organize large gatherings and the unforeseen difficulties encountered by restaurants and entertainment. The most significant positive signal, however, comes from the retailers' sales, down proportionately less then footfalls which indicates an increase in the propensity to consume and confirms that the consumers' attention is still on physical shopping. The commercial activities undertaken with tenants to define the methods to be used to manage this extraordinary situation are moving full steam ahead and with satisfactory results.

We are aware that the challenges facing the sector (stemming not only from the pandemic) will continue to be significant, but we've gotten off on the right foot during this crisis exit phase and return to normalcy. We will continue to leverage on our ability to contextualize the situation, the business model and fostering a close relationship with our tenants with a view to mutual medium/long-term sustainability".

# OPERATING PERFORMANCE

### *Italy*

In 1H 2020 IGD's business was severely impacted by the restrictions adopted by the Italian government in response to the health crisis triggered by the spread of Covid-19. Beginning, in fact, on 12 March and through 18 May, the Group's shopping center operations were severely limited and only stores selling "essential" goods (such as, for example, food products, pharmaceutical and parapharmaceutical items, etc.), were allowed to operate. These limitations, together with the restrictions on movement, reduced hours of operation and staggered entries, had a negative impact on footfalls and the retailers' sales recorded during the lockdown period which, therefore, cannot be compared with the same period of 2019.

The uniqueness of IGD's portfolio, comprised of shopping centers mainly near and not far from urban centers, dominant in their relative catchment areas and with strong food anchors, ensured that all the Group's shopping centers remained open and worked to serve the local and regional communities with the authorized activities, which represented roughly 33% of IGD's total annual rental fees. All the portfolio hypermarkets (which represent about 25% of the annualized rents) continued to operate.

Beginning on 18 May, as the restrictions eased, the shopping centers became fully operational and the performances showed a trend of constant improvement with footfalls that recovered around 80% of the traffic recorded in the same period of the prior year (in the week of 27 July to 2 August 85% was recovered) and a growth rate (CAGR) week after week of 2.8% (from 18 May to 2 August). The result is positive also because footfalls continue to be influenced by different contingent factors like the temporary impossibility to organize large gatherings, the use, still widespread, of smart working which results in less traffic the centers at lunch time or after work and the failure of cinemas to re-open due to a scarcity of new releases. An even more important positive signal comes from tenants' sales, which dropped by around -13.6% in June, less than footfalls, which shows an increase in the propensity to consume, as well as in the **average ticket** (**+18.1%**), and confirms that the consumers' attention is still on physical stores. Among the various merchandise categories, of note is the positive performance of household goods, bricolage, electronics and sporting goods.

Despite the difficulties encountered in the reporting period, the **Italian portfolio's occupancy, 95.6%,** was maintained at a high level, even if it was down slightly compared to 96.2% reported at 31 March 2020. This figure testifies to the fact that almost all tenants decided to reopen once the restrictive measures were lifted.

### *Romania*

In Romania the restrictions adopted by the Government as of 22 March also limited the operations of the Winmarkt malls: only the sale of food products, pharmaceutical items, veterinary products and a few other personal services was, in fact, allowed in the shopping centers; these categories represent approximately 21% of Winmarkt's turnover.

There was a first easing of these restrictions on 15 May, but a few categories, like restaurants without outdoor dining and entertainment activities, including mainly cinema, are still not allowed to operate. All of this impacted the operating performance of the Group's assets. Footfalls post-lockdown were down (-25%) and **occupancy** was lower than at 31 March 2020 coming in at **94.6%** due mainly to the exit of a tenant with multiple points of sale.

Despite the complex situation, the pre-letting and renegotiations concluded during the half generated a **significant upside of 4.83%**, an encouraging figure for the continuation of the year.

**ECONOMIC-FINANCIAL RESULTS**

In the first half of the year, **gross rental income fell -3.5% to €74.6 million** and was only partially impacted by the unforeseen situation. The change is explained by:

- for around -€0.4 million, lower revenue not like-for-like attributable also to remodeling;
- for around -€1.3 million, lower revenue like-for-like in Italy. The decrease is almost entirely attributable to malls (-3%) due above all to the drop in variable and temporary revenue linked to the lockdown period; hypermarkets were stable (+0.2%) consistent with their full operation even during the period of restrictions;
- for around -€0.1 million, lower revenue like-for-like (-20.1%) in Romania due to the temporary reductions already contractualized before 30 June, as well as lower variable revenue and the exit of a tenant with multiple points of sale.

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

**In Italy 70% of the total negotiations have been completed to date.** The timing was also affected by the definition of government tax relief, relating to commercial rents, for a few categories of retailers. While waiting to have a complete picture of the agreements and verify the operating performances, the Company decided to recognize part of the impact that these are expected to have on the Company's consolidated half-year results by **allocating €8.5 million, or approximately one month of revenue, to a specific provision.** The total revenue, net of these provisions, would have been down by -14.5%.

Approximately 93% of **Italy's** first quarter turnover has already been collected; billing for the second quarter was monthly and payments postponed: for April payments are due on 30 June (payments have been received from about 50% of the mall retailers, but the figure is expected to improve as the number of finalized negotiations increases); for May payments are due on 10 September and for June payments fall due on 10 November. With regard to hypermarkets, consistent with their full operation, 100% of the turnover for the first two quarters has been collected. Overall **collections in the first half, net of deferrals, for hypermarkets and malls came to 87% of turnover, a more than satisfactory result.**

In **Romania 98%** of the tenant negotiations has **already been finalized**. **100% of the first quarter turnover has been collected** and billing in the second quarter was monthly with payments for April and May postponed to 30 September, while payments for June are as per the lease. At the moment **approximately 66% has been collected**.

**Net rental income amounted to €56.3 million, down -17.9%** against the same period of the prior year, due above all to the one-off provisions made in the period described above and the condominium fees.

Core business Ebitda fell 18.3% to €51.4 million, while the margin came to 66.1%. The freehold core business Ebitda (relative to freehold properties) reached 66.7 %. General expenses fell -9.7% as a result of the Group's cost containment actions.

Financial charges amounted to €18.0 million; this figure, net of the accounting impact of the last bond issue completed in November 2019 and excluding the negative carry of roughly €2.7 million (linked to the refinancing of future maturities), is **9.8% lower than in 1H 2019**.

Funds from Operations (FFO) amounted to €32.9 million, lower than in 30 June 2019 (-21.4%), including the estimated one-off impact of Covid-19 on the half.

## ASSET MANAGEMENT AND DEVELOPMENT PIPELINE

With a view to mitigating the negative effects of a hypothetical drop in revenue, the foreseeable difficulties with credit collection and maintain a solid and balanced financial structure, the Group decided to adopt additional extraordinary measures including the suspension/postponement or cancellation of a few capex and investments slotted for this year, resulting in a **circa €40 million reduction in the expected cash out**.

With regard to the Porta a Mare project, the most important mixed-use development project in the pipeline, work is underway to protect the construction work done, along with a revision of the project which takes into account the post-Covid implications. Work is expected to resume as of October 2020 and should be completed by October 2021.

As for the planned **restyling and remodeling of the La Favorita (Mantua**) and **Porto Grande (San Benedetto del Tronto) shopping centers**, in order to have a better understanding of the costs a project execution plan will be completed. In the event we decide to proceed, work will begin in early 2021.

## PORTFOLIO AND ASSET VALUE

The market value of the IGD Group's **real estate portfolio** reached **€2, 322.62 million, a decrease of 2.47% compared** to December 2019**.** More in detail:

- **malls** fell 2.71 % (-€42.14 million), with a **gross initial yield of 6.84%.** The difference is explained by different DCF assumptions (particularly rates, for 28% of the total) and changes in cash flow (72% of the total) with regard particularly to variable and temporary revenue, longer pre-letting periods and a higher estimate of the impact that COVID is expected to have on the first DCF projection period;
- **hypermarkets** were down slightly by 1.35% (- €7.87 million), with a **gross initial yield of 6.12%** due mainly to lower inflation forecasts.

**In Romania** the value of the real estate portfolio reached **€142.22 million at 30 June 2020, 5.37%** lower than the €150.29 million posted at 31 December 2019**, with a gross initial yield for malls of 7.44%.**

**The Net Initial Yield, calculated using EPRA criteria, reached 5.4% for the Italian portfolio (5.5% topped up) and 6.0% for the Romanian portfolio (6.2% topped up).**

**The EPRA NAV and NRV reached €1,193.3 million or €10.81 per share. The figure is 5.1% lower** with respect to 31 December 2019**.** The change reflects the positive contribution of FFO which was more than offset by the lower dividend approved and negative delta of the real estate portfolio's fair value**.**

EPRA NTA came to €10.7 per share, a decrease of 5.2% compared to 31 December 2019

EPRA NDV was €11.35 euro per share, an increase of 5.0% compared to 31 December 2019; the result reflects the change in the debt's fair value.

## FINANCIAL STRUCTURE

During the first half of 2020 €**60 million in committed credit lines** granted to the Group by two premiere banking institutions were renewed and the maturity was extended to 2023; the Company can also rely on around €160 million in uncommitted facilities.

Also, a government guaranteed loan of roughly €37 million (6-years at a rate, including the cost of the government guarantee, in line with the Group's average cost of debt), provided by Sace Spa, is in the process of being finalized. All of this, along with the €103 million in cash on hand at the end of the reporting period, will allow the Group to meet financial obligations for the next 18 months.

With regard to IGD's ratings, based on their estimates as to the impact that this extraordinary situation will have, all the rating agencies revised their opinions: S&P Global Ratings and Moody's downgraded IGD's rating from BBB- to BB+ with a negative outlook and from Ba1 to Ba2 with a stable outlook, respectively; Fitch Ratings confirmed its BBB- rating, but with a Negative Rating Watch.

As a result of Fitch's confirmed investment grade rating, the economic conditions of the bond loans remain unchanged.

The **average cost of debt** at the end of June 2020 was 2.30% versus 2.35% at year-end 2019, while the **interest cover ratio or ICR came to 3.5[1] x** versus 3.8x at year-end 2019.

The IGD Group's net financial debt was €1,165.6 million (€1,111.9 million adj. ex IFRS16), the loan-to-value came to 49.0%, while the gearing ratio was 1.00x.

## OUTLOOK 2020

As announced on 7 May 2020, when the results for 1Q 2020 were approved, the inevitable financial-economic impact triggered by the COVID-19 health crisis made it necessary to revise the FFO guidance for the current year communicated to the market on 27 February.

In light of the results achieved in 1H 2020, how the situation is unfolding and taking into account the estimated impact of COVID-19 on the current year (one-off and, therefore, without considering further implications for subsequent years), **the new FFO guidance is approximately €0.54 - €0.57 per share which represents a further reduction of around -28%/-25% compared to the 2019 FFO.** This outlook is based on different assumptions and hypotheses consistent with general recovery. That said, it is important to stress that elements of risk and uncertainty not controllable by the company remain including, for example, the risk of a second wave of the virus resulting in the introduction of new restrictions, as well as the outcome of the negotiations underway with tenants relative to the management of the lockdown period.

Given this backdrop, the 2021 targets for the Business Plan 2019-2021 (presented on 7 November 2018) should no longer be considered current as they were defined based on hypotheses formulated before the spread of the pandemic and the onset of the Covid-19 emergency, in a scenario that is very different from the current one, that changes every day. The Company will prepare an updated Business Plan when the overall picture is clearer and more stable in order to base the plan on the new, most updated macroeconomic and sector conditions.

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[1] Excluding the effects of the last financial transaction; including these effects the figure reaches 2.8X

## Operating income statement at 30 June 2020

| GROUP CONSOLIDATED | (a) 1H_CONS_2019 | (b) 1H_CONS_2020 | Δ (b)/(a) |
|---|---|---|---|
| Revenues from freehold rental activities | 71.1 | 68.7 | -3.4% |
| Revenues from leasehold rental activities | 6.3 | 5.9 | -5.2% |
| **Total income from rental activities** | **77.3** | **74.6** | **-3.5%** |
| Rents and payable leases | -0.1 | 0.0 | -96.5% |
| Direct costs from rental activities | -8.7 | -18.3 | n.a. |
| **Net rental income** | **68.6** | **56.3** | **-17.9%** |
| Revenues from services | 3.2 | 3.1 | -1.6% |
| Direct costs from services | -2.7 | -2.5 | -8.0% |
| **Net services income** | **0.5** | **0.6** | **36.5%** |
| HQ Personnel expenses | -3.5 | -3.1 | -11.7% |
| G&A expenses | -2.6 | -2.4 | -7.0% |
| **CORE BUSINESS EBITDA (Operating income)** | **62.9** | **51.4** | **-18.3%** |
| *Core business Ebitda Margin* | *78.2%* | *66.1%* | |
| Revenues from trading | 0.0 | 0.5 | n.a. |
| Cost of sale and other costs from trading | -0.3 | -0.8 | n.a. |
| **Operating result from trading** | **-0.3** | **-0.4** | **38.7%** |
| **EBITDA** | **62.7** | **51.0** | **-18.5%** |
| *Ebitda Margin* | *77.8%* | *65.2%* | |
| Impairment and Fair Value adjustments | -38.8 | -73.6 | 89.5% |
| Depreciations and Provisions | -0.5 | -0.5 | 0.0% |
| **EBIT** | **23.3** | **-23.0** | **n.a.** |
| FINANCIAL MANAGEMENT | -16.4 | -18.0 | 9.5% |
| EXTRAORDINARY MANAGEMENT | 0.0 | -0.1 | n.a. |
| **PRE-TAX RESULT** | **6.9** | **-41.1** | **n.a.** |
| Taxes | 0.2 | 2.2 | n.a. |
| **NET RESULT FOR THE PERIOD** | **7.1** | **-38.8** | **n.a.** |
| (Profit/Loss) for the period related to third parties | 0.0 | 0.0 | n.a. |
| **GROUP NET RESULT** | **7.1** | **-38.8** | **n.a.** |

N.B.: Certain cost and revenue items have been reclassified or offset which explains the difference with respect to the financial statements.

*"Carlo Barban, IGD S.p.A.'s Financial Reporting Officer, declares pursuant to para. 2, article 154-bis of Legislative Decree n. 58/1998 ("Testo Unico della Finanza" or TUF) that the information reported in this press release corresponds to the underlying records, ledgers and accounting entries".*

*Please note that in addition to the standard financial indicators provided for as per the IFRS, alternative performance indicators are also provided (for example, EBITDA) in order to allow for a better evaluation of the operating performance. These indicators are calculated in accordance with standard market procedures.*

## IGD - Immobiliare Grande Distribuzione SIIQ S.p.A.

Immobiliare Grande Distribuzione SIIQ S.p.A. is one of the main players in Italy's retail real estate market: it develops and manages shopping centers throughout the country and has a significant presence in Romanian retail distribution. Listed on the Star Segment of the Italian Stock Exchange, IGD was the first SIIQ (Società di Investimento Immobiliare Quotata or real estate investment trust) in Italy. IGD has a real estate portfolio valued at circa €2,322.62 million at 30 June 2020, comprised of, in Italy, 25 hypermarkets and supermarkets, 27 shopping malls and retail parks, 1 plot of land for development, 1 property held for trading and 5 other real estate properties. Following the acquisition of the company Winmark Magazine SA in 2008 14 shopping centers and an office building, found in 13 different Romanian cities, were added to the portfolio. An extensive domestic presence, a solid financial structure, the ability to plan, monitor and manage all phases of a center's life cycle, leadership in the retail real estate sector: these qualities summarize IGD's strong points.

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*The press release is available on the website www.gruppoigd.it, in the Investor Relations section, and on the website www.imagebuilding.it, in the Press Room section.*

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**Please find attached the IGD Group's income statement, statement of financial position, statement of cash flows and consolidated net financial position at 30 June 2020.**

## Consolidated income statement at 30 June 2020

| (in thousands of Euros) | 30/06/2020 (A) | 30/06/2019 (B) | Change (A)-(B) |
|---|---|---|---|
| **Revenue** | **74,636** | **77,344** | **(2,708)** |
| Revenues from third parties | 54,491 | 56,071 | (1,580) |
| Revenues from related parties | 20,145 | 21,273 | (1,128) |
| **Other revenue** | **3,139** | **3,188** | **(49)** |
| Other revenues from third parties | 1,832 | 1,897 | (65) |
| Other revenues from related parties | 1,307 | 1,291 | 16 |
| **Revenues from property sales** | **450** | **0** | **450** |
| **Operating revenues** | **78,225** | **80,532** | **(2,307)** |
| Change in inventory | 254 | 302 | (48) |
| **Revenues and change in inventory** | **78,479** | **80,834** | **(2,355)** |
| Construction costs for the period | 864 | 323 | 541 |
| Service costs | 7,473 | 7,344 | 129 |
| Service costs from third parties | 5,451 | 5,710 | (259) |
| Service costs from related parties | 2,022 | 1,634 | 388 |
| Cost of labour | 4,715 | 5,101 | (386) |
| Other operating costs | 5,055 | 5,441 | (386) |
| **Total operating costs** | **18,107** | **18,209** | **(102)** |
| Depreciations, amortization and provisions | (301) | (303) | 2 |
| (Impairment losses)/Reversals on work in progress and inventories | (2,159) | (141) | (2,018) |
| Provisions for doubtful accounts | (9,532) | (163) | (9,369) |
| Change in fair value | (71,418) | (38,675) | (32,743) |
| **Depreciation, amortization, provisions, impairment and change in fair value** | **(83,410)** | **(39,282)** | **(44,128)** |
| **EBIT** | **(23,038)** | **23,343** | **(46,381)** |
| **Income/ (loss) from equity investments and asset disposal** | **(72)** | **3** | **(75)** |
| **Financial Income** | **27** | **26** | **1** |
| Financial income from third parties | 27 | 25 | 2 |
| Financial income from related parties | 0 | 1 | (1) |
| **Financial charges** | **17,993** | **16,441** | **1,552** |
| Financial charges from third parties | 17,990 | 16,391 | 1,599 |
| Financial charges from related parties | 3 | 50 | (47) |
| **Net financial income (expense)** | **(17,966)** | **(16,415)** | **(1,551)** |
| **Pre-tax profit** | **(41,076)** | **6,931** | **(48,007)** |
| Income taxes | (2,246) | (168) | (2,078) |
| **NET PROFIT FOR THE PERIOD** | **(38,830)** | **7,099** | **(45,929)** |
| Non-controlling interests in (profit)/loss for the period | 0 | 0 | 0 |
| **Profit/(loss) for the period attributable to the Parent Company** | **(38,830)** | **7,099** | **(45,929)** |
| Basic earnings per share | (0.352) | 0.065 | (0.417) |
| Diluted earnings per share | (0.352) | 0.065 | (0.417) |

## Consolidated statement of financial position at 30 June 2020

| (in thousands of Euros) | 30/06/2020 (A) | 31/12/2019 (B) | Change (A)-(B) |
|---|---|---|---|
| **NON CURRENT ASSETS:** | | | |
| **Intangible assets** | | | |
| Intangible assets with finite useful lives | 39 | 50 | (11) |
| Goodwill | 12,485 | 12,485 | 0 |
| | **12,524** | **12,535** | **(11)** |
| **Property, plant, and equipment** | | | |
| Investment property | 2,300,570 | 2,365,214 | (64,644) |
| Buildings | 7,535 | 7,643 | (108) |
| Plant and machinery | 157 | 161 | (4) |
| Equipment and other goods | 1,058 | 1,166 | (108) |
| Assets under construction and advance payments | 40,610 | 40,827 | (217) |
| | **2,349,930** | **2,415,011** | **(65,081)** |
| **Other non-current assets** | | | |
| Sundry receivables and other non-current assets | 127 | 118 | 9 |
| Equity investments | 151 | 223 | (72) |
| Non-current financial assets | 174 | 174 | 0 |
| | **452** | **515** | **(63)** |
| **TOTAL NON-CURRENT ASSETS (A)** | **2,362,906** | **2,428,061** | **(65,155)** |
| **CURRENT ASSETS:** | | | |
| Work in progress inventory and advances | 32,433 | 33,602 | (1,169) |
| Trade and other receivables | 32,429 | 11,114 | 21,315 |
| Related party trade and other receivables | 2,361 | 921 | 1,440 |
| Other current assets | 4,576 | 3,084 | 1,492 |
| Cash and cash equivalents | 102,958 | 128,677 | (25,719) |
| **TOTAL CURRENT ASSETS (B)** | **174,757** | **177,398** | **(2,641)** |
| **TOTAL ASSETS (A + B)** | **2,537,663** | **2,605,459** | **(67,796)** |
| **NET EQUITY:** | | | |
| Share capital | 650,000 | 749,738 | (99,738) |
| Share premium reserve | 30,058 | 30,058 | 0 |
| Treasury share reserve | (541) | (198) | (343) |
| Other reserves | 489,435 | 416,263 | 73,172 |
| Group profit (loss) carried forward | 17,962 | 5,682 | 12,280 |
| Net profit (loss) of the year | (38,830) | 9,471 | (48,301) |
| **Total Group net equity** | **1,148,084** | **1,211,014** | **(62,930)** |
| Capital and reserves of non-controlling interests | 0 | 0 | 0 |
| **TOTAL NET EQUITY (C)** | **1,148,084** | **1,211,014** | **(62,930)** |
| **NON-CURRENT LIABILITIES:** | | | |
| Derivatives - liabilities | 15,830 | 17,365 | (1,535) |
| Non-current financial liabilities | 1,132,293 | 1,232,669 | (100,376) |
| Provisions for employee severance indemnities | 3,169 | 3,057 | 112 |
| Deferred tax liabilities | 24,097 | 26,313 | (2,216) |
| Provisions for risks and future charges | 3,251 | 4,068 | (817) |
| Sundry payables and other non-current liabilities | 8,110 | 8,152 | (42) |
| Related parties sundry payables and other non-current liabilities | 13,721 | 13,721 | 0 |
| **TOTAL NON-CURRENT LIABILITIES (D)** | **1,200,471** | **1,305,345** | **(104,874)** |
| **CURRENT LIABILITIES:** | | | |
| Current financial liabilities | 136,403 | 58,820 | 77,583 |
| Trade and other payables | 10,299 | 15,960 | (5,661) |
| Related parties trade and other payables | 1,309 | 1,031 | 278 |
| Current tax liabilities | 4,542 | 2,601 | 1,941 |
| Other current liabilities | 23,770 | 10,688 | 13,082 |
| Related parties other current liabilities | 12,785 | 0 | 12,785 |
| **TOTAL CURRENT LIABILITIES (E)** | **189,108** | **89,100** | **100,008** |
| **TOTAL LIABILITIES (F=D+E)** | **1,389,579** | **1,394,445** | **(4,866)** |
| **TOTAL NET EQUITY AND LIABILITIES (C + F)** | **2,537,663** | **2,605,459** | **(67,796)** |

## Consolidated statement of cash flows at 30 June 2020

| (in thousands of Euro) | 6/30/2020 | 12/31/2019 |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Pre-tax profit | **(41,076)** | **13,602** |
| **Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities:** | | |
| Financial charges/ (income) | 17,966 | 36,752 |
| Depreciation, amortization and provisions | 301 | 1,026 |
| Writedown of receivables | 9,532 | 561 |
| (Impairment losses)/reversals on work in progress | 2,159 | 992 |
| Changes in fair value - increases / (decreases) | 71,418 | 71,796 |
| Gains/losses from disposals - equity investments | 72 | 0 |
| Changes in provisions for employees and administrators benefits | (402) | 563 |
| **CASH FLOW FROM OPERATING ACTIVITIES** | **59,970** | **125,292** |
| Financial charges paid | (13,354) | (35,385) |
| Income tax | (343) | (1,476) |
| **CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX** | **46,273** | **88,431** |
| Change in inventory | (254) | (1,309) |
| Net change in current assets and liabilities | (36,502) | 7,343 |
| Net change in non-current assets and liabilities | (50) | (1,931) |
| **CASH FLOW FROM OPERATING ACTIVITIES (A)** | **9,467** | **92,534** |
| (Investments) in non-current assets | (7,352) | (40,236) |
| Disposals of non-current assets | 56 | 12,800 |
| (Investments) in equity interests | 0 | (59) |
| **CASH FLOW FROM INVESTING ACTIVITIES (B)** | **(7,296)** | **(27,495)** |
| Change in non-current financial assets | 0 | 69 |
| Disposal/ (purchase) of treasury shares | (343) | 294 |
| Capital increase net of costs | 0 | 23 |
| Distribution of dividends | 0 | (55,153) |
| Fees paid for finance leases | (2,576) | (10,302) |
| Change in current debt | (2,845) | (177,391) |
| Change in non-current debt | (22,065) | 303,681 |
| **CASH FLOW FROM FINANCING ACTIVITIES (C)** | **27,829** | **61,221** |
| Exchange rate differences on cash and cash equivalents (D) | (61) | (133) |
| **NET INCREASE (DECREASE) IN CASH BALANCE (A+B+C+D)** | **(25,719)** | **126,127** |
| **CASH BALANCE AT BEGINNING OF THE PERIOD** | **128,677** | **2,472** |
| **RGD Ferrara cash balance** | **0** | **78** |
| **CASH BALANCE AT END OF THE PERIOD** | **102,958** | **128,677** |

## Consolidated net financial position at 30 June 2020

| | 30/06/2020 | 31/12/2019 | Change |
|---|---|---|---|
| Cash and cash equivalents | (102,958) | (128,677) | 25,719 |
| **LIQUIDITY** | **(102,958)** | **(128,677)** | **25,719** |
| Mortgage loans - current portion | 49,480 | 44,090 | 5,390 |
| Leasing - current portion | 9,259 | 9,070 | 189 |
| Bond loans - current portion | 77,664 | 5,660 | 72,004 |
| **CURRENT DEBT** | **136,403** | **58,820** | **77,583** |
| **CURRENT NET DEBT** | **33,445** | **(69,857)** | **103,302** |
| Non-current financial assets | (174) | (174) | 0 |
| Leasing - non-current portion | 44,352 | 49,074 | (4,722) |
| Non-current financial liabilities | 446,729 | 473,289 | (26,560) |
| Bond loans | 641,212 | 710,306 | (69,094) |
| **NON-CURRENT NET DEBT** | **1,132,119** | **1,232,495** | **(100,376)** |
| **Net debt** | **1,165,564** | **1,162,638** | **2,926** |

| | |
|---|---|
| Fine Comunicato n.0746-42 | Numero di Pagine: 13 |