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Testo del comunicato

Vedi allegato.

PRESS RELEASE

RESULTS 2021: SOLID BASE IN PLACE

FOR THE IMPLEMENTATION OF THE NEW 2024 BUSINESS PLAN

GOOD OPERATING PERFORMANCES

- **In the 7 months without restrictions (June – December), tenants' sales largely in line with 2019, average ticket +24.4% and ca. 84% of footfalls recovered**
- **Net rent collection 2021: in Italy around 94%; in Romania around 96%**
- **Financial occupancy higher vs FY2020: Italy 95.2%, +124bps[1]; Romania 94.6%, +105bps**

FINANCIAL INDICATORS SHOW SIGNIFICANT GROWTH

- **Net rental income: €118.5 million (+8.2%); FFO: €64.7 million (+9.2%). Both include the net direct impact of Covid-19 for €7.2 million [2]**

FINANCIAL STRUCTURE STRENGTHENED

- **Loan to Value down to 44.8% (from 49.9% in 2020)**
- **Valuations stabilized: market value of the freehold portfolio: €2,140.5 million (Like-for-Like: +0.64% vs 2020)**
- **EPRA NAV and NRV come to €10.85 p.s. (+4.5%)**

ESG FACTORS INTEGRAL PART OF THE CORE BUSINESS

- **12TH edition of the Corporate Sustainability Report approved**
- **Impact reporting on scope 1, 2, and 3 in preparation for Science Based Targets**

STRONG INCREASE IN PROFITABILITY

- **Dividend of €0.35 euro cents per share proposed for a dividend yield of 8,6%[3]**
- **Outlook FFO 2022: +9/10%**

Bologna, 24 February 2022. Today, in a meeting chaired by **Rossella Saoncella**, **the Board of Directors of IGD - Immobiliare Grande Distribuzione SIIQ S.p.A.** ("**IGD**" or the "**Company**") examined and approved the **draft separate and consolidated financial statements at 31 December 2021.**

[1] The figure at 31/12/2020 (equal to 94.3%) was restated to take into account the disposal of the group of hypermarkets and supermarkets completed in November 2021.
[2] Includes rebates of €0,3 mn, credit losses of €7.4 mn, net of lower rents payable
[3] Calculated based on the closing price at 23/02/2022

Message from the Chief Executive Officer, Claudio Albertini

FY 2021 closes with particularly satisfying growth and provides us with several certainties which make it possible for us to undertake the path of the new Business Plan 2022 – 2024 with confidence. First and foremost, the soundness of the operating performances of our assets which reported retailers' sales at the Italian malls in line with 2019 during the period when the restrictions were eased, occupancy above 95% and net rent collection of around 94%.

Thanks to the asset management activities completed and the stabilization of property valuations, the Group's financial structure is back in line with the targets we set, particularly Loan-to-Value; this, along with the significant increase in FFO, even higher than our guidance, allow us to, once again, offer our shareholders an attractive and sustainable dividend.

OPERATING PERFORMANCES: GOOD RESPONSES FROM VISITORS IN THE 7 MONTHS WITHOUT RESTRICTIONS

Italy

IGD'S 2021 performances were, once again, impacted by the restrictive measures adopted in the face of the Covid-19 health crisis.

In the first 5 months of the year shopping center operation was, in fact, severely limited in Italy by the ban on table service at restaurants, as well as the weekend and holiday closure of non-essential retailers inside the malls. All of this affected the footfalls and sales registered by retailers in the first part of the year. As of 17 May, when the shopping centers became fully operational, the operating results showed strong signs of recovery, with footfalls rising in the period June-December by 8.8% compared to the same period of the prior year, and an even higher increase in sales of +23.5%. The performance in the second part of the year is particularly interesting, compared to the same period of 2019 (the last year not affected by the pandemic): while footfalls were still lower by around 16%, **retailers' sales were largely in line which confirms the trend already seen in 2020**, a more cautious shopper turnout, but characterized by a greater propensity to buy: in 2021 **the average ticket was, in fact, 24.4% higher than in 2019**, coming in at €28.8.

Looking at the performance of the different categories of merchandise, standouts include the excellent performance of electronics and home care with respect to 2019, both in the June-December period and for the entire year. The categories which experienced more difficulties include restaurants, as the performance was obviously impacted by the restrictive measures imposed in the first part of the year.

In 2021 **the tenant negotiations relative to the restrictions imposed in the first few months of the year were completed**; 932 leases were renegotiated which, overall, did not result in any changes being made to existing leases, but payments were reformulated during the year and temporary rebates granted. This allowed IGD to achieve **excellent results in terms of rent collection which reached approximately 94% at 16 February 2022** (net of the rebates granted). At the same time, **intense marketing and pre-letting activities continued** aimed at reducing the increase in vacancies created as a result of the pandemic; the work done was effective, with significant results: roughly **25 thousand square meters was remarketed** in the year against the roughly 23 thousand square meters which was vacated due to the impact of the pandemic. **34 new brands were introduced** for the first time inside the Group's shopping malls including, for example, Portobello (home care products), Cliniche Dyadea (services), Mi Store (electronics).

In the year 243 leases (135 renewals and 124 turnover – 108 like-for-like) were signed at rents which were largely stable (-0.2%) like-for-like.

Thanks to these activities, **occupancy of the Italian portfolio** remained high **at 95.2%** and above the 93.9%[4] reported at 31 December 2020.

Romania

Even in Romania, the economy took off again in 2021 with the GDP up 7.1% at the end of the year, higher than the pre-pandemic level. The growth, driven mainly by private consumption and investments, is also expected to continue in 2022.[5] All of this, despite the persistence of a few government restrictions which required the subsidiary Winmarkt to grant additional temporary rebates, allowed the portfolio of shopping centers to achieve positive operating performances: **occupancy reached 94.6% at 31 December 2021,** higher than the 93.6% posted at 31 December 2020. Excellent results were also obtained in terms of **rent collection which reached approximately 98%, net of the rebates granted**. Normal pre-letting and marketing activities continued during the year which resulted in the signing of **480 leases (353 renewals and 127 turnover) with a slight upside in rents of around +0.4%.**

ECONOMIC-FINANCIAL RESULTS: SIGNIFICANT GROWTH IN THE FINANCIAL INDICATORS

In 2021 **gross rental income came to €145.1 million, showing a slight decrease of -0.4%**. The change is explained by:

- for around -€1.6 million, lower revenue not like-for-like;
- for around -€2.3 million, lower like-for-like in Italy. The decrease is attributable entirely to Italian malls which were impacted by the increase in vacancies created as a result of Covid (approximately 23 thousand square meters), more than offset, however, by the remarketing completed (approximately 25 thousand square meters) for which, however, the economic effect is diluted over time; hypermarkets rose slightly;
- for around -€0.1 million, lower revenue like-for-like in Romania.

Net rental income amounted to €118.5 million, up +8.2% against the prior year due mainly to the direct impact of Covid which was roughly €11.3 million lower than in 2020.

Core business Ebitda rose 7.9% to €107.3 million, with the margin at 70.8%. The freehold core business Ebitda margin (relative to freehold properties) reached 72.4%.

Financial charges amounted to €33.3 million which, net of the accounting impact of IFRS 16 and non-recurring expenses, were **7.2% lower than at 31 December 2020**.

Funds from Operations (FFO) amounted to €64.7 million, 9.2% higher than at 31 December 2020. The increase in FFO is also higher than the guidance disclosed to the market which called for growth of around +7/8%.

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4 The figure at 31/12/2020 (equal to 94.3%) was restated to take into account the disposal of the group of hypermarkets and supermarkets completed in November 2021

5 Source: European Commission – *Autumn Economic Forecast*, November 2021

As a result, in particular, of fewer changes in fair value the Group closes the year with a **net profit of €52.8 million** (versus a loss of -€74.3 million in 2020).

ASSET MANAGEMENT, CAPITAL RECYCLING AND DEVELOPMENT PROJECTS

In November the Company completed the most important transaction of the year: the **sale** to Intermediate Capital Group ("ICG", an asset management company listed on the London Stock Exchange) of a portfolio of **"stand alone" assets comprising 5 hypermarkets and 1 supermarket** for €140 million, consistent with the book value as at 30 June.
The transaction was completed by transferring the entire real estate portfolio to "Fondo Juice" – an alternative real estate investment fund (an Italian AIF) of which ICG acquired 60% and IGD maintained 40%. As a result of this transaction, **IGD received roughly €115 million**, net the amount maintained in Juice, which allowed the Group to reduce financial debt significantly.
This transaction was already envisaged in the prior Business Plan and testifies once again to the consistency of the strategies announced with the results achieved, despite the unforeseen issues stemming from the pandemic.

In 2021 IGD also continued with the work on the Porta a Mare Project, where the development of the Officine Storiche section is underway and should be completed in the second half of 2022. The project comprises more than 15,000 square meters of retail space and 42 apartments to be sold for which 22 binding proposals have already been received (18 preliminary sales agreements already signed and expected to close in 2022), which confirms the market appeal and quality of the project's residential section. The opening of the retail area is expected to take place in 3Q 2022.
Other capex also continued for a total consolidated of around €13.7 million which include, in addition to extraordinary maintenance, retail fit-outs and remodeling at the Casilino (Rome) and Porto Grande (Ascoli Piceno) centers where the size of the hypermarkets were reduced and new retail spaces were created.

PORTFOLIO VALUATIONS STABILIZED

The market value of **Gruppo IGD's real estate portfolio** reached **€2,140.5 million, an increase like-for-like of 0.64% compared to December 2020.** More in detail:

- **malls** were +0.35% higher (+4.9 million), with a **gross initial yield of 6.57%.** The higher inflation estimates used in the valuation models had the most significant impact on the result;
- **hypermarkets** were +1.74% (+€7.2 million) higher with a **gross initial yield of 6.06%;**
- in **Romania** the value of the real estate portfolio reached **€135.8 million at 31 December 2021**, lower than the €138.6 million reported at 31 December 2020, **with a gross initial yield of 7.61%.**

Including the leasehold properties and the equity investment in Fondo Juice, the market value of Gruppo IGD's real estate investments reaches €2,198.6 million.

The Net Initial Yield, calculated using EPRA criteria, reached 5.3% for the Italian portfolio (5.3% topped up) and 6.2% for the Romanian portfolio (6.6% topped up).

The EPRA NAV and NRV reached €1,197,354 million or €10.85 per share. The figure is 4.5% higher with respect to 31 December 2020 due mainly to the positive contribution of FFO partially offset by a drop in the portfolio's fair value.

The EPRA NTA came to €10.78 per share, 4.6% higher compared to 31 December 2020.

The EPRA NDV came to €10.43 per share, up 0.1% compared to 31 December 2020.

FINANCIAL STRUCTURE ENHANCED AND IN LINE WITH THE TARGETS SET

Using the cash available at the beginning of the year, in March IGD repaid the residual €70 million outstanding of the notes maturing in May 2021 in advance.

Subsequently, thanks to the disposal described above and the cash generated in the reporting period of roughly €54 million, the Company achieved important results: the Net Financial Position reached - €987 million, showing improvement with respect to the -€1,155.5 million reported at year-end 2020. The **Loan to Value came to 44.8%,** decidedly lower than the 49.9% recorded year-end 2020, thus delivering on the target set in the Business Plan 2019-2021.

The financial resources received, along with cash already available, allowed the Group to c**lose the year with cash on hand of approximately €158 million** and to have, therefore, **already covered almost all the financial maturities for 2022.**

The Company is, therefore, working on refinancing the 2023 maturities well in advance.

The **improvement in the outlook of the ratings** assigned to IGD (from negative to stable) by Fitch Ratings and S&P Global Ratings in September and December, respectively, represents another positive development The improved outlook confirms the Group's solidity and the tangible improvement in the operating results seen in 2021.

The **average cost of debt was 2.20%** at 31 December 2021, compared to 2.30% reported at year-end 2020, while the interest cover ratio or **ICR came to 3.3X** (versus 3.2x at year-end 2020).

Net Debt/Ebitda came to 9.2X, lower than the 11.7x recorded at 31 December 2020.

ESG FACTORS AN INTEGRAL PART OF THE CORE BUSINESS

The Board of Directors approved the Corporate Sustainability Report 2021 which was subject to Limited Assurance by PricewaterhouseCoopers which certified compliance with the most important international standards (the GRI Standards).

During the year the company worked to achieve the targets set in the 2019-2021 plan, as well as on defining the content of the new sustainability plan included, as has been the case since 2014, in the Business Plan. The extent to which the targets of the three-year plan, which was impacted by the healthcare situation that made certain investments obligatory while also reducing the aggregational capacity of the shopping centers, is reported on in the CSR.

The main results in 2021 can be summarized as follows:

• **Green**: invested €1.2 million in improving the energy efficiency of the buildings in Italy and €620,000 in Romania; for the first year completed Scope 3 reporting which relates to the company's indirect environmental impact, in order to proceed with the definition of the science based targets in 2022; renewed the Breeam In Use certifications of 2 assets for which the valuations improved; maintained energy consumption significantly lower than in 2019, including during the months not subject to restrictions on hours of operation; completed the roll out for the installation of 22 kw charging stations. 20 shopping centers now have this type of charging station and a total of 35 charging stations have been installed; worked on mobility related initiatives: the bike path to reach the Clodì Retail Park was completed and bus stops were placed near the Katanè Shopping Center.

• **Responsible**: number of employees stable; investment in training increased (focus on soft and digital skills); agreement signed for smart working and, to accelerate vaccinations, provided employees with the opportunity to get vaccinations at a hub affiliated with the national healthcare system; 100% of the employees took advantage of the corporate wellness program; obtained Bio Safety Certification for 7 shopping centers, as well as for the headquarters, in order to prevent and minimize the spread of infections in people caused by biological agents, particularly those related to Covid-19.

• Ethical: introduced an ESG target for company managers; carried out an audit of and modified the procedures for ISO37001 certification; received recognition from ISS Governance Qualityscore (highest score possible) and Integrated Governance Index.

• **Attractive**: two vaccine hubs set up in two shopping centers where more than 400,000 people have been vaccinated since the opening; continued to scout for new brands, with the introduction of 34 new tenants in the Italian shopping malls. Also introduced the first medical center in an IGD shopping center; while reduced, marketing resumed with a focus on experience, omnichannelism and loyalty. There was in increase in the social-environmental and local initiatives; the Digital Plan was developed, which integrated existing digital tools with the new ones created during the year in order to provide the shopper with the ability to be in touch with the shopping center both digitally and in person throughout the customer journey.

• **Together**: structured involvement of all the stakeholders in order to understand their expectations; carried out activities involving around 17,000 visitors both in and not in the shopping malls, as well as 5,000 students between the age of 12 and 19 in partnership with Nomisma; maintained some form of partnership with 201 local associations and non-profit organizations; the more than 16,600 jobs offered, the partnerships with 820 local providers and the fact that 40% of the brands present in the malls are local, confirmed IGD's social role within the community.

DIVIDEND: IGD RESUMES DISTRIBUTING A DIVIDEND TO ITS SHAREHOLDERS

Consistent with what was announced when the new Business Plan was approved, in 2022 IGD will return to being the dividend company it has always been, only one year after the decision to not pay a dividend in order to maintain a solid financial structure.

The Board of Directors proposed that the shareholders approve, subject to the approval of the financial statements for the year ended on 31 December 2021 and the Directors' Report, **a dividend of 35euro cents per share (for a total distributed of €38.6 million or 59.7% of the FFO).**

The dividend yield on the stock price recorded at 23 February 2022 would be equal to approx. 8,6%.

The dividend of 35 euros cents is made up as follows:

- for 0.287588 euro cents (c. 31.7 euro million), by the mandatory portion generated by the SIIQ perimeter
- for 0.062412 euro cents (c. 6.9 euro milioni), by the reserves released as a result of the disposal described above. €10.2 million of these reserves remain as part of the mandatory portion to be distributed in 2023.

OUTLOOK 2022

In light of the positive signals provided by the retail and operating performances, and assuming that the financial indicators will not be impacted directly by Covid-19 in the current year, **the Company estimates that FFO will increase by around +9/10% in FY 2022**.

This outlook is, however, based on the current market consensus which calls for growth in the main global economic indicators like GDP and consumption, as well as the assumption that there will be no further resurgence of the pandemic next fall which could lead to the introduction of new restrictive measures and limitations on the shopping centers' activities.

Operating income statement at 31 December 2021

GROUP CONSOLIDATED	(a) FY_CONS_2020	(c) FY_CONS_2021	Δ (c)/(a)
Revenues from freehold rental activities	133.8	132.7	-0.8%
Revenues from leasehold rental activities	11.9	12.3	4.0%
Total income from rental activities	**145.6**	**145.1**	**-0.4%**
Rents and payable leases	0.0	0.0	n.a.
Direct costs from rental activities	-36.1	-26.6	-26.3%
Net rental income	**109.5**	**118.5**	**8.2%**
Revenues from services	6.3	6.4	1.7%
Direct costs from services	-5.2	-5.5	5.8%
Net services income	**1.1**	**0.9**	**-17.3%**
HQ Personnel expenses	-6.3	-7.2	13.8%
G&A expenses	-4.9	-5.0	1.4%
CORE BUSINESS EBITDA (Operating income)	**99.4**	**107.3**	**7.9%**
Core business Ebitda Margin	*65.4%*	*70.8%*	
Revenues from trading	0.7	0.4	-37.8%
Cost fo sale and other costs from trading	-1.4	-0.9	-38.1%
Operating result from trading	**-0.7**	**-0.5**	**-38.3%**
EBITDA	**98.7**	**106.8**	**8.2%**
Ebitda Margin	*64.7%*	*70.3%*	
Impairment and Fair Value adjustments	-146.0	-16.3	-88.8%
Depreciation and provisions	-5.0	-0.6	-87.3%
EBIT	**-52.3**	**89.9**	**n.a.**
FINANCIAL MANAGEMENT	-36.2	-33.3	-8.0%
EXTRAORDINARY MANAGEMENT	-0.1	-0.8	n.a.
PRE-TAX RESULTS	**-88.6**	**55.8**	**n.a.**
Taxes	14.2	-3.0	n.a.
NET RESULT OF THE PERIOD	**-74.3**	**52.8**	**n.a.**
(Profit/Loss) for the period related to third parties	0.0	0.0	n.a.
GROUP NET RESULT	**-74.3**	**52.8**	**n.a.**

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

IGD will present these results during a **conference call** which will be held on **24 February 2022 at 14.30 (Italian time)**.
The presentation will be published on the company's website (https://www.gruppoigd.it/investor-relations/presentations/)
In order to participate, please dial the following number: **+39 028020927**

OTHER RESOLUTIONS

Calling of the Annual General Meeting

IGD's Board of Directors also resolved to convene the Company's Annual General Meeting in ordinary session on 14 April 2022, in first call and, if necessary, in second call on 15 April 2022, to resolve on the following agenda:

Ordinary session

1. Separate financial statements at 31.12.2021; Directors' report on operations; External auditors' report; Report of the Board of Statutory Auditors; Presentation of the consolidated financial statements at 31.12.2021; related and consequent resolutions.
2. Allocation of the net earnings for the year; related and consequent resolutions.
3. Report on compensation in accordance with Art. 123-ter, paragraphs 3-ter and 6, of Legislative Decree n. 58/98:
    3.1 First section: report on the compensation policy. Binding resolution;
    3.2 Second section: report on compensation paid. Non-binding resolution.
4. Granting of the financial audit assignment for 2022-2030 and determination of the relative compensation; related and consequent resolutions.

Extraordinary session

1. Granting to the Board of Directors of the faculty, in accordance with Art. 2443 of the Italian Civil Code, to increase share capital against payment, divisible, on one or more occasions, by up to 10% of the Company's pre-existing share capital, without pre-emption rights pursuant to Art. 2441.4, second section, of the Italian Civil Code. Subsequent amendment of Art. 6 of the Company's bylaws; related and consequent resolutions.
2. Granting to the Board of Directors of the faculty, in accordance with Art. 2443 of the Italian Civil Code, to increase share capital against payment, divisible, on one or more occasions, without pre-emption rights pursuant to Art. 2441.4, second section, of the Italian Civil Code. Subsequent amendment of Art. 6 of the Company's bylaws; Related and consequent resolutions.
3. Proposals to amend Articles 10 and 20 of the Company's bylaws; related and consequent resolutions.

With regard to the first two items of the Agenda of the Shareholders' Meeting in extraordinary session, please note that:

- the purpose of faculty to be granted in item 1) above, similar to the one expiring on 12 April 2022, granted by the Company's Extraordinary Shareholders' Meeting on 12 April 2017 - is the power – to be exercised within five years of the Shareholders' Meeting and, therefore, by 14 April 2027 – to increase share capital, on one or more occasions, against payment and in divisible form, by up to a maximum of 10% of the company's pre-existing share capital, by issuing new ordinary shares without a stated par value, reserved for parties to be identified by the Board of Directors (including Italian or foreign qualified and/or industrial and/or financial investors or shareholders of the Company), excluding pre-emption rights pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, provided that the issue price corresponds to the shares' market value and this is confirmed in a report prepared specifically by the external auditors. The reason for granting this type of power is to provide the Board of Directors with the flexibility needed to carry out capital transactions in a timely manner, in order to take advantage of any opportunities that might materialize quickly and optimize the outcome of the transactions due to a decrease in the time and outlays that would otherwise be needed to convene the Shareholders' Meeting for each single transaction.

- the purpose of faculty to be granted in item 2) above is the power – to be exercised within five years of the Shareholders' Meeting and, therefore, by 14 April 2027 – to increase share capital, on one or more occasions, by up to a maximum of EUR 65,000,000.00 (sixty five million and no hundredths) including any share premium, against cash, divisible, by issuing new ordinary shares without a stated par value, excluding pre-emption rights pursuant to Art. 2441, fourth paragraph, second sentence, of the Italian Civil Code, to be carried out through contributions in kind pursuant to Art. 2440, fourth paragraph, first period, of the Italian Civil Code, provided that these are related to the Company's corporate purpose (including, for example, related to real estate assets, equity investments, companies and/or business divisions), with the ability to make use of the provisions provided under Art. 2343-ter of the Italian Civil Code. The reason for granting this type of power is to provide the Board of Directors with the ability to carry out "stock-for-stock" acquisitions in a timely manner. Toward this end, in additon to the benefit stemming from these transactions in pure business terms given the contribution to IGD's development and growth, the ways in which these transactions would be carried out would also help to strengthen the Company's financial structure, as well as preseve liquidity. Based on the power granted, different contributions in kind may be made as long as they are related to the Company's corporate purpose including, for example, real estate assets, equity investments, companies and/or business divisions, consistent with Business Plan 2022-2024 which calls for IGD to act as an aggregator in order to increase its value by leveraging on its consolidated know-how and greater economies of scale.

For further details please refer to the Notice of Call which will be made available starting 15 March 2022 on the company website at https://www.gruppoigd.it/governance/assemblea-degli-azionisti/.

Assessment of independent status

IGD's Board of Directors verified, based on the information provided by the interested parties and available to the Company that the 7 (seven) independent directors (Rossella Saoncella, Antonio Rizzi, Silvia Benzi, Rossella Schiavini, Timothy Guy Michele Santini, Rosa Cipriotti e Géry Robert-Ambroix) still qualify as independent in accordance with and pursuant to Art. 148, paragraph 3, of Legislative Decree n. 58/1998, guideline 7 of the Corporate Governance Code and Art. 16 of Consob Regulation n. 20249/2017.

Approval of the Report on Corporate Governance and Ownership Structure and the Compensation Report

The Board of Directors approved the Report on Corporate Governance and Ownership Structure, which forms an integral part of the annual report, as well as, in accordance with the recommendation of the Appointments and Compensation Committee, the Compensation Report, the first section of which, pursuant to Art. 123-ter, par. 3-ter of Legislative Decree. 58/98, will be subject to a binding vote by the shareholders during the next shareholders' meeting, while, pursuant to Art. 123-ter, par. 6 of TUF, the second section – which refers to the compensation paid –will be subject to an advisory vote during the same shareholders' meeting.

The documents will be made available to the public on IGD's website http://www.gruppoigd.it/Governance and at the Company's registered office, as well as on the authorized storage system www.emarketstorage.com in accordance with the law and applicable regulations.

"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 €2,140.5 million at 31 December 2021, comprised of, in Italy, 19 hypermarkets and supermarkets, 27 shopping malls and retail parks, 1 plot of land for development, 1 property held for trading and 6 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.

Please find attached Gruppo IGD's income statement, statement of financial position, statement of cash flows, consolidated net financial position, and the operating income statement at 31 December 2021, along with the draft income statement, statement of financial position and the statement of cash flows of the parent company IGD SIIQ S.p.A. at 31 December 2021.

Consolidated income statement at 31 December 2021

(in thousands of Euros)	31/12/2021 (A)	31/12/2020 (B)	Change (A)-(B)
Revenue	**145.095**	**145.578**	**(483)**
Revenues from third parties	106.974	105.674	1.300
Revenues from related parties	38.121	39.904	(1.783)
Other revenue	**6.443**	**6.388**	**55**
Other revenues from third parties	3.842	3.763	79
Other revenues from related parties	2.601	2.625	(24)
Revenues from property sales	**440**	**708**	**(268)**
Operating revenues	**151.978**	**152.674**	**(696)**
Change in inventory	2.771	2.594	177
Revenues and change in inventory	**154.749**	**155.268**	**(519)**
Construction costs for the period	(3.182)	(3.509)	327
Service costs	(14.688)	(13.409)	(1.279)
Service costs from third parties	(10.294)	(9.087)	(1.207)
Service costs from related parties	(4.394)	(4.322)	(72)
Cost of labour	(10.603)	(9.618)	(985)
Other operating costs	(17.129)	(19.423)	2.294
Total operating costs	**(45.602)**	**(45.959)**	**357**
Depreciations, amortization and provisions	(682)	(4.563)	3.881
(Impairment losses)/Reversals on work in progress and inventories	516	(3.152)	3.668
Provisions for doubtful accounts	(3.430)	(11.003)	7.573
Change in fair value	(16.850)	(142.866)	126.016
Depreciation, amortization, provisions, impairment and change in fair value	**(20.446)**	**(161.584)**	**141.138**
EBIT	**88.701**	**(52.275)**	**140.976**
Income/ (loss) from equity investments and asset disposal	**908**	**(72)**	**980**
Financial Income	**87**	**126**	**(39)**
Financial income from third parties	87	126	(39)
Financial charges	**(33.925)**	**(36.329)**	**2.404**
Financial charges from third parties	(33.924)	(36.322)	2.398
Financial charges from related parties	(1)	(7)	6
Net financial income (expense)	**(33.838)**	**(36.203)**	**2.365**
Pre-tax profit	**55.771**	**(88.550)**	**144.321**
Income taxes	(3.002)	14.229	(17.231)
NET PROFIT FOR THE PERIOD	**52.769**	**(74.321)**	**127.090**
Non-controlling interests in (profit)/loss for the period	0	0	0
Profit/(loss) for the period attributable to the Parent Company	**52.769**	**(74.321)**	**127.090**
Basic earnings per share	0,478	(0,672)	1,150
Diluted earnings per share	0,478	(0,672)	1,150

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Consolidated statement of financial position at 31 December 2021

(in thousands of Euros)	31/12/2021 (A)	31/12/2020 (B)	Change (A)-(B)
NON CURRENT ASSETS:			
Intangible assets			
Intangible assets with finite useful lives	303	35	268
Goodwill	7.585	8.533	(948)
	7.888	**8.568**	**(680)**
Property, plant, and equipment			
Investment property	2.093.176	2.234.484	(141.308)
Buildings	7.174	7.414	(240)
Plant and machinery	115	143	(28)
Equipment and other goods	1.741	969	772
Assets under construction and advance payments	44.095	42.674	1.421
	2.146.301	**2.285.684**	**(139.383)**
Other non-current assets			
Deferred tax assets	6.173	7.995	(1.822)
Sundry receivables and other non-current assets	127	129	(2)
Equity investments	25.765	151	25.614
Non-current financial assets	174	174	0
	32.239	**8.449**	**23.790**
TOTAL NON-CURRENT ASSETS (A)	**2.186.428**	**2.302.701**	**(116.273)**
CURRENT ASSETS:			
Work in progress inventory and advances	37.375	33.843	3.532
Trade and other receivables	15.490	18.260	(2.770)
Related party trade and other receivables	716	775	(59)
Other current assets	5.717	3.736	1.981
Cash and cash equivalents	158.080	117.341	40.739
TOTAL CURRENT ASSETS (B)	**217.378**	**173.955**	**43.423**
ASSETS HELD FOR SALE (C)	**1.801**	**0**	**1.801**
TOTAL ASSETS (A + B+C)	**2.405.607**	**2.476.656**	**(71.049)**
NET EQUITY:			
Share capital	650.000	650.000	0
Share premium reserve	0	30.058	(30.058)
Other reserves	467.300	499.131	(31.831)
Group profit (loss) carried forward	1.689	9.574	(7.885)
Group profit	52.769	(74.321)	127.090
Total Group net equity	**1.171.758**	**1.114.442**	**57.316**
Capital and reserves of non-controlling interests	0	0	0
TOTAL NET EQUITY (D)	**1.171.758**	**1.114.442**	**57.316**
NON-CURRENT LIABILITIES:			
Derivatives - liabilities	8.435	14.396	(5.961)
Non-current financial liabilities	951.408	1.135.707	(184.299)
Provisions for employee severance indemnities	3.391	3.267	124
Deferred tax liabilities	17.875	18.281	(406)
Provisions for risks and future charges	4.130	3.793	337
Sundry payables and other non-current liabilities	9.504	9.849	(345)
Related parties sundry payables and other non-current liabilities	10.441	13.462	(3.021)
TOTAL NON-CURRENT LIABILITIES (E)	**1.005.184**	**1.198.755**	**(193.571)**
CURRENT LIABILITIES:			
Current financial liabilities	192.643	137.266	55.377
Trade and other payables	16.137	12.091	4.046
Related parties trade and other payables	950	499	451
Current tax liabilities	2.967	1.814	1.153
Other current liabilities	14.740	11.789	2.951
TOTAL CURRENT LIABILITIES (F)	**227.437**	**163.459**	**63.978**
LIABILITIES LINKED TO ASSETS HELD FOR SALE (G)	**1.228**	**0**	**1.228**
TOTAL LAIBILITIES (H=E+F+G)	**1.233.849**	**1.362.214**	**(128.365)**
TOTAL NET EQUITY AND LIABILITIES (D+H)	**2.405.607**	**2.476.656**	**(71.049)**

Consolidated statement of cash flows at 31 December 2021

(In thousands of Euros)	31/12/2021	31/12/2020
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit (loss) of the year	**52.769**	**(74.321)**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities		
Taxes of the year	3.002	(14.229)
Financial charges / (income)	33.838	36.203
Depreciation and amortization	682	611
Writedown of goodwill	0	3.952
Writedown of receivables	3.430	11.003
(Impairment losses) / reversal on work in progress	(516)	3.152
Changes in fair value - increases / (decreases)	16.850	142.866
Gains/losses from disposal - equity investments	(908)	72
Changes in provisions for employees and end of mandate treatment	1.454	1.389
CASH FLOW FROM OPERATING ACTIVITIES:	**110.601**	**110.698**
Financial charge paid	(27.400)	(29.344)
Provisions for employees, end of mandate treatment	(787)	(1.233)
Income tax	(991)	(788)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX:	**81.423**	**79.333**
Change in inventory	(3.051)	(2.594)
Change in trade receivables	(526)	(18.003)
Net change in other assets	(1.979)	(8.658)
Change in trade payables	4.422	(4.401)
Net change in other liabilities	(1.608)	8.357
CASH FLOW FROM OPERATING ACTIVITIES (A)	**78.681**	**54.034**
(Investments) in intangible assets	(302)	(8)
Disposals of intangible assets	0	0
Disposals of investment properties	113.819	0
(Investments) in tangible assets	(18.414)	(14.837)
Disposals of tangible assets	0	36
(Investments) in equity interests	52	0
CASH FLOW FROM INVESTING ACTIVITIES (B)	**95.155**	**(14.809)**
Change in non-current financial assets	0	0
Disposal/(purchase) of treasury shares	0	198
Capital gain/ (loss) on disposal of treasury shares	0	(200)
Capital increase net of costs	0	0
Distribution of dividends	0	(25.150)
Rents paid for financial leases	(8.925)	(7.991)
Collections for new loans and other financing activities	0	34.682
Loans repayments and other financing activities	(124.083)	(52.003)
CASH FLOW FROM FINANCING ACTIVITIES (C)	**(133.008)**	**(50.464)**
Exchange rate differences on cash and cash equivalents (D)	(89)	(97)
NET INCREASE (DECREASE) IN CASH BALANCE (A+B+C+D)	**40.739**	**(11.336)**
CASH BALANCE AT BEGINNING OF THE PERIOD	**117.341**	**128.677**
CASH BALANCE AT END OF THE PERIOD	**158.080**	**117.341**

Consolidated net financial position at 31 December 2021

(In thousands of Euros)	31/12/2021	31/12/2020	Change
Cash and cash equivalents	(158.080)	(117.341)	(40.739)
LIQUIDITY	**(158.080)**	**(117.341)**	**(40.739)**
Mortgage loans - current portion	27.328	51.418	(24.090)
Leasing - current portion	7.355	9.448	(2.093)
Bond loans - current portion	157.960	76.400	81.560
CURRENT DEBT	**192.643**	**137.266**	**55.377**
CURRENT DEBT RELATED TO ASSETS HELD FOR SALES	**1.228**	**0**	**1.228**
CURRENT NET DEBT	**35.791**	**19.925**	**15.866**
Non-current financial assets	(174)	(174)	0
Leasing - non-current portion	31.043	39.626	(8.583)
Non-current financial liabilities	427.579	453.199	(25.620)
Bond loans	492.786	642.882	(150.096)
NON-CURRENT NET DEBT	**951.234**	**1.135.533**	**(184.299)**
NET DEBT	**987.025**	**1.155.458**	**(168.433)**

Draft income statement of the parent company IGD SIIQ S.p.A. at 31 December 2021

(in Euros)	31/12/2021 (A)	31/12/2020 (B)	Change (A)-(B)
Revenue	**119.318.137**	**120.737.180**	**(1.419.043)**
Revenues from third parties	77.497.362	76.855.048	642.314
Revenues from related parties	41.820.775	43.882.132	(2.061.357)
Other revenue	**1.148.121**	**913.777**	**234.344**
Other revenues from third parties	691.395	433.850	257.545
Other revenues from related parties	456.726	479.927	(23.201)
Revenues and change in inventory	**120.466.258**	**121.650.957**	**(1.184.699)**
Service costs	(11.594.663)	(10.750.671)	(843.992)
Service costs from third parties	(7.941.002)	(7.360.992)	(580.010)
Service costs from related parties	(3.653.661)	(3.389.679)	(263.982)
Cost of labour	(6.057.004)	(5.331.729)	(725.275)
Other operating costs	(14.155.033)	(16.507.482)	2.352.449
Total operating costs	**(31.806.700)**	**(32.589.882)**	**783.182**
Depreciations, amortization and provisions	(639.897)	(532.724)	(107.173)
(Impairment losses)/Reversals on work in progress and inventories	35.119	(256.958)	292.077
Provisions for doubtful accounts	(2.645.653)	(9.017.400)	6.371.747
Change in fair value	(378.704)	(111.212.086)	110.833.382
Depreciation, amortization, provisions, impairment and change in fair value	**(3.629.135)**	**(121.019.168)**	**117.390.033**
EBIT	**85.030.423**	**(31.958.093)**	**116.988.516**
Income/ (loss) from equity investments and asset disposal	**912.648**	**4.000**	**908.648**
Financial Income	**80.087**	**171.909**	**(91.822)**
Financial income from third parties	51.220	81.614	(30.394)
Financial income from related parties	28.867	90.295	(61.428)
Financial charges	**(32.384.326)**	**(34.539.232)**	**2.154.906**
Financial charges from third parties	(32.379.247)	(34.526.756)	2.147.509
Financial charges from related parties	(5.079)	(12.476)	7.397
Net financial income (expense)	**(32.304.239)**	**(34.367.323)**	**2.063.084**
Pre-tax profit	**53.638.832**	**(66.321.416)**	**119.960.248**
Income taxes	454.569	(115.624)	570.193
NET PROFIT FOR THE PERIOD	**54.093.401**	**(66.437.040)**	**120.530.441**

Draft statement of financial position of the parent company IGD SIIQ S.p.A. at 31 December 2021

(in Euros)	31/12/2021 (A)	31/12/2020 (B)	Change (A)-(B)
NON CURRENT ASSETS:			
Intangible assets			
Intangible assets with finite useful lives	289.625	25.079	264.546
Goodwill	1.000.000	1.000.000	0
	1.289.625	**1.025.079**	**264.546**
Property, plant, and equipment			
Investment property	1.781.635.133	1.912.265.817	(130.630.684)
Buildings	7.173.012	7.413.703	(240.691)
Plant and machinery	112.046	138.018	(25.972)
Equipment and other goods	1.124.574	329.415	795.159
Assets under construction and advance payments	27.882.640	26.044.757	1.837.883
	1.817.927.405	**1.946.191.710**	**(128.264.305)**
Other non-current assets			
Deferred tax assets	2.769.448	4.320.495	(1.551.047)
Sundry receivables and other non-current assets	83.542	82.562	980
Equity investments	212.097.920	186.473.918	25.624.002
	214.950.910	**190.876.975**	**24.073.935**
TOTAL NON-CURRENT ASSETS (A)	**2.034.167.940**	**2.138.093.764**	**(103.925.824)**
CURRENT ASSETS:			
Trade and other receivables	10.956.842	13.463.549	(2.506.707)
Related party trade and other receivables	397.100	325.324	71.776
Other current assets	1.740.323	1.333.339	406.984
Related parties other current assets	1.349.743	63.518	1.286.225
Related parties financial receivables and other current financial assets	94.072.500	93.208.810	863.690
Cash and cash equivalents	146.380.092	110.733.403	35.646.689
TOTAL CURRENT ASSETS (B)	**254.896.600**	**219.127.943**	**35.768.657**
TOTAL ASSETS (A + B)	**2.289.064.540**	**2.357.221.707**	**(68.157.167)**
NET EQUITY:			
Share capital	650.000.000	650.000.000	0
Share premium reserve	0	30.058.205	(30.058.205)
Other reserves	470.563.790	502.945.601	(32.381.811)
Profit (loss) carried forward	3.892.862	3.892.525	337
Net profit (loss) of the year	54.093.401	(66.437.040)	120.530.441
TOTAL NET EQUITY (D)	**1.178.550.053**	**1.120.459.291**	**58.090.762**
NON-CURRENT LIABILITIES:			
Derivatives - liabilities	6.736.621	11.202.543	(4.465.922)
Financial liabilities	880.022.871	1.056.269.785	(176.246.914)
Provisions for employee severance indemnities	1.975.548	1.929.299	46.249
Provisions for risks and future charges	3.692.680	3.537.916	154.764
Sundry payables and other liabilities	1.597.367	2.393.411	(796.044)
Related parties sundry payables and other liabilities	10.441.685	13.462.013	(3.020.328)
TOTAL NON-CURRENT LIABILITIES (E)	**904.466.772**	**1.088.794.967**	**(184.328.195)**
CURRENT LIABILITIES:			
Financial liabilities	185.792.213	128.176.484	57.615.729
Related parties financial liabilities	30.843	3.828.409	(3.797.566)
Trade and other payables	8.048.114	5.568.887	2.479.227
Related parties trade and other payables	901.671	515.237	386.434
Tax liabilities	671.923	709.260	(37.337)
Other liabilities	10.383.459	9.052.177	1.331.282
Related parties other liabilities	219.492	116.995	102.497
TOTAL CURRENT LIABILITIES (F)	**206.047.715**	**147.967.449**	**58.080.266**
TOTAL LIABILITIES (H=E+F)	**1.110.514.487**	**1.236.762.416**	**(126.247.929)**
TOTAL NET EQUITY AND LIABILITIES (D+H)	**2.289.064.540**	**2.357.221.707**	**(68.157.167)**

Draft statement of cash flows of the parent company IGD SIIQ S.p.A. at 31 December 2021

(In thousands of Euros)	31/12/2021	31/12/2020
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit (loss) of the year	**54.093**	**(66.437)**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities		
Taxes of the year	(455)	116
Financial charges / (income)	32.304	34.368
Depreciation and amortization	640	533
Writedown of receivables	2.646	9.017
(Impairment losses) / reversal on work in progress	(35)	257
Changes in fair value - increases / (decreases)	378	111.212
Changes in provisions for employees and end of mandate treatment	931	999
CASH FLOW FROM OPERATING ACTIVITIES:	**89.594**	**90.065**
Financial charge paid	(26.790)	(27.563)
Provision for employees and end of mandate treatment	(471)	(807)
Income tax	(153)	0
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX:	**62.180**	**61.695**
Change in trade receivables	(212)	(14.477)
Net change in other assets	(1.694)	1.508
Change in trade payables	2.866	(6.200)
Net change in other liabilities	(1.704)	(734)
CASH FLOW FROM OPERATING ACTIVITIES (A)	**61.436**	**41.792**
(Investments) in intangible assets	(293)	(7)
Disposals of intangible assets	0	0
Disposals of investment properties	113.819	0
(Investments) in tangible assets	(11.679)	(7.079)
Disposals of tangible assets	0	0
CASH FLOW FROM INVESTING ACTIVITIES (B)	**101.889**	**(7.086)**
Change in non-current financial assets	(864)	(1.285)
Disposal/(purchase) of treasury shares	0	198
Capital gain/ (loss) on disposal of treasury shares	0	(200)
Capital increase net of costs	0	0
Distribution of dividends	0	(25.150)
Rents paid for financial leases	(2.923)	(2.615)
Collections for new loans and other financing activities	0	34.682
Loans repayments and other financing activities	(123.891)	(54.142)
CASH FLOW FROM FINANCING ACTIVITIES (C)	**(127.678)**	**(48.512)**
NET INCREASE (DECREASE) IN CASH BALANCE (A+B+C+D)	**35.647**	**(13.806)**
CASH BALANCE AT BEGINNING OF THE PERIOD	**110.733**	**124.539**
CASH BALANCE AT END OF THE PERIOD	**146.380**	**110.733**

Fine Comunicato n.0746-2	Numero di Pagine: 19