Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

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

HALF-YEAR FINANCIAL REPORT

30/06/2023

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Corporate and Supervisory Bodies 3

1. The IGD Group's Interim Management Statement 4

1.1. // Introduction 5

1.2. // Alternative Performance Measures 5

1.3. // IGD Group 6

1.4. // Income Statement Review 8

1.5. // Statement of financial position and financial review 19

1.6. // EPRA Performance Indicators 23

1.7. // The Stock 30

1.8. // Significant events in the half 34

1.9. // The Real Estate Portfolio 38

1.9.1. The real estate assets 40

1.9.2. Analysis by asset class of the freehold portfolio 46

1.9.2.1. ITALY 46

1.9.2.2. ROMANIA 49

1.10. // Real Estate Appraisals 51

1.11. // The SIIQ Regulatory Environment and Information on the Company's Compliance 78

1.12. // Subsequent events 81

1.13. // Outlook 81

1.14. // Intercompany and related party transactions 81

1.15. // Treasury shares 81

1.16. // Research and development 81

1.17. // Significant transactions 81

2. IGD GROUP CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 82

30 JUNE 2023 82

2.1 // Consolidated income statement 83

2.2 // Consolidated statement of comprehensive income 84

2.3 // Consolidated statement of financial position 85

2.4 // Consolidated statement of changes in equity 86

2.5 // Consolidated statement of cash flows 87

2.6 // Notes to the condensed interim consolidated financial statements 88

2.7 // Certification of the condensed interim consolidated financial statements 129

2.8 // External auditors' report on the condensed consolidated interim financial statements 130

3. GLOSSARY 132

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

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

Deloitte&Touche S.p.A.

Financial Reporting Officer

Carlo Barban

Teleborsa: distribution and commercial use strictly prohibited

EMARKET SDIR CERTIFIED

1. The IGD Group’s Interim Management Statement

Teleborsa: distribution and commercial use strictly prohibited

1.1. // Introduction

The Immobiliare Grande Distribuzione Group's Consolidated Half-Year Financial Report at 30 June 2023 was prepared pursuant to Art. 154-ter of Legislative Decree 58/1998 and in accordance with the valuation criteria and measurements established by the IFRS (International Financial Reporting Standards) adopted by the European Commission as per the procedure established in Art. 6 of EC Regulation n°1606/2002 issued by the European Parliament and the Council on 19 July 2002, and in particular with IAS 34 – Interim Financial Reporting. The Half-Year Financial Report, along with the notes to the accounts, consolidates the income statements and statements of financial position at 30 June 2023 of IGD Siiq S.p.A. (hereinafter "Company", "IGD" or "IGD SIIQ") and other Group companies (hereinafter "Group IGD or "Group") described in the section on the scope of consolidation.

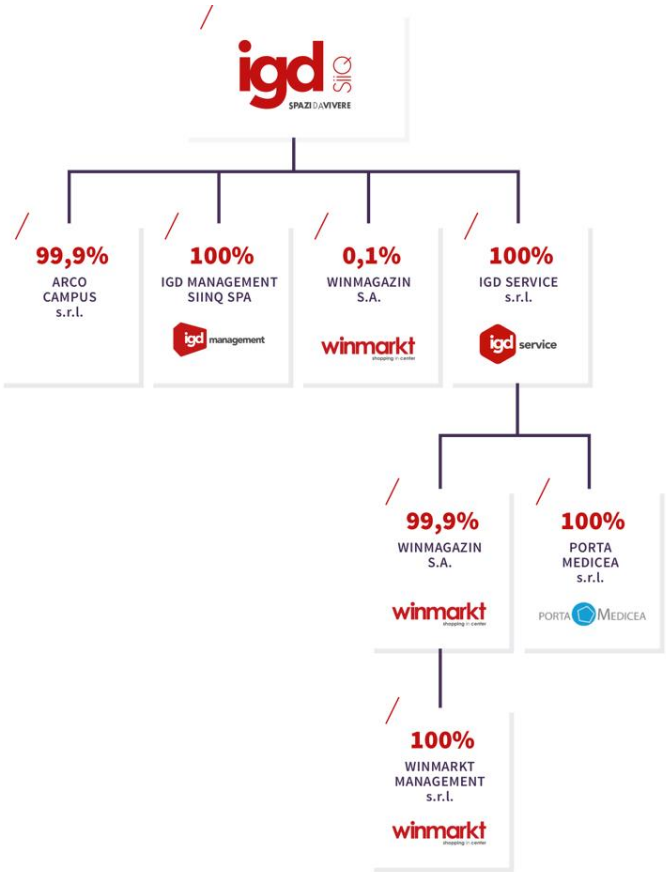
1.2. // Alternative Performance Measures

This half-year financial report contains alternative performance Measures with respect to the conventional indicators required of audited financial statements which comply with IAS/IFRS.
The alternative performance Measures do stem from financial statements prepared on an IAS/IFRS-compliant basis but have also been calculated using other sources or alternative methods (as provided for in CONSOB Bulletin n. 92543/15), where so indicated, which the management believes provide a better representation of the Group's performance and the economic-financial results.
The indicators viewed as important to the understanding of the Group's financial statements include like-for-like revenue, core business Ebitda, core business Ebitda margin, FFO, net financial position, interest cover ratio, average cost of debt (net of recurring and non-recurring transaction costs), gearing ratio, Loan-to-value, and EPRA net asset value metrics. The methods used to calculate these indicators are described in the Glossary.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

1.3. // IGD Group

IGD was the first company in Italy to obtain SIIQ (Società di Investimento Immobiliare Quotata or real estate investment trust) status in 2008 and is still the only retail real estate company that qualifies as a SIIQ. Most of the Group's real estate assets are in Italy (around 93.7%). 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 June 2023, in addition to the parent company, Group 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 operates the leasehold properties (Centro Nova), the services business which includes the management mandates for the freehold and leasehold properties and 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;

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

- 100% of **Porta Medicea Srl**, responsible for the construction of the mixed-use real estate development and requalification of Livorno's waterfront.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

1.4. // Income Statement Review

Similar to 2022, the global market conditions in the first part of 2023 were characterized by decreased demand, high inflation and tighter financial conditions as the central banks continued to raise interest rates[1]. These elements caused a slowdown in the world economy which is expected to decelerate further in 2023 (global GDP is expected to rise +2.8%).[2] Worldwide economic forecasts call for a more dynamic 2024 with the GDP rising in excess of 3%, but this forecast continues to be subject to downward revisions tied, specifically, to the conflict in Ukraine and tighter than expected financial conditions.[3]

In Italy, after the slowdown recorded in the fourth quarter of 2022 (GDP -0.1% compared to the prior quarter), GDP started to rise again in the first quarter of 2023 (+0.6% compared to the prior quarter) sustained by increased family spending and higher investments.[4] Based on the most recent statistics, in the second quarter of 2023 GDP, adjusted for calendar effects and seasonality, was 0.3% lower than in the prior quarter (when it was up 0.6%).[5] Inflation continued to be high, but slowed significantly compared to the prior year, due to lower energy costs, and in June 2023 was at +5.6% with the slowdown expected to continue in the coming months.[6] In this scenario the Italian GDP should continue to grow in both 2023 (+1.3%) and 2024 (+0.9%) sustained largely by internal demand.[7] These estimates are still subject to the uncertainty attributable to monetary tightening and the extent to which the investments called for in the National Recovery and Resilience Plan (*Piano Nazionale di Ripresa e Resilienza* or *PNRR*) are completed[8].

Despite the challenging environment described above, in the first half of 2023 solid operating performances were recorded in the Italian malls: footfalls were 6.6% higher than in the first six months of the prior year, while the increase in tenants' sales was even higher at +8.5%. Retailers' sales were also higher than in 2019 (the last year not affected by the pandemic) coming in at +7.6%, while footfalls reached approximately 87% of the first-half 2019 figure, which confirms the established trend of more selective shopping, but greater propensity to buy (the average ticked was up +24.5% in the first half of 2023 compared to the same period of 2019).

All the different categories of merchandise were higher with respect to the prior year; restaurants were particularly positive, rising 20.7% against the first half of 2022 and 7.4% against the same period of 2019, which indicates that the difficulties encountered by the sector during the pandemic have been overcome. Clothing, which represents 48% of the rents for Italian malls, was also very positive (+8.3% vs 2022).

The Group's hypermarkets and supermarkets posted growth with respect to both 2022 (+4.6%) and 2019 (+1.8%).

These excellent results indicate that the negative impact of the pandemic is becoming a thing of the past and testify to the vitality of the physical retail sector confirming, once again, the validity of IGD's business model, focused on dominant urban shopping centers with anchor tenants (food and non) and the right mix of products and services developed to satisfy consumers' needs, including daily.

[1] Source: ISTAT – *Nota mensile sull'andamento dell'economia italiana maggio giugno*, July 2023
[2] Source ISTAT - *Le prospettive per l'economia italiana nel 2023-2024,* June 2023
[3] Source: Banca Italia – *Bollettino economico 3/2023*, July 2023
[4] Source ISTAT - *Le prospettive per l'economia italiana nel 2023-2024,* June 2023
[5] Source ISTAT – *Stima preliminare del PIL 2 trimestre 2023,* 31 July 2023
[6] Source ISTAT – *Prezzi al consumo,* June 2023
[7] Source Banca Italia – *Bollettino economico 3/2023*, July 2023
[8] Piano Nazionale di Ripresa e Resilienza.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

The key role that in-person shopping continues to have for consumers was also confirmed. The most recent statistics, in fact, show that the rate of penetration for e-commerce was largely stable in 2023 at around 11% for the third year in a row, while the purchase of services was higher. Online and in-person shopping are increasingly more integrated with no overlap in the categories with the most growth which are the same for both channels.

IGD's marketing activities continued at a lively pace in the first half with more than 16,000 square meters opened and marketed versus roughly 11,000 square meters closed. 87 new leases (60 renewals and 27 turnover) or 4% of the Group's total rent were signed in the reporting period with an average downside of -4.4% (-2% expected at year-end based on the negotiations currently underway).

Thanks to these activities, the Italian portfolio's occupancy (95.2%) was largely stable compared to the high levels recorded at 31 March 2023.

Rent collection was also positive, reaching roughly 92% at 1 August 2023.

In Romania, after an extremely positive two-year period, in 2023 economic growth is expected to continue, albeit at a slower pace: GDP is expected to be 3.2% higher at year-end 2023 versus +4.7% in 2022.[9] As for the operating performances, occupancy at the Winmarkt shopping malls was basically unchanged with respect to the high levels reported at 31 March 2023, coming in at 96.8% in the half.

In the first half 311 leases were signed comprising renewals (212) and turnover (99), with an average upside on renewals of around 2.3% which confirms the vitality of the sector in Romania, as well. Excellent results were also recorded in terms of rent collection which came to approximately 95% in the first six months of 2023.

Looking at asset management, investments and capex amounted to around €7.6 million in the first half of 2023.

Work continued on the Officine Storiche section of the mixed-use Porta a Mare project in Livorno which is expected to be inaugurated in September 2023. This will be an iconic shopping and entertainment destination with a GLA of more than 16,000 square meters which will house 16 stores, 11 restaurants, 1 entertainment area and 1 fitness center; the spaces have been almost entirely pre-let including to a few, high profile brands like Starbucks, which will open its first point of sale in the province of Livorno, Pandora, JD Sport, and others.

In addition to the retail section, the project also comprises 42 residential units of which 29 have already been sold and 3 are subject to binding offers for an estimated cash-in by the end of the year of around €7 million.

Consistent with the Business Plan, restyling of the Porto Grande Shopping Center continued and the complete restyling of the Leonardo Shopping Center in Bologna started; both projects call for the revamping of systems and energy efficiencies like the installation of solar panels on the roof of the parking garage at Porto Grande.

Events in the period include the serious flooding that took place between 15 and 17 May in a large area of Emilia-Romagna where 6 of the Group's freehold properties are located[10]: 5 of these were not impacted, remained open and operated normally. The only center to suffer damages was Lungo Savio in Cesena where restoration work is underway and the mall stores are closed temporarily, while the hypermarket was reopened partially on June 24th; net of the existing insurance coverage, the impact on the Group is not expected to be significant.

[9] Source: European Commission, *Spring Economic Forecast*, May 2023
[10] Centro Leonardo (Imola), Le Maioliche (Faenza), Esp (Ravenna), Puntadiferro (Forlì), Lungo Savio (Cesena) and i Malatesta (Rimini)

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

As for the financial structure, the average cost of debt reached 3.22% at 30 June 2023, higher than the 2.26% recorded at year-end 2022, while the interest cover ratio or ICR came to 2.9x and the Loan-to-Value was 47.7% (45.7% at year-end 2022) due to the drop in market value described in greater detail in this report and the payment of dividends in May.
In the second quarter IGD obtained a 5-year €250 million Green secured facility, as announced on 9 May (refer to the relative press release for more details).
Taking into account this transaction, over the last two years IGD has gathered a total of around €486 million in financial resources which were used to refinance all the maturities through the 1st half of 2024.
The next sizeable maturity to refinance will be the €400 million bond (November 2024) for which the Company is already exploring different options; previously considered an optional part of the Business Plan, the disposal of assets will also continue as it is now an integral part of the Group's financial strategy for the next few quarters.
As a result of the decrease in the fair value of its real estate investments, the Group closes the half with a net loss of €47,063 thousand compared to a net profit of €26,457 thousand at 30 June 2022.

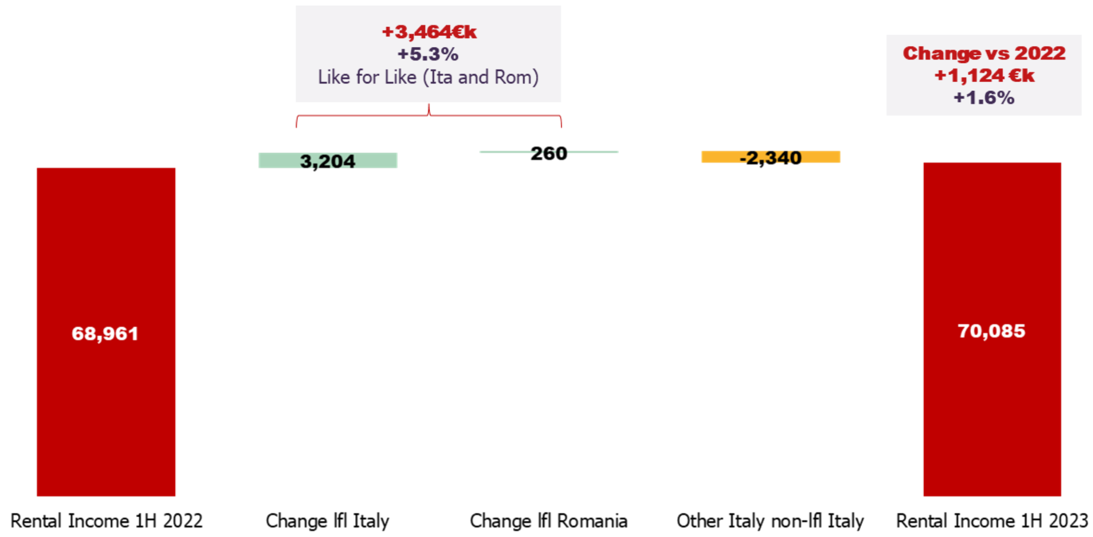
Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

The consolidated operating income statement is shown below:

GROUP CONSOLIDATED	(a) 6/30/2023	(b) 6/30/2022	Δ (a)/(b)
Revenues from freehold rental activities	65,577	64,533	1.6%
Revenues from leasehold rental activities	4,508	4,428	1.8%
Total income from rental activities	**70,085**	**68,961**	**1.6%**
Rent and payable leases	-1	-2	-50.0%
Direct costs from rental activities	-11,043	-11,863	-6.9%
Net rental income	**59,041**	**57,096**	**3.4%**
Revenues from services	3,777	3,685	2.5%
Direct costs from services	-2,844	-2,776	2.4%
Net services income	**933**	**909**	**2.6%**
HQ personnel expences	-3,884	-3,717	4.5%
G&A expenses	-2,301	-2,490	-7.6%
CORE BUSINESS EBITDA (Operating income)	**53,789**	**51,798**	**3.8%**
Core business Ebitda Margin	*72.8%*	*71.3%*	
Revenues from trading	5,572	432	n.a.
Cost of sale and other costs from trading	-5,731	-616	n.a.
Operating result from trading	**-159**	**-184**	**-13.6%**
EBITDA	**53,630**	**51,614**	**3.9%**
Ebitda Margin	*67.5%*	*70.6%*	
Impairment and fair value adjustments	-80,277	-9,819	n.a.
Depreciation and provisions	-901	-772	16.7%
EBIT	**-27,548**	**41,023**	**n.a.**
FINANCIAL MANAGEMENT	-19,199	-14,310	34.2%
RESULT FROM ASSETS DISPOSAL	0	397	n.a.
PRE-TAX RESULTS	**-46,747**	**27,110**	**n.a.**
Taxes	-316	-653	-51.6%
NET RESULT OF THE PERIOD	**-47,063**	**26,457**	**n.a.**
(Profit/Loss) for the period related to third parties	0	0	n.a.
GROUP NET RESULT	**-47,063**	**26,457**	**n.a.**

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.

Rental income came to €70,085 thousand at 30 June 2023, an increase of 1.6%.

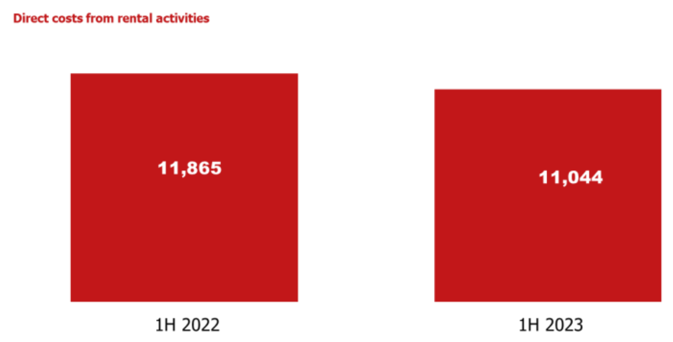


Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

The increase against 2022, of €1,124 thousand, is attributable to:

- for around €3.2 million, higher revenues like-for-like in Italy explained by the positive impact of pre-letting and inflation indexing (+7.2% or +€3.5 million for malls and +5.2% or +€0.6 million for hypermarkets), partially offset by higher temporary discounts for roughly €0.8 million. Revenues for temporary spaces increased (+€0.2 million), as did variable revenue (€0.1 million). Over the period 87 contracts were signed (of which 60 renewals and 27 turnover) with an average downside equal to -4.4%;
- for around -€2,340 thousand, lower revenue not like-for-like (remodeling at the Palermo, Catania, Casilino, Porto Grande, Tiburtino and Leonardo centers);
- for around €260 thousand, higher revenues like-for-like in Romania (+5.7%) attributable to indexing and fewer discounts. 311 leases were signed in the reporting period (99 turnover and 212 renewals), with an average upside on renewals of 2.3%.

The direct costs for the rental business amounted to €11,044 thousand. The decrease in costs is attributable largely to lower provisions for bad debt, offset by a slight increase in condominium fees.



Net rental income amounted to €59,041 thousand, an increase of 3.4% against the same period of the prior year and higher like-for-like by 7.8%.

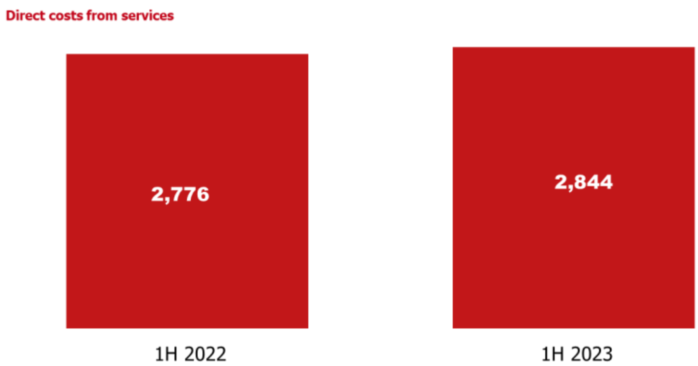
Net rental income freehold amounted to €54,729 thousand, higher than in the same period of the prior year. The margin is sizeable, coming in at 83.5%, in line with the previous year.
Net rental income leasehold amounted to €4,312 thousand, in line with the same period of the prior year.

Teleborsa: distribution and commercial use strictly prohibited

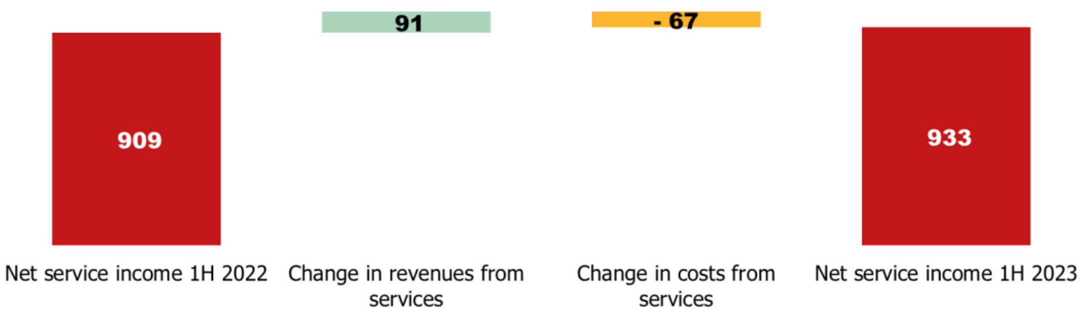
Net services income

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 (87.9% of the total or €3,319 thousand) which was higher than in the prior reporting period. The increase in revenue from pilotage was offset by lower revenue from agency and other services revenue (outsourcing services)**.**

The direct costs for services amounted to €2,844 thousand, higher than in the same period of the prior year.



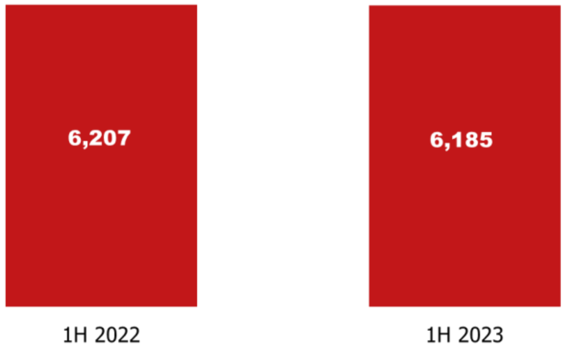
Net services income was 2.6% higher than in the same period of the prior year, coming in at €933 thousand or 24.7% of services income, in line with the same period of the prior year.



General expenses for the core business

General expenses for the core business, including payroll costs at headquarters, came to €6,185 thousand, slightly lower (-0.4%) than the €6,207 thousand recorded in 2022 explained mainly by savings on consultancies, utilities and corporate management costs.
These costs came to 8.4% of core business revenue.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

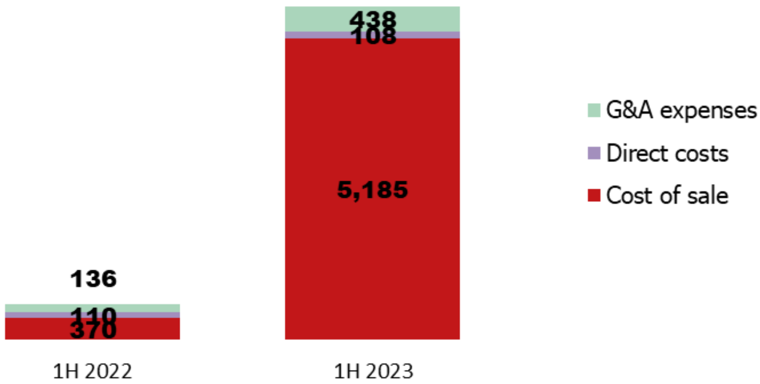


Operating results for trading

Trading posted an operating loss of €159 thousand, slightly better than in 2022.

In 2023 the Porta a Mare project generated revenue from trading of €5,572 thousand due to the closing of 12 units at Officine Storiche and 1 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.

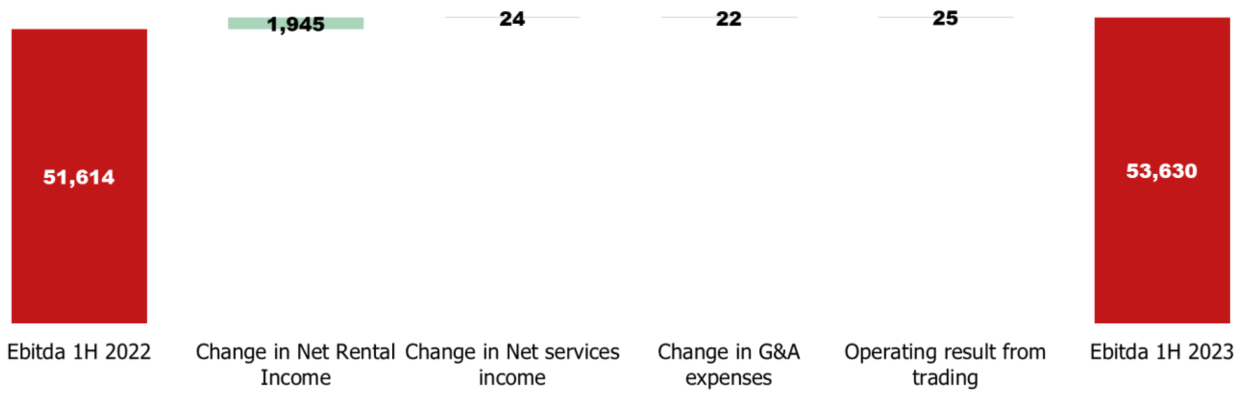
The costs for the Porta a Mare Project are broken down below:



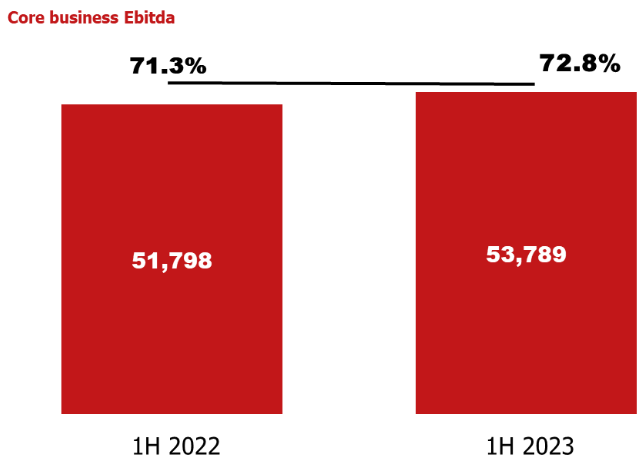
EBITDA

The core business EBITDA amounted to €53,789 thousand, 3.8% higher than in the same period of the prior year, while total EBITDA rose by 3.9% to €53,630 thousand.
The changes in the components of total EBITDA in 2023 are shown below:

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED



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



Fair value adjustments and impairment/revaluations

Fair value adjustments and impairment/revaluations were negative for €80,277 thousand at 30 June 2023, higher than the €9,819 thousand recorded at 30 June 2022.

The difference in fair value, negative for €79,878 thousand, is explained by:

- for €3,642 thousand, impairment of the right-of-use assets stemming from IFRS 16 application including increases in the year;
- for €7,115 thousand, impairment of the extraordinary maintenance of properties owned and rented by Group IGD's Italian companies;
- for €587 thousand, impairment of the extraordinary maintenance of properties owned by the Romanian subsidiary Win Magazin SA;
- for €67,075 thousand, a fair value adjustment made to the freehold investment property of Group 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 Group 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 extension project; (ii) an impairment loss

Teleborsa: distribution and commercial use strictly prohibited

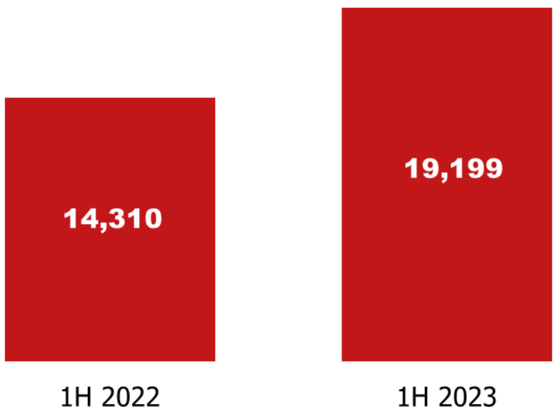
EMARKET SDIR CERTIFIED

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 -€27,548 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 €14,310 thousand at 30 June 2022 to €19,199 thousand at 30 June 2023. The increase, of around €4,889 thousand, is attributable mainly to:

- an increase in financial charges on mortgages stemming from the new €215 million green loan signed in August 2022, the new €250 million loan obtained in May 2023 and higher interest rates;
- lower financial charges for IRS due also to the decreased notional amount;
- lower financial charges on bonds including as a result of the repayment made last year.

The average cost of debt (without considering recurring and non-recurring transaction costs) at 30 June 2023 was 3.22%, 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 3.67%.

The **interest cover ratio (ICR)**, the ratio of Ebitda to interest expense, came to 2.9x, lower than the 3.6x posted at 31 December 2022.

Teleborsa: distribution and commercial use strictly prohibited

Taxes

	6/30/2023	6/30/2022	Change
Current taxes	586	600	(14)
Deferred tax liabilities	(275)	64	(339)
Out-of-period income/charges - Provisions	5	(11)	16
Income taxes	**316**	**653**	**(337)**

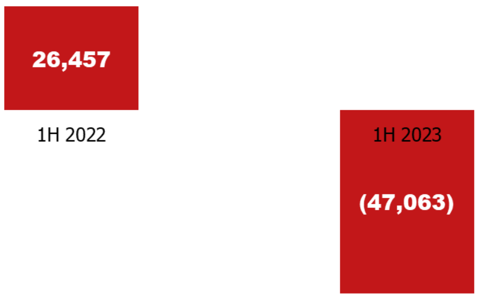
The tax burden, current and deferred, reached €316 thousand at 30 June 2023, a decrease of €337 thousand against 30 June 2022.

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

The change in **deferred tax** of €339 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.

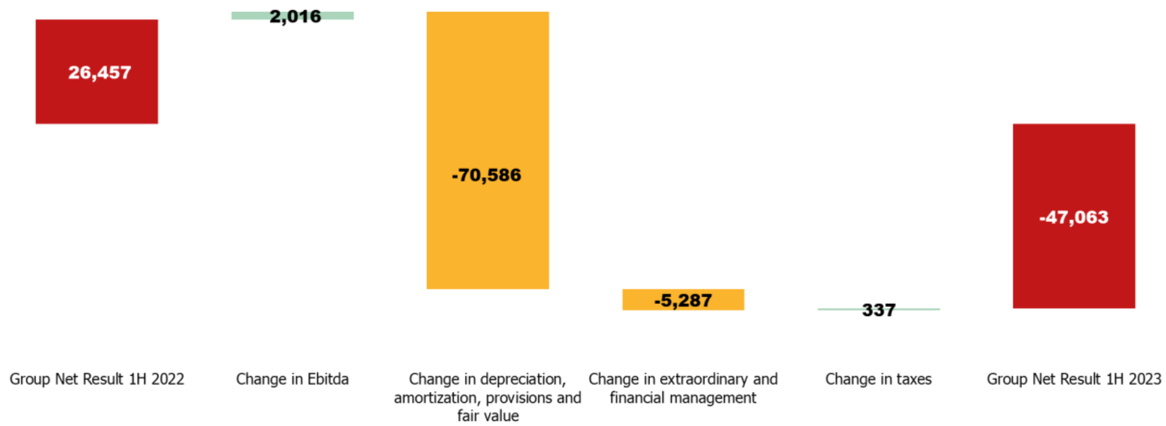
Group net profit/loss

As a result of the above, the Group recorded a net loss of €47,063 thousand, compared to a profit of €26,457 thousand in the first half of 2022.



Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

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

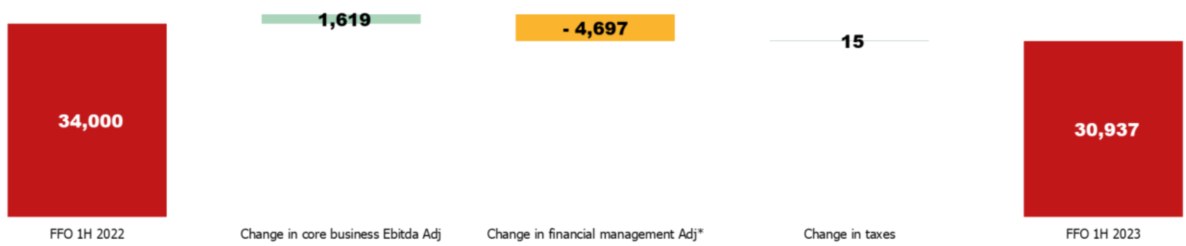


Core business FFO

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 €30,937 thousand at 30 June 2023, lower 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	1H 2023	1H 2022	Δ	Δ%
Core Business EBITDA*	**53,785**	**51,901**	**1,884**	**3.6%**
IFRS16 Adjustments (Payable leases)	(4,361)	(4,096)	(265)	6.5%
Financial management Adj**	(17,901)	(13,204)	(4,697)	35.6%
Current taxes for the period Adj	(586)	(601)	15	-2.5%
FFO	**30,937**	**34,000**	**(3,063)**	-9.0%

*Net of the non-recurring expenses recorded in 2021
** Adj. financial charges refer to financial charges net of IFRS 16, IFRS 9, other non-recurring exchange costs and negative carry



Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

1.5. // Statement of financial position and financial review

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

(in thousands of Euros)	6/30/2023	12/31/2022	▲	%
Investment property	1,969,733	2,041,330	(71,597)	-3.63%
Assets under construction and advance payments	35,223	36,662	(1,439)	-4.09%
Intangible assets	7,692	7,881	(189)	-2.46%
Other tangible assets	9,079	9,424	(345)	-3.80%
Sundry receivables and other non-current assets	109	121	(11)	-10.37%
Equity investments	25,765	25,765	0	0.00%
Net working capital	9,652	12,770	(3,118)	-32.30%
Funds	(8,005)	(7,400)	(605)	7.56%
Sundry payables and other non-current liabilities	(18,318)	(19,828)	1,510	-8.24%
Net deferred tax (assets)/liabilities	(13,659)	(14,099)	440	-3.22%
Total use of funds	**2,017,271**	**2,092,626**	**(75,354)**	**-3.74%**
Total shareholders' equity	1,040,798	1,121,800	(81,002)	-7.78%
Net (assets) and liabilities for derivative instruments	(5,493)	(6,115)	622	-11.32%
Net debt	981,966	976,941	5,025	0.51%
Total sources	**2,017,271**	**2,092,626**	**(75,355)**	**-3.74%**

The principal changes in the first half of 2023 compared to 31 December 2022, relate to:

- ✓ **Investment property** which was €71,597 thousand lower due mainly to:
  - for €2,828 thousand, the continuation of extraordinary maintenance relating primarily to waterproofing at the Leonardo Shopping Center and energy efficiencies at Punta di Ferro, Centro d'Abruzzo, Tiburtino, Porte di Napoli, La Torre, as well as at a few Romanian centers;
  - fair value adjustments. Specifically, investment property was revalued in the amount of €24,511 thousand and written down by €95,295 thousand, based on the independent appraisals, for a net negative impact of €70,784 thousand;
  - for €3,641 thousand, impairment of the right-of-use assets at the malls in the Centro Nova and Fonti del Corallo shopping centers based on the independent appraisals.

- ✓ **Assets under construction and advances**, which were €1,439 thousand lower explained mainly by:
  - for €4,811 thousand, ongoing work at Officine Storiche partially offset by the deduction of costs incurred for various works eligible for offsetting amounting to €1,878 thousand;
  - for €1,078 thousand, restyling (second phase) at the Porto Grande Shopping Center in San Benedetto del Tronto. The work is expected to be finished in 2023;
  - for €282 thousand, restyling of the Leonardo Shopping Center in Imola. The work is expected to be finished in 2023;
  - for €5,452 thousand, the writedown of Officine Storiche (Porta a Mare project) in advance stage of construction and for €279 thousand, the writedown of the Portogrande expansion.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

- **Intangible assets** which were €189 thousand lower due mainly to:
  - for €250 thousand, consolidation differences relating to the Romanian subsidiary Win Magazin SA explained by the foreign exchange adjustments;
  - for €237 thousand, the costs incurred to implement new integrated accounting and management software;
  - for €176 thousand, amortization recognized in the reporting period.

- **Other plant, property and equipment** which changed due mainly to depreciation recognized in the reporting period.

- **Net working capital** which was €3,118 thousand lower compared to 31 December 2022 due mainly to:
  - a decrease in trade and related party trade receivables of €4,424 thousand;
  - a decrease in inventory recorded in the half of €4,960 thousand attributable to (i) for €345 thousand, work done in the period, (ii) for €120 thousand, a writedown, and (iii) the sale of a residential unit and an enclosed garage in the Mazzini section and 12 residential units, 10 enclosed garages and 1 parking space in the Officine section for a total of around €5,185 thousand;
  - an increase in tax liabilities of around €1,208 thousand, relating mainly to withholding to be paid on dividends;
  - an increase in other liabilities of around €2,166 thousand relating primarily to an increase in the security deposits received for property or business leases;
  - an increase in other current assets of €795 thousand explained mainly by higher prepaid expenses relating to insurance and other costs pertaining to the year, but paid in 2022;
  - a decrease in trade and related party payables of €9,007 thousand attributable mainly to a difference in the timing of payments compared to the prior year.

(in thousands of Euros)	6/30/2023	12/31/2022		%
Work in progress inventory and advances	24,337	29,297	(4,960)	-20.38%
ST trade receivables	10,803	15,212	(4,409)	-40.81%
Related party trade and other receivables	1,227	1,242	(15)	-1.22%
Other current assets	8,381	7,748	633	7.55%
Trade and other payables	(14,115)	(22,746)	8,631	-61.15%
Related parties trade and other payables	(1,469)	(1,845)	376	-25.60%
Current tax liabilities	(3,183)	(1,975)	(1,208)	37.95%
Other current liabilities	(16,329)	(14,163)	(2,166)	13.26%
Net working capital	**9,652**	**12,770**	**(3,118)**	**-32.30%**

- **Provisions for risks and charges** which showed an increase of €587 thousand explained by: *(i)* the provisions made for bonuses payable to employees in 2023 which will be paid in 2024, *(ii)* provisions made for a few IMU disputes underway relative to the ESP (Ravenna), La Torre (Palermo), Tiburtino (Guidonia) shopping centers, *(iii)* earthquake proofing for which IGD is responsible at a few of the supermarkets and hypermarkets sold in 2021, (iv) provisions made for an administrative dispute underway involving the subsidiary Win Magazin S.a., (v) adjustments to employee severance (TFR) and (vi) the release of provisions for 2022 variable compensation paid in June 2023.

Teleborsa: distribution and commercial use strictly prohibited

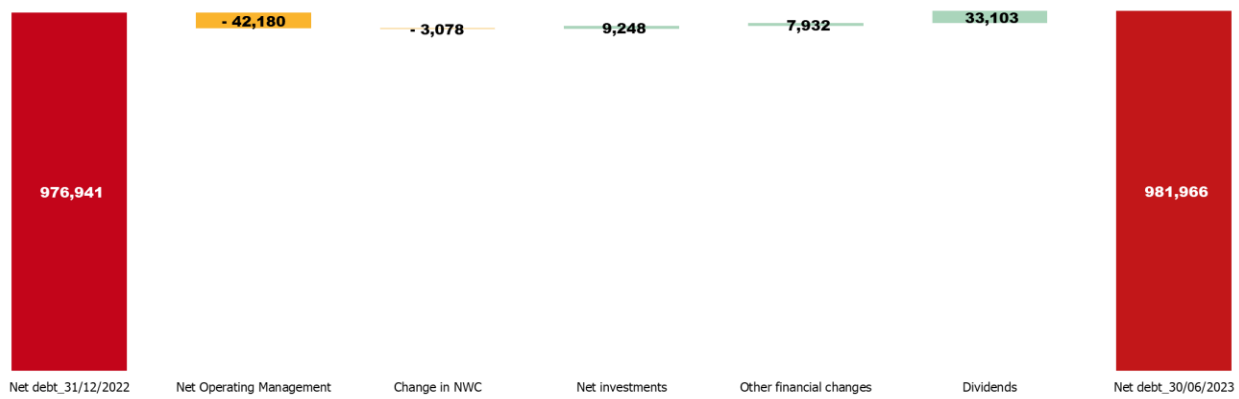
- ✓ **Sundry payables and other non-current liabilities**, which were €1,510 thousand lower, explained chiefly by the reduction of the amount due to the City of Livorno thanks to the completion of works eligible for offsetting.

- ✓ **Net deferred tax assets and liabilities,** which went from €14,099 thousand to €13,659 thousand.

- ✓ The **Group's net equity** amounted to €1,040,798 thousand at 30 June 2023. The decrease of €81,002 thousand is explained by:
  - a negative 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;
  - a negative adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to around €484 thousand for a subsidiary;
  - for approximately -€273 thousand, movements in the reserve for the translation of foreign currency financial statements;
  - for €33,103 thousand, the dividends paid in the reporting period;
  - for €47,063 thousand, the Group's share of the net loss posted in the reporting period.

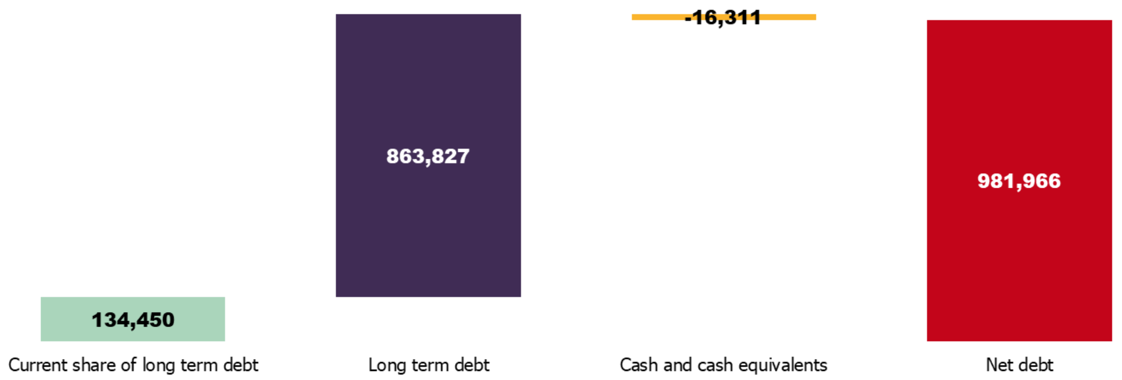
- ✓ **Net (assets) liabilities for derivatives** were lower against the prior year. The fair value of the hedging instruments at 30 June 2023 was €622 thousand lower compared to the prior year.

The net financial position at 30 June 2023 was about €5 million higher than in the prior year. The changes are shown below:

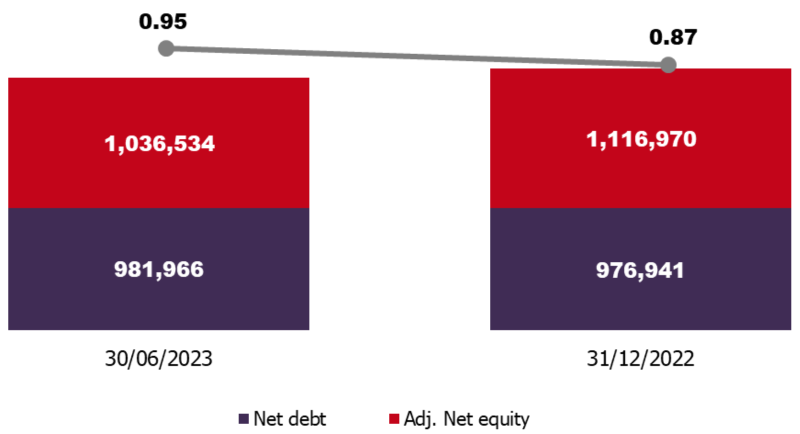


The item "Short term portion of long-term debt" shown in the net financial position includes the short-term portion of mortgages, leases, lease financing and bond debt.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED



The gearing ratio reflects the debt-to-equity ratio, including non-controlling interests but excluding the CFH reserves. The ratio came to 0.95 at 30 June 2023, lower than the 0.87 recorded at 31 December 2022.



Teleborsa: distribution and commercial use strictly prohibited

EMARKET SDIR CERTIFIED

1.6. // EPRA Performance Indicators

Group IGD decided to report on a few of the EPRA performance indicators, in accordance with the recommendations of EPRA [11], found in *"EPRA Best Practices Recommendations"*[12].

EPRA Vacancy Rate: the portfolio's vacancy rate calculated as the ratio between the estimated market rental value (ERV) of the vacant premises and the ERV of for the whole portfolio. Given the different characteristics of the portfolio and the Italian market with respect to the Romanian one, the vacancy rate was calculated separately by asset class and for the two countries.

NET ASSET VALUE METRICS: are the main performance indicators that provide stakeholders with information about the fair value of the company's assets and liabilities and, based on the EPRA Best Practices Recommendations, include **EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets Value (NTA) and EPRA Net Disposal Value (NDV)**.

NET REINSTATEMENT VALUE (NRV): the objective of the EPRA Net Reinstatement Value measure is to highlight the value of net assets on a long-term basis. It represents the repurchase value of the company, assuming the company does not sale any properties and is calculated based on the equity attributable to the Group (as shown in the IFRS financial statements), excluding the fair value movements in hedging instruments and deferred taxes on property valuation surpluses.

NET TANGIBLE ASSETS (NTA): the underlying assumption behind the EPRA Net Tangible Assets calculation assumes entities buy and sell assets, thereby crystallizing certain levels of deferred tax liability. It represents a scenario in which a few properties could be sold. At 30 June 2023 the company does not have any assets which could be sold and for this reason the deferred taxes coincide with the amount excluded from the NRV calculation. Contrary to NRV, the goodwill and the intangible assets included in the financial statements are excluded from the equity attributable to the Group.

NET DISPOSAL VALUE (NDV): represents the stakeholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax. In this disposal scenario goodwill is excluded from the Group's portion of equity, while the fair value of debt is included.

EPRA Cost Ratios: are ratios aimed at providing a consistent comparison base for a company's main structural and operating costs calculated by expressing operating costs and general overhead, net of management fees and a limited number of other items, as a percentage of gross rental income. There are two EPRA Cost Ratios, one which includes and one which excludes direct vacancy costs.

EPRA Earnings: is a measure of a company's underlying operating performance net of fair value adjustments, gains and losses from the sale of investment property and a limited number of other items that are not considered to be part of the Group's core business.

[11] European Public Real estate Association
[12] See www.epra.com

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

EPRA Net Initial Yield (NIY): is a measure calculated as the annualized rental income (including variable and temporary revenue), less non-recoverable operating expenses, divided by the market value of the real estate assets, net of properties currently being developed.

EPRA "topped-up" NIY: is a measure calculated by making an adjustment to EPRA NIY based on the annualized rental income (including variable and temporary revenue) excluding any other temporary incentives such as discounted rent-free periods and step-up rents.

EPRA LTV: is a measure which shows the ratio of the net financial position (which includes financial debt for the headquarters' lease and the balance between payables and receivables) to the market value of the real estate assets. The debt and assets of the companies in which the Group has a significant interest are included in the calculation.

The results obtained by applying the EPRA Best Practices Recommendations are summarized below:

EPRA Performance Measure	6/30/2023	12/31/2022
EPRA NRV (€'000)	1,052,986	1,133,860
EPRA NRV per share	€ 9.54	€ 10.28
EPRA NTA	1,045,293	1,125,979
EPRA NTA per share	€ 9.47	€ 10.20
EPRA NDV	1,077,334	1,110,002
EPRA NDV per share	€ 9.76	€ 10.06
EPRA Net Initial Yield (NIY)	6.0%	6.0%
EPRA 'topped-up' NIY	6.3%	6.3%
EPRA Vacancy Rate Gallerie Italia	5.9%	5.3%
EPRA Vacancy Rate Iper Italia	0.0%	0.0%
EPRA Vacancy Rate Totale Italia	4.8%	4.3%
EPRA Vacancy Rate Romania	3.2%	2.0%
EPRA LTV	50.3%	48.4%

EPRA Performance Measure	6/30/2023	6/30/2022
EPRA Cost Ratios (including direct vacancy costs)	22.7%	24.2%
EPRA Cost Ratios (excluding direct vacancy costs)	18.0%	19.7%
EPRA Earnings (€'000)	€ 33,294	€ 37,359
EPRA Earnings per share	€ 0.30	€ 0.34

The NAV calculations at 30 June 2023 are shown below:

	6/30/2023			12/31/2022		
EPRA Net Asset Value	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**1,040,798**	**1,040,798**	**1,040,798**	**1,121,800**	**1,121,800**	**1,121,800**
Exclude:						
v) Deferred tax in relation to fair value gains	17,680	17,680		18,175	18,175	
vi) Fair value of financial instruments	(5,492)	(5,492)		-6,115	-6,115	
viii.a) Goodwill as per the IFRS balance sheet		(6,836)	(6,836)		(7,085)	(7,085)
viii.b) Intangibles as per the IFRS balance sheet		(857)			(796)	
Include:						
ix) Fair value of fixed interest rate debt			43,372			(4,713)
NAV	**1,052,986**	**1,045,293**	**1,077,334**	**1,133,860**	**1,125,979**	**1,110,002**
Fully diluted number of shares	110,341,903	110,341,903	110,341,903	110,341,903	110,341,903	110,341,903
NAV per share	**9.54**	**9.47**	**9.76**	**10.28**	**10.20**	**10.06**
Change % vs 31/12/2022	-7.1%	-7.2%	-2.9%			

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

The NRV was lower than at 31 December 2022 (-7.1%) due mainly to the changes in net equity and the fair value of financial instruments. These changes are primarily attributable to: (i) the payment of dividends during the year (paid entirely in May 2023), (ii) the decrease in the properties' fair value, partially offset by the (iii) FFO, and (iv) other minor changes in equity.

The NTA was lower than at 31 December 2022 (-7.2%). The difference with respect to the NRV is that goodwill and intangible assets recognized in the financial statements are excluded from the NTA calculation.

The NDV was lower than at 31 December 2022 (-2.9%). This change, in addition to the above, also reflects the increase in the fair value of debt calculated by discounting cash flows at a risk-free rate plus a market spread. This is explained by the use of a risk-free yield curve and the market spread updated based on conditions at 30 June 2023, in addition to a change in the composition of debt (in terms of both duration and cost).

The **EPRA Net Initial Yield (NIY)** and the **EPRA "topped-up" NIY** are shown below**:**

NIY and "topped-up" NIY disclosure		Consolidated 30-Jun-23					Consolidated 31-Dec-22				
€'000		*Italy*	*Romania*	*Total (no IFRS16)*	*Leasehold*	*Total*	*Italy*	*Romania*	*Total (no IFRS16)*	*Leasehold*	*Total*
Investment property – wholly owned		1,823,414	126,860	**1,950,274**	21,650	**1,971,924**	1,890,208	128,320	**2,018,528**	25,234	**2,043,762**
Investment property – share of JVs/Funds		0	0	**0**	0	**0**	0	0	**0**	0	**0**
Trading property (including share of JVs)		54,850	0	**54,850**	0	**54,850**	62,330	0	**62,330**	0	**62,330**
Less developments		-57,040	0	**-57,040**	0	**-57,040**	-207,062	0	**-207,062**	0	**-207,062**
Completed property portfolio		1,821,224	126,860	**1,948,084**	21,650	**1,969,734**	1,745,476	128,320	**1,873,796**	25,234	**1,899,030**
Allowance for estimated purchasers' costs		0	0	**0**	0	**0**	0	0	**0**	0	**0**
Gross up completed property portfolio valuation	***B***	***1,821,224***	***126,860***	***1,948,084***	***21,650***	***1,969,734***	***1,745,476***	***128,320***	***1,873,796***	***25,234***	***1,899,030***
Annualised cash passing rental income		124,992	10,003	**134,995**	9,253	**144,248**	112,250	9,679	**121,929**	8,687	**130,616**
Property outgoings		-15,966	-1,730	**-17,696**	-157	**-17,853**	-15,123	-1,857	**-16,980**	-353	**-17,333**
Annualised net rents	***A***	***109,026***	***8,273***	***117,299***	***9,096***	***126,395***	***97,127***	***7,822***	***104,949***	***8,334***	***113,283***
Add: notional rent expiration of rent free periods or other lease incentives		5,521	573	**6,094**	373	**6,467**	6,206	549	**6,755**	418	**7,173**
Topped-up net annualised	*C*	**114,547**	**8,846**	**123,393**	**9,469**	**132,862**	**103,333**	**8,371**	**111,704**	**8,752**	**120,456**
EPRA NIY	**A/B**	**6.0%**	**6.5%**	**6.0%**	**42.0%**	**6.4%**	**5.6%**	**6.1%**	**5.6%**	**33.0%**	**6.0%**
EPRA "topped-up" NIY	**C/B**	**6.3%**	**7.0%**	**6.3%**	**43.7%**	**6.7%**	**5.9%**	**6.5%**	**6.0%**	**34.7%**	**6.3%**

The net initial yield (NIY) is the annualized rents generated by the portfolio (including variable and temporary revenue), net of irrecoverable operating costs expressed as a percentage of the real estate portfolio's fair value, excluding development properties and assets being remodeled.
The annualized rental income includes all the adjustments that the company is contractually entitled to consider at the close of each year (indexing and other changes).

The real estate assets considered for the purposes of NIY (the complete portfolio) include: (i) the properties held 100% by the Company; (ii) any properties held in joint venture and (iii) assets held for trading. Plots of land and properties under development are not included. The properties (hypermarkets and malls) which will be remodeled, were reclassified under "Investment properties under development".

The EPRA "Topped-up" NIY is a measure calculated by making an adjustment to EPRA NIY based on the annualized rental income (including variable and temporary revenue) at capacity, namely excluding any temporary incentives such as discounted and step-up rents.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

The EPRA vacancy rate in Italy was 4.8%, slightly higher than in the prior year. The vacancy rate for malls came to 5.9%, slightly higher compared to 31 December 2022, while full occupancy was posted for hypermarkets, consistent with the prior year. The EPRA vacancy rate in Romania was higher than at 31 December 2022, rising from 2.0% at 31 December 2022 to 3.2%.

EPRA Vacancy Rate		Hypermkt Italy	Malls Italy	Total Italy	Romania
Estimated Rental Value of vacant space	A	-	6.35	6.35	0.32
Estimated rental value of the whole portfolio	B	25.69	107.3	133.0	10.06
EPRA Vacancy Rate	A/B	0.00%	5.91%	4.77%	3.18%

The calculation used to determine the Epra Cost Ratios is shown below:

EPRA Cost Ratios	1H CONS_2023	1H CONS_2022
Include:		
(i) Administrative/operating expense line per IFRS income statement	-20,409	-21,095
(ii) Net service charge costs/fees	2,134	2,191
(iii) Management fees less actual/estimated profit element	2,771	2,771
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits	73	5
(v) Share of Joint Ventures expenses		
Exclude (if part of the above):		
(vi) Investment Property depreciation		
(vii) Ground rent costs	1	2
(viii) Service charge costs recovered through rents but not separately invoiced		
EPRA Costs (including direct vacancy costs) (A)	**-15,430**	**-16,126**
(ix) Direct vacancy costs	-3,220	-2,997
EPRA Costs (excluding direct vacancy costs) (B)	**-12,210**	**-13,129**
(x) Gross Rental Income less ground rent costs - per IFRS	70,083	68,957
(xi) Less: service fee and service charge costs components of Gross Rental Income (if relevant) (x)	-2,134	-2,191
(xii) Add: share of Joint Ventures (Gross Rental Income less ground rent costs)		
Gross Rental Income (C)	**67,949**	**66,766**
EPRA Cost Ratio (including direct vacancy costs) (A/C)	**22.7%**	**24.2%**
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**18.0%**	**19.7%**

The EPRA cost ratio (including direct vacancy costs) was lower with the respect to 30 June 2022 as EPRA Costs were lower than at 30 June 2022 (due mainly to lower provisions), versus an increase in Gross Rental Income.
In the first half of 2023 the Group did not capitalize any project management costs.

Teleborsa: distribution and commercial use strictly prohibited EMARKET SDIR CERTIFIED

The Epra Earnings per share calculation is shown below:

EPRA Earnings & Earnings Per Share	1H CONS_2023	1H CONS_2022
Earnings per IFRS income statement	**-47,063**	**26,457**
EPRA Earnings Adjustments:		
(i) Changes in value of investment properties, development properties held for investment and other interests	80,277	9,820
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	0	397
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	-173	-62
(iv) Tax on profits or losses on disposals	48	17
(v) Negative goodwill / goodwill impairment	0	0
(vi) Changes in fair value of financial instruments and associated close-out costs	585	911
(vii) Acquisition costs on share deals and non-controlling joint venture interests	0	0
(viii) Deferred tax in respect of EPRA adjustments	-380	-181
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	0	0
(x) Non-controlling interests in respect of the above	0	0
EPRA Earnings	**33,294**	**37,359**
Company specific adjustments:		
(a) General provisions and depreciations	901	772
(b) Non-controlling interests in respect of the above	0	0
(c) Tax on profits or losses on disposals	-48	-17
(d) Contingent tax	5	-12
(e) Other deferred tax	106	245
(f) Capitalized interests	0	0
(g) Current Tax	0	0
recurring expenses	-3,647	-3,412
(i) Other Adjstument for no core activities	327	-935
Company specific Adjusted Earnings	**30,937**	**34,000**
Earnings Per Share		
Number of shares*	110,341,903	110,341,903
Earnings Per Share	**0.30**	**0.34**

The EPRA Earnings indicator is calculated by excluding non-monetary items (write-downs, fair value gains and losses on properties and financial instruments recognized in the income statement, any impairment or revaluations of goodwill), as well as non-recurring items (gains or losses from the disposal of investment properties, profits generated by trading along with current tax, costs relating to the advance repayment of any loans), deferred tax relating to the fair value of properties and financial instruments recognized in the income statement, as well as the portion of these items that pertains to non-controlling interests. The main differences with respect to FFO relate to generic amortization, depreciation and provisions, as well as the above EPRA adjustments, the non-recurring tax recognized in the income statement and the deferred tax that does not relate to the fair value of properties and financial instruments recognized in the income statement. The figure posted at 30 June 2023 shows a decrease of €4,065 thousand or -10.9%, higher than the decrease in FFO reported in the prior year explained by higher depreciation and amortization.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

€/000	(A) LTV under IFRS as reported witout EPRA adjustments	(B) Group (€ M) as reported	(C) Share of Material Associates (€ M)	(D)=(B)+(C) Combined (€ M)	(D)-(A)
Include:					
Borrowings from Financial Institutions	493,484	493,660	28,541	522,201	28,717
Bond Loans	502,457	502,457		502,457	0
Foreign Currency Derivatives (futures, swaps, options and forwards)					
Net Payables	0	40,899		40,899	40,899
Owner-occupied property (debt)	0	2,336		2,336	2,336
Exclude:					
Cash and cash equivalents	16,311	16,311		16,311	0
Net Debt (a)	**979,630**	**1,023,041**	**28,541**	**1,051,582**	**71,952**
					0
Include:					0
Owner-occupied property	0	6,878		6,878	6,878
Investment properties at fair value	1,992,879	1,964,693	56,352	2,021,045	28,166
Properties held for sale	0	0		0	0
Properties under development	59,560	62,080		62,080	2,520
Intangibles	0	857		857	857
Financial assets	0	174		174	174
Total Property Value (b)	**2,052,439**	**2,034,682**	**56,352**	**2,091,034**	**38,595**
LTV (a/b)	**47.7%**	**50.3%**	**50.6%**	**50.3%**	**2.6%**

The Epra LTV is a measurement of the ratio between the net financial position, including finance leases relating to headquarters to which the difference between receivables (trade, other current assets, other non-current receivables) and payables (trade, provisions for risks and charges, severance reserves, other liabilities) is added, as is the value of the real estate portfolio, including the building housing the company's registered office. The Group's ratio also includes the LTV of the 40% interest IGD holds in Fondo Juice. For greater transparency in the calculation, in the first column of the calculation we show the Group's calculation of the LTV and the relative reconciliation with the EPRA LTV.

Additional information on investment properties

In accordance with EPRA Best Practices Recommendations, the capital expenditure made in the last two years is shown below:

Capital expenditure (Euro/migliaia)	6/30/2023	12/31/2022
Acquisitions	**0**	**0**
Development	**3.282***	**13,490**
Investment properties	**4,250**	**21,120**
Incremental lettable space	*0*	*0*
No incremental lettable space	*1,682*	*8,779*
Tenant incentives	*0*	*0*
Other material non-allocated types of expenditure	*2,568*	*12,341*
Capitalised interest (if applicable)	**0**	**0**
Total CapEx	**7,532**	**34,610**

* Includes the deduction in costs incurred for various works eligible for offsetting (€1,878 thousand) completed at the retail portion of Officine.

The Group is not party to any joint ventures.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

With regard to capex capitalized for freehold properties please refer to the following sections of the Report on Operations:

- 1.5 Statement of financial position and financial review
- 1.8 Significant events in the half - Investments

and the Explanatory Notes (section 2.6.5, Notes 12, 13, 14, 15, 16, 17).

The Estimated Rental Value of Vacant Space is reported on in the section above on the Epra Vacancy Rate.
For the accounting standards used for the various asset classes please refer to the Explanatory Notes (Chapter 2.6.2).
With regard to the real estate portfolio appraisals, the independent experts selected and the appraisal criteria used, please refer to section 1.9 The Real Estate Portfolio in the Directors' Report and section 2.6.3 Use of Estimates in the Explanatory Notes.
The reports issued by each independent expert on the appraisals made at 30 June 2023 are in section 1.10 Appraisals of the Independent Experts.
The reconciliation of the fair value shown in the independent experts' appraisals and the book value of the real estate portfolio, along with any changes in the classification of real estate assets, are reported in section 1.9 The Real Estate Portfolio in the Directors' Report.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

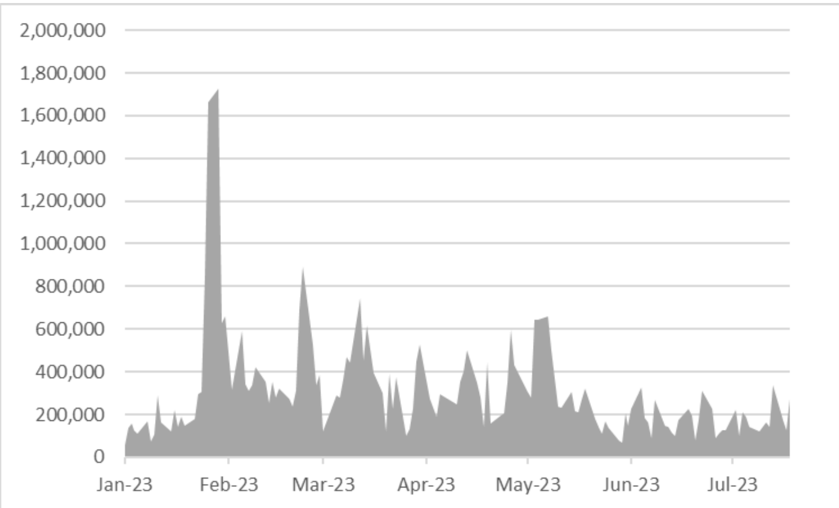
1.7. // The Stock

IGD's shares are traded on the Euronext Milan market managed by Borsa Italiana as part of the Industry Finanza and Super Sector Beni Immobili index; IGD is also part of the Euronext STAR segment. The stock began trading on 11 February 2005.

The minimum lot is €1.00 and the company's specialist is Banca IMI.
IGD's stock symbols:
RIC: IGD.MI
BLOOM: IGD IM
ISIN: IT0005322612
Borsa Italiana ID instrument: 327.322
IGD SIIQ SpA's share capital amounts to €650,000,000.00, broken down into 110,341,903 ordinary shares without a stated par value.

IGD is included in a number of different indices.
International indices: Bloomberg, FTSE Russel, MSCI, S&P, Solactive, STOXX, Vanguard and Wisdomtree. **Real estate sector indices**: EPRA (European Public Real Estate Association), IEIF (Institut de l'Epargne Immobilière et Foncière) and GPR (Global Property Research).
IGD is also included in a number of **ESG (Environment, Social & Governance) indices**, which include: GPR IPCM LFFS Sustainable GRES Index, GPR Eurozone ESG+, EURO STOXX Total Market ESG-X, STOXX Europe Total Market ESG-X, STOXX Developed Markets Total Market ESG-X, iSTOXX® PPF Responsible SDG, FTSE EPRA Nareit Developed Green Index, FTSE EPRA Nareit Developed Green Target Index.
IGD currently has 12 unsolicited ESG ratings from specialized international agencies including **Morningstar Sustainalytics**, which last awarded an ESG Risk Rating Score of "**negligible**", **MSCI**, which assigned IGD an A rating and **ISS ESG** which, for the first time, recently assigned a "**Prime**" corporate ESG rating, thanks to having satisfied the stringent sustainability requirements for its sector.

Volume of IGD shares traded since 2 January 2023



Source: Italian Stock Exchange data compiled by IGD

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

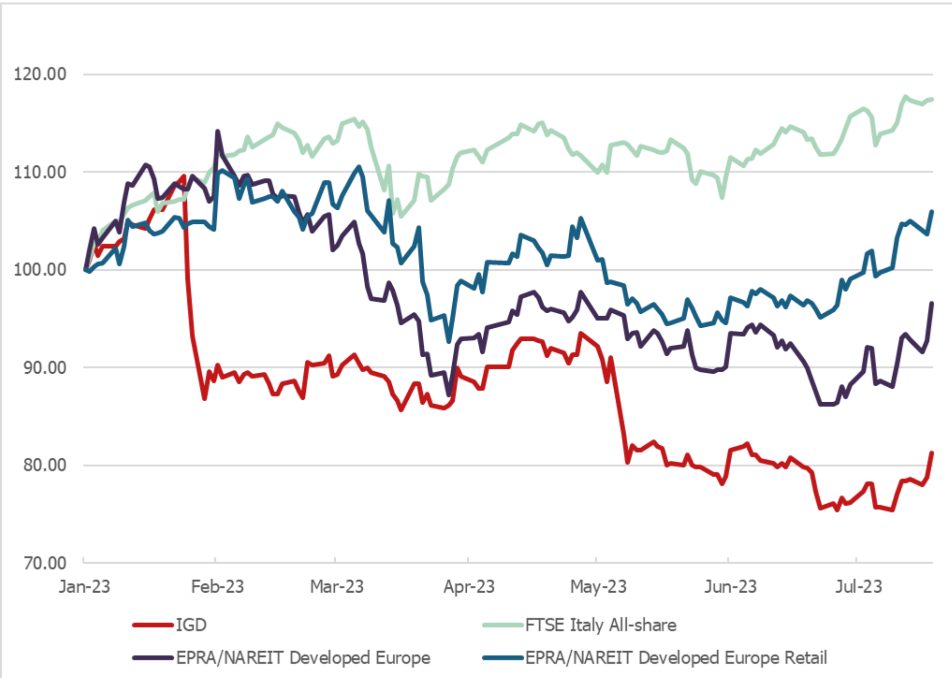
In the first half of 2023, an average of 314,217 IGD shares was traded each day, 5.8% higher than the 297,038 shares traded on average in the first half of 2022. The highest volume was recorded on 30 January when 1,726,456 shares were traded.

IGD's stock price since 2 January 2023

Source: Italian Stock Exchange data compiled by IGD

IGD's stock price fell 22.3% in the first six months of 2023: from the price of €3.115 recorded at 30 December 2022, the stock, in fact, traded at €2.42 on 30 June 2023. The high for the reporting period, of €3.48, was recorded on 25 January, while the period low of €2.395 was posted on 27 June and 10 July.

IGD's stock vs. the Italian stock market index Ftse Italia All- Share, EPRA/NAREIT Developed Europe and EPRA/NAREIT Developed Europe Retail (Base 2.1.2023 = 100)



Source: Italian Stock Exchange and EPRA data compiled by IGD

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

In the first part of 2023 the indexes of the main global stock markets inverted the downward trend that dominated 2022. The Eurostoxx 600 gained 8.7%, but the **FTSE Italy All-Share Index** outperformed the European index, coming in up 17.8% fueled by a few bank, luxury and tech stocks which account for a significant portion of the Italian stock market's capitalization.

The positive performance of the stock markets occurred despite the largest increases in interest rates seen in the last ten years continued at a steady pace in the half. In the first part of the year the central banks, in fact, were very focused on their intention to slow inflation. The consumer price indexes, particularly in the more recent months, have actually shown signs of deceleration, thanks also to energy prices which were lower compared to the highs seen in the summer of 2022; the monetary authorities, however, continued to profess the need for tightening in order to have undisputable evidence that the inflation cooldown was not temporary.

The stock markets were, however, convinced that after the last rate hike in July 2023 the increases in the cost of capital would be over: this would have made it possible to avoid the risk of a deep recession that the tight credit and high cost of financing could cause.

Based on this scenario and with the support of the good quarterly results published by a majority of the listed companies, many investors showed a renewed appetite for risk which, above all, drove an increase in market liquidity.

Investments were made primarily in sectors which benefit from higher interest rates, like the financial sector, or are highly innovative with good growth prospects like technology, specifically AI companies. Luxury was another sector that benefitted from the new wave of investments in equities as Asian demand was expected to recover thanks to stimulus in China aimed at promoting GDP growth in a post-Covid environment.

The **real estate sector** was among the most penalized by portfolio managers. The high interest rates made it more expensive for real estate companies to refinance debt at a time when capital management opportunities were impacted by the inability to dispose of assets or complete capital increases that did not have a dilutive impact.

The performance of the European real estate index, **EPRA/Nareit Developed Europe**, which fell 10.2% in the first half of 2023, testifies to this disaffection with the real estate sector.

The retail stocks were penalized a bit less and the relative index, **EPRA/Nareit Developed Europe Retail**, was up 1.8% in the first part of the year due to improved operating results in the last quarters and **value** investment opportunities with strong discounts with respect to the NAV of a number of the segment's stocks.

In this backdrop, **IGD's stock** was impacted by the negative view of the real estate sector, falling 22.3% in the first half of the year. At the end of January 2023, when the year-end 2022 real estate appraisals were disclosed and a change in the scenario made it impossible to achieve a few Business Plan targets, the stock underwent its first correction; it dropped further at the beginning of May when, despite quarterly results which were in line with expectations, the focus of investors and rating agencies shifted to the future debt refinancing needs as the timing of any disposals in the future was unclear.

After the end of the first half, investors appear to be more interested in real estate stocks. The recent inflation figures indicate that the tightening of the central banks could be coming to a close. Also, the operating results are destined to benefit from the indexing of rents and improved operating metrics, driven also by the portfolio optimization carried out by companies in recent months.

A few important global brokers also began to point out how today many real estate stocks are trading at strong discounts to their NAVs: a possible low which coincides with the peak cost of

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

capital just when company earnings are expected to improve and 2023 dividend yields should be above historic averages.

Investor Relations and Financial Communication

Broker coverage

The target consensus price of the five brokers covering IGD was €3.26 at 30 June 2023. The majority of the brokers have neutral recommendations (three "neutral" ratings and one "hold), while 1 broker has a buy recommendation (with "Upside"). No broker has issued a sell recommendation.

Presentations and meetings with investors

In the first half of 2023 IGD organized two conference calls:

- 23 February, to discuss the FY 2022 results;
- 4 May, to discuss the results for first quarter 2023.

In the first six months of 2023, IGD's management participated in different events, both virtual and in-person, which made it possible to meet with 52 institutional investors, including 21 asset management companies for the first time.
The company also participated in Borsa Italiana's STAR Conference, which was held in Milano on 22 March 2023, and in the Mid&Small Virtual Conference organized by Virgilio IR held 28-30 June.
Looking at bond investment managers, on June 13 Company management went on a roadshow organized by JP Morgan in London where it also participated in Goldman Sachs' European Real Estate Debt Conference on 14 June.
In the half the Company also organized a series of virtual one-on-one meetings with equity investors and bondholders interested in gaining a better understanding of specific aspects of IGD's results and prospects.

Financial calendar 2023

2 August - Board of Directors' meeting to approve the Half-Year Financial Report as at 30 June 2023.
8 November - Board of Directors' meeting to approve the Interim Financial Report as at 30 September 2023.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

1.8. // Significant events in the half

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 110,341,903 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 maximum €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, Group 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.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Investments

During the first half 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 June 2023 are shown below:

	6/30/2023 Euro/mln
Development projects:	
Porta a Mare project - Officine Storiche retail area (in progress)	4.81
Porta a Mare project (Trading) (in progress)	0.35
Restyling in progress	1.40
Extraordinary maintenance	2.83
Other	0.02
IT Project	0.24
Total investments carried out	**9.65**

Development projects

"Porta a Mare" Project

During the first half work on the residential portion of the Officine Storiche section continued for a total of around €345 thousand, while work on the retail portion, which is expected to be completed in third quarter 2023, amounted to approximately €4,811 thousand 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 1 parking space were closed at 30 June 2023, for a total of 29 closings, along with 3 binding offers, out of a total of 42 residential units.

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

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Restyling

At 30 June 2023 work was also underway on:

- restyling – second phase – of the Porto Grande Shopping Center in San Benedetto which is expected to be finished in 2023. The work done in the reporting period amounted to €1,078 thousand;
- expansion of the Gran Rondò Shopping Center in Crema;
- restyling at the Leonardo Shopping Center in Imola which is expected to be finished in 2023. The work done in the quarter amounted to €282 thousand.

Porto Grande – San Benedetto del Tronto – Main entrance

Extraordinary maintenance

In the first half of 2023, extraordinary maintenance continued for a total of €2,828 thousand, relating mainly to waterproofing the Leonardo Shopping Center 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.

Teleborsa: distribution and commercial use strictly prohibited

EMARKET SDIR CERTIFIED

Flooding in Emilia Romagna

In May, as a result of the unusual weather which affected mainly the areas around Bologna, Forlì-Cesena, Ravenna and Rimini, the Savio river overflowed and the Lungo Savio Shopping Center in Cesena was flooded. The water covered up to 80 cm in the mall and the underground parking lot was submerged entirely. The center's hypermarket was reopened partially on 24 June and the mall is expected to be reopened in the third quarter of 2023. The appraisal at 30 June 2023, which estimated the writedown at €3.9 million, included an estimate of the investments needed to clean-up and reopen the entire center; other than these costs, to date, no other liabilities for the clean-up and reopening of the center are expected. All of IGD's freehold shopping centers are also insured against natural disasters (including flash floods, floods, inundations, etc.) and loss of rents. The Company activated all its insurance coverages and immediately began the claim process needed to assess and receive payment for the damages incurred.

Teleborsa: distribution and commercial use strictly prohibited

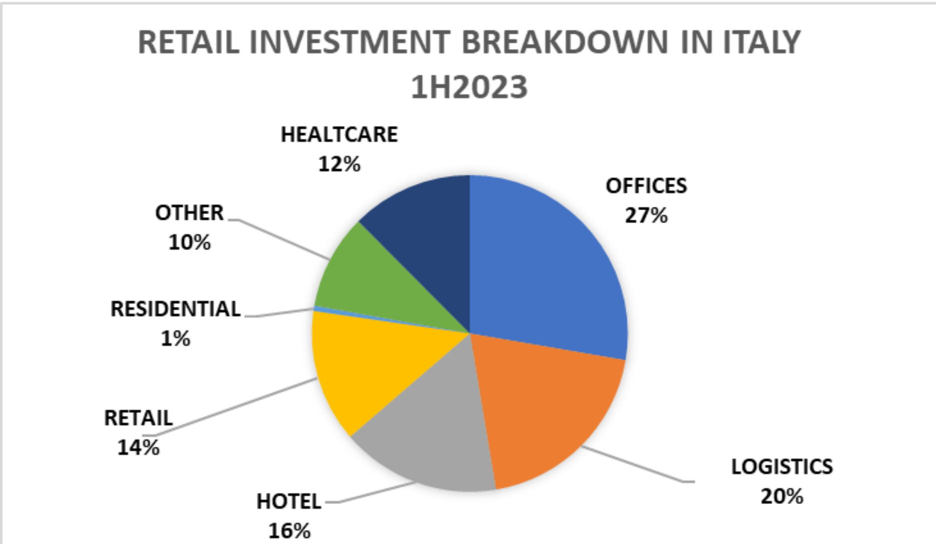
1.9.// The Real Estate Portfolio

For a better understanding of the performance of Group IGD SIIQ SPA's real estate portfolio in both Italy and Romania, below is a brief description of how the Italian and Romanian retail real estate markets performed in the first half of 2023.

THE ITALIAN REAL ESTATE MARKET

In the first half of 2023 both the Italian and the European real estate markets experienced a strong slowdown in commercial real estate investments attributable to the monetary policy implemented by the ECB to offset inflation. The increased cost of capital resulted in repricing across all segments, widening the gap between supply and demand price expectations.
The CRE (commercial real estate) transactions amounted to €2.2 billion in the first half of 2023, a decrease of 65% compared to the same period of the prior year.

Commercial real estate transactions in Italy in 1H2023

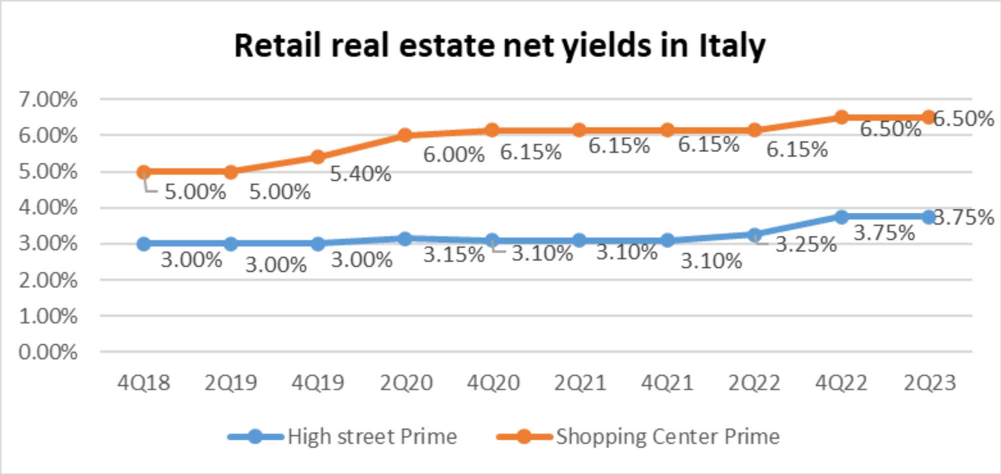


Source CBRE market 2Q2023

THE ITALIAN RETAIL REAL ESTATE SEGMENT

Retail real estate transactions amounted to €172 million in the second quarter of 2023 and around €46 million in the first quarter of the year. Investments were mainly in free-standing high street properties, although there were offers of new out-of-town products. Retailers were interested in prime positions for which rents, consequently, increased. This was not the case of secondary which recorded higher vacancies and limited rent increases, if not unchanged.
In the first half of 2023 the net yield for prime shopping centers was confirmed at 6.5% and at 3.5% for HS. The rents/m^2 rose to €1,060/year for prime and €14,000/year for HS.

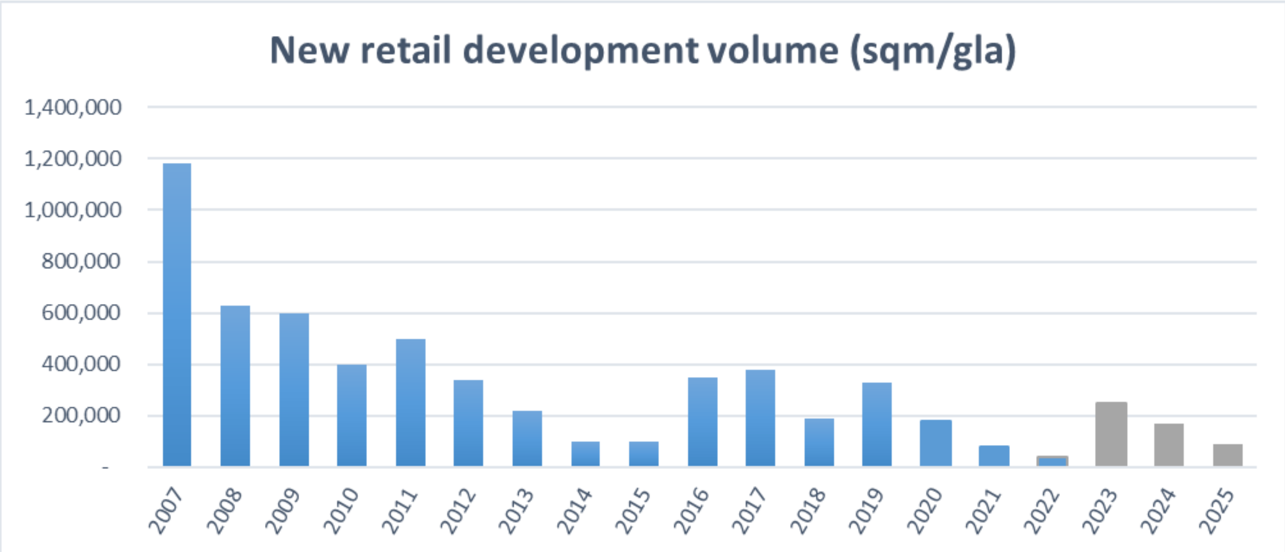
Teleborsa: distribution and commercial use strictly prohibited



Source CBRE 2Q2023

THE STOCK AND THE RETAIL SECTOR PIPELINE

New retail developments completed and still underway at 30 June 2023 (GLA >10,000 m²)



Source CBRE market snapshot- retail 2Q2023

THE ROMANIAN RETAIL REAL ESTATE MARKET

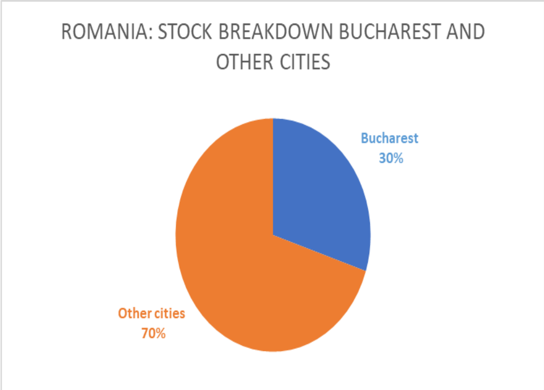
In the first half of 2023 new commercial GLA continued to be added to the Romanian market and stock reached 4.15 million square meters GLA.

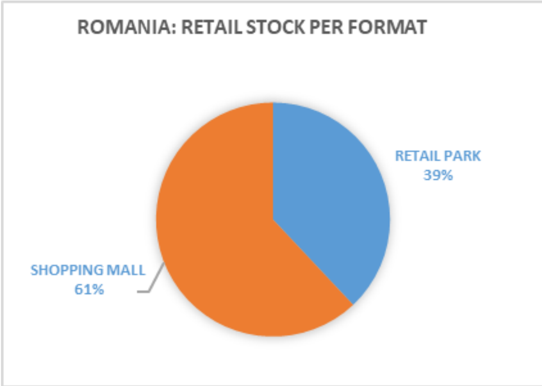
Of the eight new properties added to the market, seven were retail parks which confirms the trend seen over the last few years in the current Romanian retail market. At the end of first half 2023, the ratio was 39% retail park vs 61% shopping malls, while in 2020 alone shopping malls accounted for 65% of the total stock. The percentage of retail parks is expected to reach 40% in 2024.

The tendency to develop outside of Bucharest was confirmed with 87% of the new stock located in regional cities. The size of the new assets ranges from 4,300 square meters to 10,000 square meters GLA.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Bucharest continues, however, to be the city with the greatest amount of retail GLA with around 30% of the existing stock; other important cities with more than 150,000 square meters GLA include Timisoara, Constanta, Brasov, Iasi and Cluj-Napoca.
In the second half of 2023 an estimated additional 235,000 square meters in new commercial GLA is expected to be developed of which 94% is already being worked and only 6% is still in the planning phase. 63% of the new developments will be retail parks, 99% of which in regional cities.





At 30 June 2023 rents for "prime" shopping centers were confirmed at €75/m^2/month, while "prime" HS was confirmed at €45 m^2/month.

In the first half of 2023 vacancy continued to be low and traffic exceeded pre-pandemic levels.

1.9.1. The real estate assets

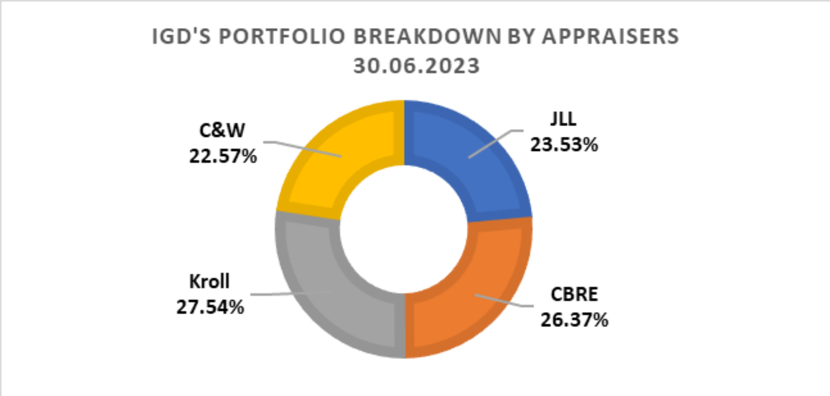
Based on the appraisals at 30 June 2023, Group IGD SIIQ SPA's freehold real estate portfolio had a fair value of €2,005.1 million. If the fair value of the leasehold properties (€21.7 million) is considered, the Group's total assets under management amounts to €2,026.8 million.

FREEHOLD ASSETS

Group IGD SIIQ SPA's real estate portfolio is comprised 97.2% of retail properties which are already generating revenue (99% of which are retail properties and 1% of which are offices, accommodations or shopping center appurtenances) and the remainder of assets under construction.
The assets generating revenue are found in Italy and Romania, while the development projects are solely in Italy. The property appraisals are carried out by CBRE Valuation S.p.A. (hereinafter referred to as CBRE), Kroll Advisory S.p.A. (hereinafter Kroll), Cushman & Wakefield LLP (hereinafter C&W) and Jones Lang LaSalle S.p.A (JLL) whose mandates were assigned in April 2023 for four semesters.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

The breakdown by fair value for each of the four appraisers of IGD's property portfolio is shown below.



The breakdown of fair value by appraiser at 30 June 2023 in Italy and Romania is shown below:

Amounts in € million	Fair Value 06.30.2023 Total	Fair Value 06.30.2023 Italy	Fair Value 06.30.2023 Romania
C&W	452.00	452.00	0
CBRE	530.33	472.87	57.46
KROLL	551.51	482.11	69.40
JLL	471.28	471.28	0
Total IGD Portfolio	**2,005.12**	**1,878.26**	**126.86**

The fees paid to the independent appraisers at 30 June 2023 are shown below:

Amount in € thousand	Appraisal fees	ABI complaint fees	Total fees
CBRE	67	53	120
KROLL	71	70	141
J LL	57	8	65
C&W	47	30	77
Total fees	**242**	**161**	**403**

The asset classes comprising the Group's real estate portfolio at 30 June 2023 are described below:

- "**Hyper and super**": at 30 June 2023 this asset class comprised 19 properties (17 hypermarkets and 2 supermarkets), found in 8 regions in Italy with a total GLA of about 170,000 m^2. The supermarkets have an average GLA of 2,600 m^2; four hypermarkets have a GLA of between 3,000 and 7,000 m^2, seven have a GLA of between 7,000 and 10,000 m^2 and six have a GLA of more than 10,000 m^2;
- "**Malls and retail parks**": 27 properties (24 malls, 2 malls + retail park and one retail park) found in 12 regions in Italy for a total GLA of around 432,000 m^2. Seventeen malls, one mall + retail park and one retail park have a GLA of less than 20,000 m^2, 7 malls and one mall + retail park have a GLA of between 20,000 m^2 and 40,000 m^2.
  At 30 June 2023 nine malls had been Breeam in Use certified with scores of from Very Good to Excellent in the Asset performance and Building management categories. The Group's

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

environmental risk management system has been ISO14001 certified since 2013. In 2022 the system used to prevent and minimize the spread of health infections used by the Group at the malls/retail parks and the headquarters received RINA's Biosafety Trust Certification.
The systems at all the Italian malls are managed using BMS (building management systems) and equipped with area meters used to monitor and optimize energy consumption. Seven malls have renewable energy systems.
Public transportation stops near twenty-four shopping malls; seventeen malls have charging stations for electric cars and one has a charging station for electric bicycles. Fifteen shopping centers can be reached via bike paths.
Most of the freehold malls have green areas where diversified, indigenous plants have been planted in order to promote biodiversity.

- "**Other**": two mixed-use properties which are part of freehold shopping centers, a store, two office units, and a mixed-use property used by athletes and sports associations as housing/offices, for a total of six, fully let properties with a GLA of about 9,600 m^2;
- "**Progetto Porta a Mare**": a mixed-use real estate complex under construction with a residual GLA of approximately 48,105 m^2 located near Livorno's old port and the city center. The project is divided into five areas (Mazzini, Officine, Lips, Molo and Arsenale) with different uses including residential, retail, tourist services, accommodations and temporary residences.
The complex was designed using the most advanced environmental solutions which guarantee maximum comfort and energy efficiency. Great attention was paid to pedestrian and bicycle mobility between all the buildings, the town and the marina.
All the buildings were Class A designed. For example, the air treatment system was built using a multi-purpose thermo-cooling plant which uses the seawater's thermal inertia to lower the need for electricity considerably; the refrigerant gases used have very low GWPs (R513); the construction materials are all CE marked, with a preference for ISO, Casaclima, EDP and ANAB certified companies;
- "**Development projects**": this asset class comprises a single property located near the Porto Grande Shopping Center which will be used to expand the center by around 5,000 m^2 GLA;
- "**Winmarkt**": a portfolio of 14 retail properties, and an office building, found throughout Romania covering a total area of approximately 95,000 m^2. The properties belonging to this asset class are centrally located in thirteen of Romania's largest cities, but none are found in the capital, Bucharest. The GLA of one mall is between 20,000 m^2 and 40,000 m^2 while the remaining thirteen have a GLA of less than 20,000 m^2.
In 2022 the first solar energy system was installed at the BIG SC in Ploiesti which provides 150 kw in power, covering around 25-30% of the Center's energy needs.

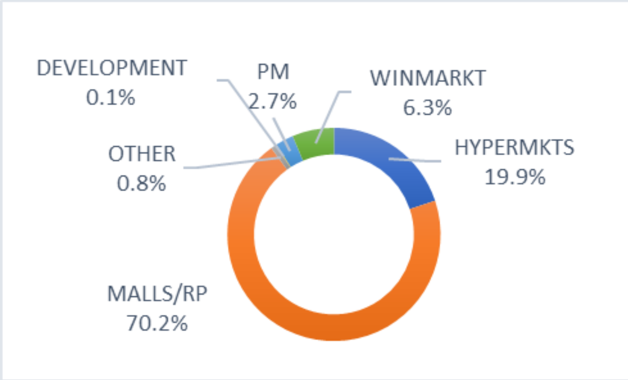
Group IGD Siiq has 54 properties in Italy and can be broken down by asset class as follows:

- 19 hypermarkets and supermarkets
- 27 shopping malls and retail parks
- 6 other
- 1 development project
- 1 asset held for trading (Porta a Mare Project)

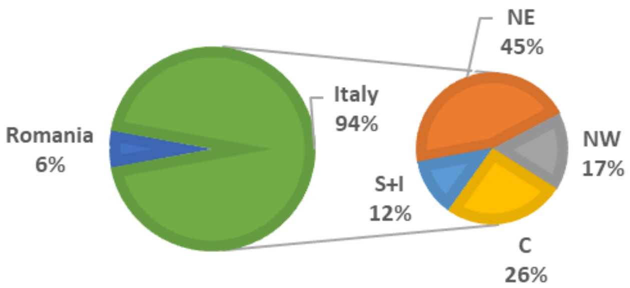
Group IGD has 15 properties in Romania (the Winmarkt portfolio), broken down as follows:

- 14 shopping malls
- 1 office building

Breakdown of IGD's real estate portfolio at 06.30.2023 by asset class



Geographic breakdown of IGD's portfolio in Italy and Romania at 30 June 2023

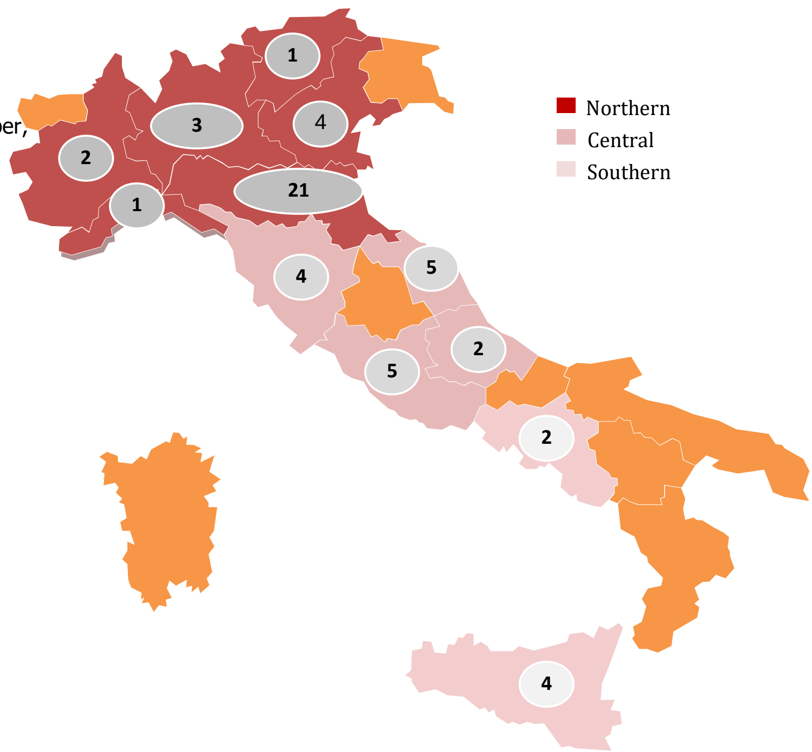


LEASEHOLD ASSETS

The leasehold assets comprise two Italian shopping malls, with a total GLA of around 20,000 m^2, found in Italy in Villanova di Castenaso (Bologna) and Livorno.

Map of IGD's real estate portfolio in Italy at 06.30.2023

E.Romagna:8 malls , 8 hyper - super,
5 Other;
Piedmont: 2 malls +RP;
Lombardy:3 malls;
Liguria: 1 mall;
Trentino: 1 mall;
Veneto; 2 malls +RP, 2 hyper;
Marche:2 malls, 2 hyper,
1 development project;
Abruzzo:1 mall, 1 hyper;
Campania:1 mall, 1 hyper;
Lazio: 2 malls, 3 hyper - super;
Tuscany: 1 asset held for trading,
2 malls; 1 other;
Sicily: 2 hyper, 2 malls.



Nota: NE: Trentino Alto Adige, Veneto, Emilia-Romagna; NW: Piedmont, Lombardy; Liguria; C: Tuscany, Marche, Lazio, Abruzzo; S+I: Sicily, Campania.

Map of Winmarkt's real estate portfolio in Romania at 06.30.2023

15 freehold assets

Muntenia: 6 malls, 1 office building;
Moldova: 3 malls + RP;
Oltenia:1 mall;
Transilvania: 3 malls;
Dobrogea: 1 mall.

The following tables provides the principal data relative to Group IGD's freehold and leasehold properties in Italy and Romania.

Teleborsa: distribution and commercial use strictly prohibited

EMARKET SDIR CERTIFIED

ITALY

Appraiser since 2023	Asset	Location	Mall and Retail park GLA (sqm)	Other/ External area (sqm)	Ownership	Company branch ownership	Opening date	Date of last extension / restyling / remodeling	% owned	Form of ownership	No. of shops	No. of medium surfaces	No. o other external areas	Parking places	Main brands	Food anchor	GLA Food anchor
D&P	**Supermercato Civita Castellana**	Civita Castellana (VT)	//	//	IGD SIIQ SPA	Gestore Ancora Alimentare	2010	//	100	Freehold property (only supermarket)					//	Coop	3,020
D&P	**Ipermercato CC I Malatesta**	Rimini (RN)	//	882	IGD SIIQ SPA	Gestore Ancora Alimentare	2005	//	100	Freehold property (Hypermarket+ Wholesale area + Fitness Area)					//	Ipercoop	10,435
D&P	**Centro Commerciale e Retail Park Conè**	Conegliano (TV)	20,464	//	IGD SIIQ SPA	IGD SIIQ SPA	2010	2019 riduzione Iper - ampliamento Galleria 2021	100	Freehold property	58	9		1,550	Maison du Monde,Conbipel, H&M, Librerie Coop, Euronics, Scarpe&Scarpe, Stradivarius, Bershka	Ipercoop	New GLA reduced 6,972 sqm from December 2019 -AV 4,356
D&P	**Centro Commerciale Città delle Stelle**	Ascoli Piceno (AP)	20,975	1,850	IGD SIIQ SPA	IGD SIIQ SPA	2002	2017	100	Freehold property	46	8	1	2,200	Piazza Italia, HappyCasa; H&M; Multiplex Stelle; Kiabi, Casa, Clayton; Dverso	Ipercoop	9,614
D&P	**Centro Commerciale Casilino**	Roma (RM)	11,145	5,173	IGD SIIQ SPA	IGD SIIQ SPA	2002	2019 restyling parziale e nuova MS PT - 2021 riduzione Iper - 2022 nuova Galleria P1	100	Freehold property	27	7	2	1,260	Euronics, Piazza Italia, Satur, Pepco;	Ipercoop	5,870
D&P	**Centro Commerciale La Torre**	Palermo (PA)	19,561	//	IGD SIIQ SPA	IGD SIIQ SPA	2010	2022 riduzione Iper e ampliamento Galleria	100	Freehold property	44	5		1,700	Expert, Piazza Italia, H&M; McDonald	Ipercoop	7,203
D&P	**Centro Commerciale Katanè**	Gravina di Catania (CT)	14,925	//	IGD SIIQ SPA	IGD SIIQ SPA	2009	2022 riduzione Iper e ampliamento Galleria	100	Freehold property	67	6		1,320	Adidas, Euronics, OVS, Conbipel, Piazza Italia,	Ipercoop	7,221
D&P	**Centro Commerciale Tiburtino**	Guidonia Montecelio (RM)	36,062	//	IGD SIIQ SPA	IGD SIIQ SPA	2009	2021 riduzione Iper e ampliamento Galleria (1 Nuova MS)	100	Freehold property	99	16		3,800	Desigual; ~~Bata;~~ Azzurra Sport, ~~H&M,~~ Piazza Italia, Obi, Scarpamondo,NewYorker, Euronics	Spazio Conad	5,262
C&W	**Galleria Commerciale Millennium Center**	Rovereto (TN)	7,683	//	IGD MANAGEMENT SiiNQ	IGD SERVICE Srl	2004	//	100	Freehold property (excluding hypermarket and a portion of the mall)	28	4		900	Game 7 Athletics, Oviesse, Terranova, Me & City	Superstore Despar (non di proprietà)	4,500
C&W	**Centro Commerciale ESP**	Ravenna (RA)	29,952	3,200	IGD SIIQ SPA	IGD SIIQ SPA	1998	2017	100	Freehold property	84	16	1	3,304	Deichmann, Game 7 Athletics, Unieuro, H&M, Piazza Italia, Bershka, Pull & Bear, OVS; Kiabi, Casa, Maisons du Monde, Scarpe & Scarpe	Ipercoop	16,536
C&W	**Galleria CC Luna**	Sarzana (SP)	3,576	//	IGD SIIQ SPA	IGD SIIQ SPA	1992	//	100	Freehold property (excluding hypermarket)	38	1			Kiko, GameStop, Camaieu	Ipercoop (non di proprietà)	//
C&W	**Retail Park Clodì**	Chioggia (VE)	9,329	//	IGD SIIQ SPA	IGD SIIQ SPA	2015		100	Freehold property	8	6			OVS, Scarpe&Scarpe; Piazza Italia, Dechatlon, Trony, Happy Casa	Ipercoop	7,490
C&W	**Galleria Commerciale Punta di Ferro**	Forlì (FC)	21,218	//	IGD SIIQ SPA	IGD SIIQ SPA	2011	//	100	Freehold property (excluding hypermarket)	88	7		2,854	H&M, Unieuro, Toys, McDonald, Deichmann, Benetton	Conad (non di proprietà)	12,625
C&W	**Galleria Commerciale Gran Rondò**	Crema (CR)	15,130	//	IGD SIIQ SPA	IGD SERVICE Srl	1994	2006	100	Freehold property (excluding hypermarket)	40	4	presente distributore di proprietà Coop Lombardia	1,280	Oviesse, Euronics, Pepco, DM	Ipercoop (non di proprietà)	//
C&W	**Galleria CC Favorita**	Mantova (MN)	7,400	//	IGD SIIQ SPA	IGD SIIQ SPA	1996	2022	100	Freehold property (excluding hypermarket)	33	4			Ovs, Piazza Italia, Calliope, Deichmann	Ipercoop (non di proprietà)	11,000.00
C&W	**Retail Park CC Favorita**	Mantova (MN)	6,214	//	IGD SIIQ SPA	IGD SIIQ SPA	1996	//	100	Freehold property (only buildings 1, 2A, 2B, 3)		4			Mediaworld,Terranova, Scarpe & Scarpe, Pepco	Ipercoop (non di proprietà)	//
JLL	**Centro Commerciale Borgo**	Bologna (BO)	6,975	//	IGD SIIQ SPA	IGD SIIQ SPA	1989	2015	100	Freehold property	33	4		1,450	Librerie Coop, Unieuro, Scarpe&Scarpe, Pepco, Portobello	Ipercoop	11,480
JLL	**Centro Commerciale d'Abruzzo**	San Giovanni Teatino (CH)	12,571	3,610	IGD SIIQ SPA	IGD SIIQ SPA	2001	2014	100	Freehold property	45	7	3	1,730	Unieuro, Piazza Italia; Terranova; Happycasa; Kiabi	Ipercoop	14,127
JLL	**Centro Commerciale Leonardo**	Imola (BO)	15,018	//	IGD SIIQ SPA	IGD SIIQ SPA	1992	2012 (Zara p1)	100	Freehold property	60	7			OVS, Mediaworld,King Sport, Terranova	Ipercoop	15,862
JLL	**Centro Commerciale Lame**	Bologna (BO)	6,183	//	IGD SIIQ SPA	IGD SIIQ SPA	1996	2003	100	Freehold property	43	1			Librerie Coop, Douglas, Amici di Casa Coop, Original Marines, Pepco	Ipercoop	15,201
JLL	**Galleria Commerciale Maremà**	Grosseto (GR)	17,121	//	IGD SIIQ SPA	IGD SIIQ SPA	2016	//	100	Freehold property (excluding hypermarket)	45	6		3,000	Piazza Italia, Decathlon, Zara, Bershka, Stradivarius, Pull & Bear	Ipercoop (non di proprietà)	//
JLL	**Centro Commerciale Lungo Savio**	Cesena FC)	2,928	//	IGD SIIQ SPA	IGD SIIQ SPA	2002	//	100	Freehold property	23	1		850	Librerie Coop, Coop Salute	Ipercoop	7,476
JLL	**MS CC Fonti del Corallo**	Livorno (LI)	5,835	//	IGD SIIQ SPA	IGD SIIQ SPA	2003	//	100	Freehold property (only hypermarket + MS from hypermkt reduction)		5			Conbipel, Euronics, Pepco, HappyCasa	ved. Iper Fonti	
CBRE	**Centro Commerciale Porto Grande**	Porto d'Ascoli (AP)	12,353	543	IGD SIIQ SPA	IGD SIIQ SPA	2001	2019 riduzione Iper - ampliamento Galleria 2022 - restyling 2023	100	Freehold property	35	5	1	1,730	Decathlon, Deichmann, Portobello, Unieuro	Ipercoop	New GLA reduced 8,360 sqm from December 2019
CBRE	**Centro Commerciale Le Maioliche**	Faenza (RA)	25,343	//	IGD SIIQ SPA	IGD SIIQ SPA	2009	2019 riduzione Iper - ampliamento Galleria 2021	100	Freehold property	42	10		2,400	Deichmann, H&M, Trony, C&A, Decathlon, Bricofer	Ipercoop	New GLA reduced 2019 sqm 6,163 AV sqm 3,906
CBRE	**Centro Commerciale Le Porte di Napoli**	Afragola (NA)	16,983	//	IGD SIIQ SPA	IGD SIIQ SPA	1999	2014	100	Freehold property	66	9		2,650	Euronics, H&M, Piazza Italia, Toys, Deichmann;	Ipercoop	9,570
CBRE	**Galleria Commerciale Sarca**	Sesto S. Giovanni (MI)	22,781	//	IGD MANAGEMENT SiiNQ	IGD SERVICE Srl	2003	2015	100	Freehold property (excluding hypermarket)	72	8		2,500	OVS, H&M, Notorious cinema, Roadhouse, Scarpe&Scarpe,	Ipercoop (non di proprietà)	//
CBRE	**Centro Commerciale Darsena City**	Ferrara (FE)	16,254	//	IGD SIIQ SPA	IGD SERVICE Srl	2005	2018	50	Freehold property	15	2		1,320	UCI, WeArena, TEDI	Despar	3,715
CBRE	**Galleria Commerciale e Retail Park Mondovicino**	Mondovì (CN)	17,194	//	IGD SIIQ SPA	IGD SIIQ SPA	2007	2014	100	Freehold property (excluding hypermarket)	39	8		4,500	Jysk,OVS, Librerie.Coop, Brico IO, Foot Loker	Ipercoop (non di proprietà)	12,550
CBRE	**Galleria Commerciale I Bricchi**	Isola d'Asti (AT)	15,994	245	IGD SIIQ SPA	IGD SIIQ SPA	2009	//	100	Freehold property (excluding hypermarket)	24	5		1,450	Deichmann	Il Gigante (non di proprietà)	//
CBRE	**Piastra Commerciale Mazzini**	Livorno (LI)	6,083	//	IGD SIIQ SPA	IGD SIIQ SPA	2014	//	100	Freehold property	23	1			Unieuro/Coop	Coop	1,440
CBRE	**Supermercato Aquileia**	Ravenna (RA)	//	//	IGD SIIQ SPA	Gestore Ancora Alimentare		//	100	Freehold property (Supermarket)					//	Famila	2,250
	Centro Nova	Villanova di Castenaso (BO)	12,640	//	CSII SPA e COPAIN HOLDING SPA	IGD SERVICE Srl	1995	2008	//	Master Leasing	55	7		2,400	H&M, Librerie Coop, Bershka, Pittarosso, Benetton; McDonald	Ipercoop	18,268
	Galleria CC Fonti del Corallo	Livorno (LI)	7,054	//	Fondo Mario Negri	IGD SIIQ SPA	2003	//	//	Master Leasing	55	2		1,600	Oviesse; Librerie Coop, Bata, Swarovski	Ipercoop	

Teleborsa: distribution and commercial use strictly prohibited

EMARKET SDIR CERTIFIED

ROMANIA

Shopping Center	Location	Shopping Center GLA	Net Salling Area	Circulation (sqm) Rented	Rentable Warehouse/office	Ownership	Opening date	Date extension / Restyling	Extension area	% owned	Form of ownership	No. Of shops	No. Of medium surfaces	Parking places	Main brands	Food anchor	GLA food anchor	Food anchor sales area GLA
Winmarkt Grand Omnia Center	Ploiesti	19,689	16,870	309	1,129	Win Magazin SA	1986	2015		100	Freehold property	109	//	400	Adidas, Levi's, Domo, Vodafone, Carrefour Market, dm drogerie,Leonardo, Jolidon, Eponge, Banca Transilvania, KFC, Flanco, Pepco	Carrefour	1,215	1,215
Winmarkt Big	Ploiesti	4,864	2,776	442	1,016	Win Magazin SA	1976	2013		100	Freehold property	82	//		Banca Transilvania, Carrefour Market	Carrefour	882	700
Winmarkt	Galati	7,898	7,490	106	367	Win Magazin SA	1973	2005		100	Freehold property	36	//		H&M, B&B, Sevda, Jolidon, Bigotti, Massini, Pepco, CGS	Billa	827	569
Winmarkt	Ramnicu Valcea	7,913	7,684	51	166	Win Magazin SA	1973	2004		100	Freehold property	35	//		H&M, Carrefour Market, Eponge, Leonardo, Jolidon, dm drogerie Markt, Domo	Carrefour	900	900
Winmarkt	Piatra Neamt	5,948	4,879	337	839	Win Magazin SA	1985	2014		100	Freehold property	67	//		H&M, Sevda, B&B Collection, Billa, Leonardo, Eponge, Pepco, Reshoes	Billa	878	520
Winmarkt	Braila	7,727	6,349	93	821	Win Magazin SA	1978	2004		100	Freehold property	45	//		Carrefour Market, Leonardo, Jolidon, Altex, Vodafone, Sevda, Pepco	Carrefour	673	550
Winmarkt	Buzau	5,302	4,953	32	314	Win Magazin SA	1975	2013		100	Freehold property	29	//		H&M, Carrefour Market, Leonardo, Pepco	Carrefour	800	650
Winmarkt	Tulcea	3,963	3,777	5	182	Win Magazin SA	1972	2002		100	Freehold property	27	//		H&M, B&B Collection, Leonardo, Altex, Fraher, Vodafone	Fraher	405	405
Winmarkt	Cluj Napoca	7,651	5,704	85	1,510	Win Magazin SA	1983	2011		100	Freehold property	36	//		Carrefour Market, dm drogerie, Leonardo, Big Fitness	Carrefour	1,338	1,188
Winmarkt	Bistrita	5,131	4,799	61	392	Win Magazin SA	1984	2005		100	Freehold property	33	//		Altex, Leonardo, dm drogerie, fast-food Pizzamania, Pepco			
Winmarkt	Alexandria	3,434	3,302	33	74	Win Magazin SA	1978	2013		100	Freehold property	31	//		Carrefour Market, Pepco, Eponge, Leonardo, Jolidon, Vodafone	Carrefour	680	680
Winmarkt	Slatina	6,086	4,833	29	1,102	Win Magazin SA	1975	2005		100	Freehold property	22	//		Altex, Telekom, B&B	Carrefour	553	505
Winmarkt	Vaslui	3,622	3,452	23	192	Win Magazin SA	1973	2006		100	Freehold property	26	//		Carrefour, Reshoes, Jolidon	Carrefour	527	527
Winmarkt	Turda	2,515	2,231	-	284	Win Magazin SA	1981	2007		100	Freehold property	9	//		Pepco			
TOTAL Mall		91,743	79,099	1,607	8,388													
Winmarkt Junior	Ploiesti	3,012	2,137	544	331	Win Magazin SA				100	Freehold property	2						
TOTAL		**94,755**	**81,236**	**2,151**	**8,719**													

1.9.2. Analysis by asset class of the freehold portfolio

The main changes affecting the value of the different asset classes in the half-year are detailed below.

	IGD Group Investment Property						Direct development initiative	Porta a Mare Project	Total investment property, land and development initiatives, assets held for trading	Right to use (IFRS 16)	Assets held for sale	Total investment property, land and development initiatives, assets held for trading and right to use
Amount in thousands of Euro	Hypermarkets and supermarkets	Shopping malls Italy	Other	Total Italy	Total Romania	**Total IGD Group**	Plots of land and ancillary costs	Porta a Mare project (+)				
Book value at 31.12.2022	**401.18**	**1,466.47**	**20.12**	**1,887.77**	**128.32**	**2,016.09**	**2.47**	**62.33**	**2,080.89**	**25.23**		**2,106.12**
Increases due to work 2023	0.10	2.20	0.00	2.30	0.59	**2.89**	0.00	5.16	**8.05**	0.06	0.00	**8.11**
Disposals	0.00	(0.12)	0.00	(0.12)	0.00	**(0.12)**	0.00	(7.06)	**(7.18)**	0.00	0.00	**(7.18)**
Capital gains on disposals	0.00	0.00	0.00	0.00	0.00	**0.00**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
Reclassification from asset under construction	0.00	0.00	0.00	0.00	0.00	**0.00**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
Reclassification from remodeling	0.00	0.00	0.00	0.00	0.00	**0.00**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
Reclassification to assets held for sale	0.00	0.00	0.00	0.00	0.00	**0.00**	0.00	0.00	**0.00**	0.00	0.00	**0.00**
Net revaluations / writedowns	(2.63)	(62.28)	(3.83)	(68.74)	(2.05)	**(70.79)**	(0.28)	(5.57)	**(76.64)**	(3.64)	0.00	**(80.28)**
Book value at 30.06.2023	**398.65**	**1,406.27**	**16.29**	**1,821.21**	**126.86**	**1,948.07**	**2.19**	**54.86**	**2,005.12**	**21.65**	**0.00**	**2,026.77**

1.9.2.1. ITALY

In the first half of 2023 there were no changes in the perimeter of Group IGD's real estate portfolio.

HYPERMARKETS AND SUPERMARKETS

Fourteen of IGD's hypermarkets and supermarkets are leased to Group Coop Alleanza 3.0 (formerly Coop Adriatica Scarl) and the remaining five to national and local brands (Group Unicoop Tirreno Soc. Coop, Conad, Despar, Familia and Superconveniente) on a long-term basis. Rent is indexed to 75% of the ISTAT index. Tenants are responsible for all routine and extraordinary maintenance on plants and the interiors of the buildings.

The hypermarkets and supermarkets were valued at 30 June 2023 by the appraisers CBRE, KROLL, C&W and JLL based on the following percentages of fair value:

Hyper/Supermarkets	06/30/2023
JLL	48%
CBRE	13%
KROLL	24%
C&W	15%
TOTAL	**100%**

The DCF method was used by all the appraisers for this asset class.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

CBRE, C&W and JLL used a standard duration of 10 years for all the assets, while KROLL used a variable duration depending on the expiration of the lease held by the retailer and the estimated fair value of the space in the year the lease is up for renewal.
The fair value of this asset class reached €398.65 million, a decrease of 0.63% (-€2.53 million in absolute terms) compared to 31 December 2022.
In the first half of the year the discount and cap out rates were both higher due to the estimated average rate of inflation used in the DCF model and the ECB's increased discount rate.
In the wake of the higher estimated average rate of inflation, the average weighted discount rate rose +0.09% against the prior half to 7.30%.
Impacted by the higher ECB rate, the average gross cap out rate was also 0.29% higher, coming in at 6.81%.
The weighted average gross initial yield was 6.71%, 0.30% higher than in the prior year due to an increase in rents attributable to ISTAT indexing.
The occupancy rate for this asset class was unchanged at 100%.

SHOPPING MALLS AND RETAIL PARKS

Shopping malls and retail parks were valued at 30 June 2023 by the appraisers CBRE, KROLL, C&W and JLL based on the following percentages of FV:

Malls/RP	06/30/2023
JLL	18%
CBRE	26%
KROLL	30%
C&W	26%
TOTAL	**100%**

The DCF method was used by all the appraisers for this asset class. In the DCF models of CBRE, C&W, and JLL a standard duration of 10 years was used for all assets; KROLL used a standard duration of 15 years.
The fair value of this asset class reached €1,406.27 million, a decrease of 4.11% or €60.20 million with respect to 31 December 2022 explained primarily by the higher discount and gross cap out rates which more than offset the impact of the increase in rates tied to higher inflation.
In the wake again of the higher estimated rate of inflation used in the DCF models, the average weighted discount rate rose +0.79% to 8.43%.
The increase in the cost of capital and the market's lack of interest in the retail segment Mall/RP impacted the total average gross cap out rate which rose +0.64% to 8.15%.
The average gross initial yield for this asset class came to 7.50%, an increase of 0.53% attributable mainly to the drop in fair value.
The financial occupancy rate was 0.61% lower than at 31 December 2022, coming in at 94.09%.

DEVELOPMENT PROJECTS

At 30 June 2023 this asset class was valued by CBRE using the residual method.
The fair value of this asset class reached an estimated €2.19 million at 30 June 2023, a decrease of 11.34% or €280 thousand.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

PORTA A MARE PROJECT

The assets of Porta Medicea, owner of the Porta a Mare Project, were valued at 30 June 2023 by CBRE and Kroll. CBRE was responsible for the appraisals of the Mazzini and Officine sections and, for the first time, Kroll appraised the Molo, Lips and Arsenale sections. Both appraisers used the conversion or residual method.

The project can be broken down into the following areas:

- Mazzini (residential, offices, parking and public parking). All the residential units were sold at 30 June 2023;
- Officine Storiche (retail, residential, parking and public parking) which has a total GLA of 17,177 m^2. Work began in first half 2015 and in the first half of 2023 the sale of 12 residential units, 11 enclosed garages and 1 parking place in the residential section closed. Construction of the retail portion is near completion and should be finished in the second half of 2023;
- Lips (retail, tourist services, accommodations and temporary residences) which has a total GLA of 28,840 m^2;
- Molo Mediceo (retail, services and temporary residences) which has a total GLA of 27,670 m^2;
- Arsenale (retail, temporary residences and parking) which has a total GLA of 13,560 m^2.

The fair value of this asset class reached €54.86 million in the first half of the year, a decrease of 12.00% or €7.47 million against 31 December 2022. The decrease in fair value is explained primarily by the sale of residential units at Officine and Mazzini, as well as an increase in construction costs for the retail portion of the Officine area connected to marketing activities.

The Porta Mare project was valued at 30 June 2023 by the appraisers CBRE and KROLL based on the following percentages of fair value:

Other	**06/30/2023**
CBRE	69%
KROLL	31%
TOTAL	**100%**

The fair value of the Porta a Mare Project at 30 June 2023 includes the retail properties in the Officine section that will be sold to IGD SIIQ SPA in the second half of 2023.

OTHER

At 30 June 2023 the fair value of the asset class "Other", which includes mainly the areas created following the remodeling of the hypermarket at the "Fonti del Corallo" Shopping Center, fell -19.2% or -€3.83 million, to €16.29 million.

"Other" was valued at 30 June 2023 by the appraisers CBRE, Kroll and JLL based on the following percentages of FV:

Other	**06/30/2023**
JLL	97%
KROLL	2%
CBRE	1%
TOTAL	**100%**

All the appraisers used the DCF method to value this asset class.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

1.9.2.2. ROMANIA

The Winmarkt properties were valued at 30 June 2023 by the appraisers CBRE and Kroll based on the following percentages of FV:

Winmarkt	**06/30/2023**
CBRE	45%
KROLL	55%
TOTAL	**100%**

The DCF method was used by both independent experts. Kroll applied a standard duration of 15 years and CBRE of 10 years.
The FV of this asset class at 30 June 2023 was 1.14% or €1.46 million lower than at 31 December 2022, coming in at €126.86 million
The average weighted gross initial yield for the malls was 0.20% higher, coming in at 8.17% due to the decrease in fair value.
Similar to the Italian portfolio, the average weighted discount rate for malls also rose in the half by 1.42% to 9.69%.
The average weighted gross cap out for the malls reached 8.92%, showing an increase of +0.60% against the prior year.
Financial occupancy for the Winmarkt malls was 1.19% lower, coming in at 96.82%.

The main figures for the real estate portfolios in Italy and Romania are summarized below:

Summary at 30.06.2023:

	N° of asset	GLA (sqm)	Gross initial yield	Gross cap out	Weighted discount rate	Financial occupancy	Annual rental value/sqm	Erv/sqm
Hypermarkets and supermarkets	19	170,000	6.71%	6.81%	7.30%	100%	155	151
Shopping malls Italy	27	431,500	7.50%	8.15%	8.43%	94.09%	243	249
Total hypermarkets and malls Italy	46	601,500	7.33%	7.85%	8.18%	95.23%	217	221
Shopping malls Romania	14	92,000	8.17%	8.92%	9.69%	96.82%	106	109
Total hypermarket and malls IGD Group	**60**	**693,500**	**7.38%**	**7.92%**	**8.28%**	**95.34%**	**202**	**206**

Summary at 31.12.2022:

	N° of asset	GLA (sqm)	Gross initial yield	Gross cap out	Weighted discount rate	Financial occupancy	Annual rental value/sqm	Erv/sqm
Hypermarkets and supermarkets	19	170,000	6.41%	6.52%	7.21%	100%	148	140
Shopping malls Italy	27	437,450	6.97%	7.51%	7.64%	94.01%	227	231
Total hypermarkets and malls Italy	46	607,450	6.85%	7.30%	7.55%	95.15%	203	205
Shopping malls Romania	14	92,000	7.97%	8.32%	8.27%	98.01%	99	99
Total hypermarket and malls IGD Group	**60**	**699,450**	**6.92%**	**7.36%**	**7.59%**	**95.35%**	**189**	**191**

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

The real estate investments and main development projects, as well as the accounting methods used, are shown in the following table:

Category	Book value 06/30/2023	Accounting method	Market value 06/30/2023	Book value 12/31/2022	Change
IGD Group's real estate investments					
Hypermarkets and supermarkets	398.65	fair value	398.65	401.18	(2.53)
Shopping malls Italy	1,406.27	fair value	1,406.27	1,466.47	(60.20)
Other	16.29	fair value	16.29	20.12	(3.83)
Total Italy	**1,821.21**		**1,821.21**	**1,887.77**	**(66.56)**
Shopping malls Romania	123.96	fair value	123.96	125.53	(1.57)
Other Romania	2.90	fair value	2.90	2.79	0.11
Total Romania	**126.86**		**126.86**	**128.32**	**(1.46)**
Total IGD Group	**1,948.07**		**1,948.07**	**2,016.09**	**(68.02)**

Category	Book value 06/30/2023	Accounting method	Market value 06/30/2023	Book value 12/31/2022	Change
Plots of land and ancillary costs	2.19	Adjusted cost / fair value	2.19	2.47	(0.28)
Direct development initiatives	**2.19**	**Adjusted cost / fair value**	**2.19**	**2.47**	**(0.28)**

Category	Book value 06/30/2023	Accounting method	Market value 06/30/2023	Book value 12/31/2022	Change
Porta a Mare Project*	54.86	Adjusted cost / fair value	54.86	62.33	(7.47)

Category	Book value 06/30/2023	Accounting method	Market value 06/30/2023	Book value 12/31/2022	Change
Right to use (IFRS 16)	21.65	fair value	21.65	25.23	(3.59)
Total right to use	**21.65**		**21.65**	**25.23**	**(3.59)**

Real estate investments, plots of land and development initiatives, Porta a Mare project and right to use	Book value 06/30/2023		Market value 06/30/2023	Book value 12/31/2022	Change
Total	**2,026.77**		**2,026.77**	**2,106.12**	**(79.35)**

The details of the main development projects are shown below:

PROJECT	TYPE	LOCATION	GLA	COMPLETION DATE	ESTIMATED INVESTMENT	BOOK VALUE AT 30.06.2023 (Mn/€)	% HELD	STATUS
PORTO GRANDE	Extension	Porto d'Ascoli (AP)	5.000 sqm	June 2024	ca. 9,9 Mn/€	2.19	100%	Planning stage completed. All the building permits and authorisation for preletting activities have been issued
					Total	**2.19**		

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

1.10. // Real Estate Appraisals

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

CUSHMAN & WAKEFIELD

Via Filippo Turati, 16/18
20121 Milano
Tel +39 02 63799 1
Fax +39 02 63799 250
PEC: finance@pec.cwllp.it
cushmanwakefield.it

IGD-GRUPPOIGD-VALCERTPERBILANCIO-230630-01-ENG

For translation purposes only – Italian version legally binding

TO:	**GRUPPO IGD** VIA TRATTATI COMUNITARI EUROPEI 1957-2007, 13 40127 BOLOGNA] ITALY
ATTENTION:	**MR. ROBERTO ZOIA**
PROPERTY:	**REAL ESTATE PORTFOLIO**
REPORT DATE:	**17 JULY 2023**
VALUATION DATE:	**30 JUNE 2023**
OUR REFERENCE:	*VAL/CLI/IGD-GRUPPOIGD-VALCERTPERBILANCIO-230630-01-ENG*

1. INSTRUCTIONS

1.1 APPOINTMENT

We are pleased to submit our report and valuation (the "Valuation Report"), which has been prepared in accordance with the Engagement Letter entered into between us dated 5 April 2023, a copy of which is to be found at the back of this document. This letter and the terms set out there in constitute the "Terms of Business", which form an integral part of this Valuation Report.

Therefore, it is essential to understand that the contents of this Valuation Report are subject to the various matters we have assumed, which are referred to and confirmed as Assumptions in the Valuation Services Schedule (which forms part of the Terms of Business). Where Assumptions detailed in the Valuation Services Schedule are also referred to within this Valuation Report they are referred to as an "assumption" or "assumptions". Unless otherwise defined, all capitalised terms herein shall be as defined in the Terms of Business.

We have valued the property interest detailed in the Individual Report attached at Section A of *Ref: IGD-GruppoIGD-CertVal-230630-01-ITA*.

Detailed reports relating to the Properties are enclosed under Section A of *Ref: IGD-GruppoIGD-CertVal-230630-01-ITA*.

C & W (U.K.) LLP è iscritta nel ruolo degli agenti d'affari in mediazione al N. 14936 del 8/5/2008 C.C.I.A.A. di Milano – Registro Imprese di Milano N. 06159600961 – R.E.A. N. 1873621. Sede secondaria: Via Filippo Turati 16/18, 20121 Milano - Codice Fiscale e Partita IVA N. 06159600961.
C & W (U.K.) LLP è una partnership a responsabilità limitata (Limited Liability Partnership) registrata in Inghilterra e Galles con il N. OC328588, con sede legale a Londra, EC2N 1AR, 125 Old Broad Street. Ne sono membri Cushman & Wakefield (U.K.) Ltd e Cushman & Wakefield Debenham Tie Leung Limited.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

1.2 THE PROPERTIES

We are instructed to provide our opinion of Market Value of the portfolio including the following Properties:

PORTFOLIO GRUPPO IGD			
#	City	Province	Centre
1	Chioggia	VE	Retail Park Clodì
2	Rovereto	TN	Shopping Gallery Millenium
3	Forlì	FC	Shopping Gallery Punta di Ferro
4	Ravenna	RA	Shopping Gallery ESP
5	Sarzana	SP	Shopping Gallery Luna
6	Mantova	MN	Retail Gallery and Retail Park La Favorita
7	Crema	CR	Shopping Gallery Gran Rondò
8	Chioggia	VE	Ipercoop Clodì
9	Ravenna	RA	Ipercoop ESP

1.3 COMPLIANCE WITH RICS "RED BOOK"

We confirm that the valuation and Valuation Report have been prepared in accordance with the RICS Valuation – Global Standards, which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"), edition current at the Valuation Date. It follows that the valuations are compliant with IVS.

1.4 STATUS OF VALUER AND CONFLICTS OF INTEREST

We confirm that all valuers who have contributed to the valuation have complied with the requirements of PS1 of the RICS Red Book. We confirm that we have sufficient current knowledge of the relevant markets, and the skills and understanding to undertake the valuation competently. We confirm that Mariacristina Laria MRICS has overall responsibility for the valuation and is in a position to provide an objective and unbiased valuation and is competent to undertake the valuation. Finally, we confirm that we have undertaken the valuation acting as an External Valuer as defined in the RICS Red Book.

The valuation was prepared by the team of professionals of C&W V&A and reviewed by Mariacristina Laria MRICS and Joachim Sandberg FRICS. C & W (U.K.) LLP has been signatory to valuations provided to the Client for the same purpose as the report, for the retail park Clodì in Chioggia in June 2014; for the retail gallery Gran Rondo in Crema from June 2014 to December 2015 and for the retail gallery Millenium in Rovereto from June 2015 until December 2018. Prior to June 2014, C & W (U.K.) LLP had no previous involvement in the valuation. In our most recent financial year, C & W (U.K.) LLP received less than 5% of its total fee income from the Client.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

1.5 PURPOSE OF VALUATION

We have been instructed to prepare this valuation for accounting purposes.

The subject Valuations are not intended to be due diligence. Therefore, it is likely that a potential buyer before proceeding with the purchase of the Properties may require further advice or clarification on such issues that may affect the Market Values which we have estimated. We recommend you draw particular attention on the assumptions on which our valuations have been prepared.

1.6 BASES OF VALUATION

The valuation has been prepared on the basis of Market Value and Market Rent and adopts the following definitions contained in the Red Book:

MARKET VALUE
"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

MARKET RENT
"The estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion".

1.7 SPECIAL ASSUMPTIONS

A Special Assumption is referred to in the Glossary in the RICS Red Book as an assumption that "either assumes facts that differ from the actual facts existing at the valuation date, or that would not be made by a typical market participant in a transaction on the valuation date", ("Special Assumption").

This valuation is not subject to any Special Assumptions.

1.8 DEPARTURES

We have made no Departures from the RICS Red Book.

1.9 RESERVATIONS

The valuation is not subject to any reservation.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

1.10 INSPECTION

Details of our inspection of the Property are included in the Individual Report section of *Ref: IGD-GruppoIGD-CertVal-230630-01-ITA*.

1.11 MEASUREMENT

Unless specified otherwise, floor areas and analysis in this Valuation Report are based on the areas provided to us and calculated as per local market practice. Details of the floor areas of the Property are included in the Individual Report section of *Ref: IGD-GruppoIGD-CertVal-230630-01-ITA*.

1.12 ACCOMMODATION

Source of Floor Areas

We adopted floor areas provided by Gruppo IGD.

1.13 ESG COMMENTARY

ESG is an increasingly important factor in the European real estate market. The European Union and the UK have committed to net zero carbon by 2050, with legislation already in place to reduce CO2 emissions from buildings. We consider it likely that further legislation and regulations will be introduced in coming years. Alongside this, occupiers and investors in some sectors are becoming more particular in the ESG aspects of the buildings they choose to occupy or purchase.

The existence of a green premium for the more environmentally sustainable buildings is a matter of ongoing market monitoring, investigation and debate. Appropriate levels of market evidence have yet to be established to demonstrate fully whether additional value can be ascribed to such buildings.

However, it should be noted that the market is evolving due to the focus from both occupiers and investors on a property's sustainability credentials. We expect that awareness of ESG matters will increase throughout all sectors of the property market.

However, where there is explicit income from renewable energy sources, such as solar panels, or there are explicit costs provided to us by the Client to ensure that the Property meets certain ESG legal requirements, then this income/costs are reflected in the valuation. This is in line with the latest guidance from the RICS.

1.14 SOURCES OF INFORMATION

In addition to information established by us, we have relied on the information obtained from you, listed in the Individual Report section of *Ref: IGD-GruppoIGD-CertVal-230630-01-ITA*.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

We have made the assumption that the information provided by you, in respect of the Property we have valued is both full and correct. We have made the further assumption that details of all matters relevant to value within your and their collective knowledge, such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions, have been made available to us, and that such information is up to date.

1.15 GENERAL COMMENT

All valuations are professional opinions on a stated basis, coupled with any appropriate assumptions or Special Assumptions. A valuation is not a fact, it is an estimate. The degree of subjectivity involved will inevitably vary from case to case, as will the degree of certainty, or probability, that the valuer's opinion of value would exactly coincide with the price achieved were there an actual sale at the Valuation Date.

Property values can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation were to change. If you wish to rely on our valuation as being valid on any other date you should consult us first.

Should you contemplate a sale, we strongly recommend that the Property is given proper exposure to the market.

A copy of this Valuation Report should be provided to your solicitors and they should be asked to inform us if they are aware of any aspect which is different, or in addition, to that we have set out; in which case we will be pleased to reconsider our opinion of value in the light of their advice and opinions.

1.16 CURRENCY

The Properties have been valued in local currency.

2. GENERAL PRINCIPLES

Our valuations and their contents are subject to the general Assumptions contained in our 'General Valuation Principles' enclosed in the body of this report and to the terms stated in our proposal. We report below the main terms.

Unless otherwise stated in the Full Valuation Reports *Ref IGD-GruppoIGD-CertVal-230630-01-ITA*, our valuations assume the Properties are effectively freehold. We have assumed that the Properties have a good and marketable title, free from any unusually onerous restrictions, covenants or other encumbrances.

Should the lease contracts contemplate a pre-emption right in favor of the tenant, our valuations are based on the assumption that this right does not have any impact on our estimate of the Market Value of the Property.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Unless otherwise stated in the Full Valuation Reports *Ref. IGD-GruppoIGD-CertVal-230630-01-ITA*, our valuations are on the basis that the Properties have been erected in accordance with a valid planning permission and are being occupied and used without any contravention.

According to our proposal, we have not investigated the presence of harmful or hazardous substances in the Properties. In the absence of information to the contrary, we based our valuations on the assumption that there are no such substances and that each Property has been properly built.

According to our proposal, we have not carried out technical surveys of the Properties nor verified the maintenance conditions of plants and machinery. In any case, our valuations take into consideration the information supplied to us and any defect which we have noted during our cursory visits to the Properties. However, our valuations are on the basis that there are no latent defects, wants of repair or other matters which would materially affect our valuations.

Should you be aware of any information contrary to the content of the subject paragraph, we recommend that this is referred back to us to enable us to amend our valuation accordingly.

3. VALUATION METHODOLOGY

In the following paragraph, we provide a brief description of the methodology used to arrive at the Market Value of the Properties. For further details, please refer to the single reports of *Ref: IGD-GruppoIGD-CertVal-230630-01-ITA*.

3.1 DCF ANALYSIS (DISCOUNTED CASH FLOW ANALYSIS)

This methodology takes into account the income generated by the lease contract/s in place for the Property, the annual costs to be borne by the Landlord (e.g. management fees, IMU property tax, insurance costs), the expenses relating to the extraordinary maintenance, the void period before the re-letting of the asset at market rental levels and the sale of the asset once it will be fully let at market rent. The assumed holding period is 10 years. The exit value of the Property is obtained capitalizing the net income of the year following the last year of the cash flow at a net yield that takes into account the specific features of the asset in the market (location, material characteristics, state of repair and letting status). The exit value is then reduced by the sales costs. The net cash flows are discounted using an appropriate discount rate which reflects the specific risk relating to the specific real estate investment and takes into considerations all the variables that have been assumed in the cash flow. The algebraic sum of the discounted cash flows represents the gross value of the Property from which, once deducted the purchaser's costs, we obtain the Market Value.

We wish to point out that there are no comparable of Discount Rates (especially considering that the choice of the discount rate to be applied depends on further factors

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

which are not available, as data relating to investment transactions). Once we have estimated Market Value on the basis of the DCF method, the result is compared to the rent to check whether the initial yield would be consistent with those expectations of return that investors require for similar type of investments. Therefore, to support the result of our valuations, we use the Direct Capitalization methodology.

4. VALUATION

MARKET CONDITIONS EXPLANATORY NOTE: WAR IN UKRAINE

Despite the initial recovery of the economy from the pandemic, Italy is currently experiencing heightened uncertainty due to the wider global impacts from the war in Ukraine, increased inflationary pressures with inflation having increased significantly and in Italy [if relevant] employees in several sectors threatening industrial action in response to the higher costs of living expenses. We have noticed in Italy an increase in interest rates in response to inflation resulting in higher borrowing costs.

These factors are impacting on growth and consumer confidence. In recognition of the potential for market conditions to move rapidly in response to wider political and economic changes, we highlight the importance of the valuation date as it is important to understand the market context under which the valuation opinion was prepared.

Subject to the contents of this Valuation Report, our opinion of the Market Value of the freehold interest in the Properties as at the Valuation Date is:

€445,400,000
(Four hundred forty five million and four hundred thousand Euro)

The above is an aggregated figure of the individual values for each Property in the portfolio. Please note that the Properties have been valued individually and assuming that each of the Properties would be marketed in an orderly way and not placed on the market at the same time. If the portfolio were to be sold as a single lot or in groups of properties, the total value could differ significantly.

Single Valuation Reports are enclosed under Section A of *Ref: IGD-GruppoIGD-CertVal-230630-01-ITA*.

As per your request we report in the following table the Values gross of purchaser's costs, which is equal to €451,999,469.

5. CONFIDENTIALITY

The contents of this Valuation Report and appendices are confidential to you, for your sole use only and for the Purpose of Valuation as stated.

Teleborsa: distribution and commercial use strictly prohibited

Such publication or disclosure will not be permitted unless, where relevant, it incorporates adequate reference to our Terms of Business and the Special Assumptions and/or Departures from the RICS Red Book referred to herein. For the avoidance of doubt, such approval is required whether or not C & W (U.K.) LLP is referred to by name and whether or not the contents of our Valuation Report are combined with others.

6. DISCLOSURE

You must not disclose the contents of this valuation report to a third party in any way without first obtaining our written approval to the form and context of the proposed disclosure. You must obtain our consent, even if we are not referred to by name or our valuation report is to be combined with others. We will not approve any disclosure that does not refer sufficiently to any Special Assumptions or Departures that we have made.

This Valuation Report or any part of it may not be modified, altered (including altering the context in which the Valuation Report is displayed) or reproduced without our prior written consent. Any person who breaches this provision shall indemnify us against all claims, costs, losses and expenses that we may suffer as a result of such breach.

We hereby exclude all liability arising from use of and/or reliance on this Valuation Report by any person or persons except as otherwise set out in the Terms of Business.

7. RELIANCE

This Valuation Report may be relied upon only in connection with the Purpose of Valuation stated and only by:

(i) you;

(ii) by such other parties who have signed a Reliance Letter.

For the avoidance of doubt, the total aggregate limit of liability specified in the Terms of Business (the "Aggregate Cap") shall apply in aggregate to (i) you (ii) such other parties who have signed a Reliance Letter. Apportionment of the Aggregate Cap shall be a matter for you and such other third parties alone.

C & W (U.K.) LLP

SECTION A TERMS OF BUSINESS

Teleborsa: distribution and commercial use strictly prohibited

Valuation Report

Report Date	31 July 2023
Valuation Date	June 30, 2023
Heightened Market Volatility	We would draw your attention to a combination of global inflationary pressures (leading to higher interest rates) and recent failures/stress in banking systems which have increased the potential for constrained credit markets, negative capital value movements and enhanced volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility and the potential for deteriorating market conditions. It is important to note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how markets respond to evolving events.
Development Appraisals	The value of development project is traditionally highly volatile and can be subject to rapid changes of value in short timeframes. These property types appeal to a narrow and very specific segment of the market, which can be significantly impacted by many factors such as, broader economic conditions, changes to government policy, fluctuating levels of supply and demand for the product, changes in building costs and the availability and cost of development finance. Ali these (and more) factors could have a significant impact on the value and demand for the subject. Going forward there will be several key factors impacting on the viability of projects and their underlying land values. In addition, we also note that recent stresses in the banking system may significantly restrict development capital and increase the cost of development finance. As experienced in previous market cycles, the value of development projects can undergo rapid and significant price corrections, as supply, demand and cost factors change. The Intended User is strongly advised to consider this inherent risk in their investment and lending decisions. Lending and investment caution is advised in this regard.
Construction Cost Volatility	Material costs, labour costs and supply chains are unusually volatile with the market experiencing price increases in some, or all these areas during 2022 and continuing into 2023. This has created significant uncertainty in cost estimates, which is likely to continue. In addition, there are significant risks that delays may be encountered in sourcing materials and labour, and as such, delivery risks are also heightened in this climate.

©2023 CBRE, INC.

Furthermore, the likelihood of ongoing cost escalations and sourcing delays is high. This may place additional pressure on both the developer's and builder's profit margins and development viability.

These inherent risks should therefore be given careful consideration in lending and investment decisions. Caution is advised in this regard.

Building Contracts

Current supply issues associated with some building material shortages are impacting on construction costs and timing.

Unexecuted construction/building contracts may be subject to price increases and executed contracts may contain conditions which allow the builder to pass any increases onto the applicant.

We recommend the client/reliant party obtains appropriate advice to confirm there are no adverse conditions within the final construction/ building contract and/or ensure the applicant has additional funds are available to cover potential cost escalations.

Rising building costs and shortages of labour and materials may also affect the builder's viability and/or ability to meet construction timeframes. In this climate, we strongly recommend the lender verify the experience and financial capability of the builder to complete the project on time and on budget. Caution is advised in this regard.

In the absence of any information to the contrary, we have assumed that the construction contract and any warranties will be assignable, [in the event of the property being repossessed by the lender].

Interest Rates and Inflation

Increased inflation rates have been a cause for concern for many Central Banks globally. In response, interest rates have increased rapidly in many major markets. Since 2022, from historical low rates close to or at 0%, the US Federal Reserve have increased interest rates by 4.75%; the European Central Bank by 3.75% and The Bank of England by 3.75%. Locally, 10 years Government Bonds have increased from 1.35% to 4.23% since January, 2022 (source: ECB, monthly average). This trend is likely to continue whilst inflation figures remain high. Real estate financing and debt market remain volatile.

Increased interest rates directly impact the cost of debt. This increase in the cost of financing may contribute to negative property price movements, already experienced in some markets/sectors.

With high inflation and increasing capital costs, property markets have the potential for increased volatility, and negative price movements, which may occur relatively quickly.

Based on the foregoing, it is recommended that the client keep the collateral/property under frequent review and seek advice, as the market continues to react to changes in inflation and interest rates expectations. Lending and investment caution is advised in this regard.

©2023 CBRE, INC.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Addressee

IGD SIIQ SpA

Via Trattati Comunitari Europei 1957-2007, n.13

40127 Bologna (BO)

Properties Description

At the valuation date, the assets are the following:

Portafoglio Italy

PROPRIETÀ	TIPOLOGIA ASSET	DENOMINAZIONE	INDIRIZZO	LOCALITÀ
IGD Management	Galleria	CENTRO SARCA	Via Milanese 10,	Sesto San Giovanni
IGD SiiQ	Galleria	PORTE DI NAPOLI	Via Santa Maria la Nova 1	Afragola
IGD SiiQ	Iper	PORTE DI NAPOLI	Via Santa Maria la Nova 1	Afragola
IGD SiiQ	Galleria	LE MAIOLICHE	1/3 Via Bisaura	Faenza
IGD SiiQ	Iper	LE MAIOLICHE	1/3 Via Bisaura	Faenza
IGD SiiQ	Galleria + Retail Park	MONDOVICO	15 Piazza Cerea	Mondovì
IGD SiiQ	Galleria	I BRICCHI	2 Strada Pratoboschiero	Isola d'Asti
IGD SiiQ	Galleria	PORTO GRANDE	Via Pasubio 144	Porto Grande
IGD SiiQ	Iper	PORTO GRANDE	Via Pasubio 144	Porto Grande
IGD SiiQ	Galleria	NUOVA DARSENA	Via Darsena, 73 - 81	Ferrara
IGD SiiQ	Galleria + Iper	PIAZZA MAZZINI	Via Gaetano D'Alesio 2	Livorno
IGD SiiQ	Super	AQUILEIA	110 Via Aquileia	Ravenna
IGD SiiQ	Negozio	AQUILEIA	112 Via Aquileia	Ravenna
IGD SiiQ/Porta	Investimenti	PORTA A MARE -	Porta a Mare	Livorno

Portafoglio Romania

PROPRIETÀ	TIPOLOGIA ASSET	DENOMINAZIONE	LOCALITÀ
Winmagazine	Shopping Centre	Galati	Galati
Winmagazine	Shopping Centre	Cluj	Cluj
Winmagazine	Shopping Centre	Braila	Braila
Winmagazine	Shopping Centre	Tulcea	Tulcea
Winmagazine	Shopping Centre	Buzau	Buzau
Winmagazine	Shopping Centre	Piatra	Piatra
Winmagazine	Shopping Centre	Turda	Turda
Winmagazine	Shopping Centre	Bistrita	Bistrita
Winmagazine	Shopping Centre	Vaslui	Vaslui

Ownership Purpose

Investment

©2023 CBRE, INC.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Instruction	To value the unencumbered Freehold interest in the properties on the basis of Fair Value as at the valuation date in accordance with the terms of engagement entered into between CBRE and the addressee(s) dated 19 Aprile 2023
Capacity of Valuer	Independent Valuer, as defined in our instructions.
Purpose	The valuation is to be used for Financial Reporting for incorporation within the Company's accounts purposes only and no other purpose is permitted.
Fair Value in accordance with IFRS 13	€ 530,329,500 (EUROS) exclusive of VAT. We confirm that the "Fair Value" reported above, for the purpose of financial reporting under International Financial Reporting Standards (IFRS), is effectively the same as "Market Value". Where a property is owned by way of a joint tenancy in a trust for sale, or through an indirect investment structure, our valuation represents the relevant apportioned percentage of ownership of the value of the whole property, assuming full management control. Our valuation does not necessarily represent the value of the interests in the indirect investment structure through which the property is held. Our opinion of Fair Value (IFRS 13) is based upon the Scope of Work and Valuation Assumptions attached – and has been primarily derived using comparable recent market transactions on arm's length terms.
Service Agreement	Our opinion of value is based upon the Scope of Work and Valuation Assumptions attached. However, for the avoidance of doubt, we confirm that our Valuation has been prepared in accordance with the Valuation assumptions provided by Bank of Italy for Reit Fund and contained in the current version of the "Regolamento sulla gestione collettiva del risparmio - Titolo V, Capitolo IV, Sezione II, paragrafi 2.5 'Beni Immobili' and 4, 'Esperti indipenden.
Special Assumptions	None.
Compliance with Valuation Standards	The valuation has been prepared in accordance with the current version of the RICS Valuation – Global Standards, which incorporate the International Valuation Standards ["the Red Book"]. We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the valuation competently. Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained

©2023 CBRE, INC.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

	within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book. This valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property. Other valuers may reach different conclusions as to the value of the subject property. This valuation is for the sole purpose of providing the intended user with the Valuer's independent professional opinion of the value of the subject property as at the valuation date.
Sustainability Considerations	For the purposes of this report, we have made enquiries to ascertain any sustainability factors which are likely to impact on value, consistent with the scope of our terms of engagement. Sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect the value of an asset, even if not explicitly recognised. This includes key environmental risks, such as flooding, energy efficiency and climate, as well as design, legislation and management considerations - and current and historic land use. CBRE are currently gathering and analysing data around the four key areas we feel have the most potential to impact on the value of an asset: – Energy Performance – Green Certification – Sources of Fuel and Renewable Energy Sources – Physical Risk/Climate Risk Where we recognise the value impacts of sustainability, we are reflecting our understanding of how market participants include sustainability factors in their decisions and the consequential impact on market valuations.
Assumptions	The properties details on which the valuation is based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below. If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figure may also be incorrect and should be reconsidered.
Variation from Standard Assumptions	None.
Valuer	The properties have been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the current edition of the RICS Valuation – Global Standards (the Red Book)
Independence	The total fees, including the fee for this assignment, earned by CBRE Valuation S.p.A. [or other companies forming part of the same group of companies within the Italy] from the Addressee

©2023 CBRE, INC.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

[or other companies forming part of the same group of companies] is less than 5.0% of the total Italy revenues.

Conflicts of Interest	We confirm that on your behalf we have valuated the property called Piazza Mazzini and Porta a Mare on a semestral basis and that this Assignment represents a renewal of the existing agreements with you and does not involve a conflict of interest. We further confirm that none of the above valuers, nor CBRE, has had, nor does it currently have, any material involvement in the other Properties of the subject perimeter, with you and/or the current owner, and has no personal interest in the outcome of the assessment - nor are we aware of any conflicts of interest that would prevent us from exercising the necessary levels of independence and objectivity. Copies of our conflict of interest checks have been retained within the working papers.
Disclosure Financial	CBRE Valuation S.p.A. has carried out, [insert job: Valuation services only/Professional services only/Agency services only/Valuation, Agency and Professional services] on behalf of the addressee for [time: under 5/between 5 and 9/10 and 14/over 15 years.
Reliance	The contents of this Report may only be relied upon by: (i) Addressees of the Report; and (ii) Parties who have received prior written consent from CBRE in the form of a reliance letter; for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.
Publication	Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval. Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of the special assumptions referred to herein.

Yours faithfully	Yours faithfully
Davide Cattarin	Elena Gramaglia MRICS
Managing Director	Director

©2023 CBRE, INC.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

MRICS Registered Valuer

For and on behalf of
CBRE Valuation S.p.A.

+39 02 9974 6900
Davide.Cattarin@cbre.com

For and on behalf of
CBRE Valuation S.p.A.

+39 02 9974 6900
Elena.Gramaglia@cbre.com

CBRE Valuation S.p.A.
Piazza degli Affari 2
20123 Milan
Project Reference 23-64VAL-0110

CBRE – Valuation & Advisory Services
T: 02 9974 6000
F: 02 9974 6050
W: www.cbre.it

RICS Regulated by RICS

Schedule of Values

©2023 CBRE, INC.

Teleborsa: distribution and commercial use strictly prohibited

EMARKET SDIR CERTIFIED

KROLL
REAL ESTATE ADVISORY GROUP

Agrate Brianza, 28th July 2023

Ref. n° 26953R00 – 26955R00

Messrs

GRUPPO IGD S.p.A.

Immobiliare Grande Distribuzione

Via Trattati Comunitari Europei 1957-2007, n. 13

40127 Bologna

To the kind attention of Mr Roberto Zoia

Subject: **Determination of the Market Value as of June 30th, 2023 of a real estate portfolio consisting n. 15 real estate assets intended for commercial use and n.1 mixed use development, located on the italian territory and n. 5 real estate assets intended for commercial use and n.1 asset intended for office use located on the romanian territory, indicated as fully owned by GRUPPO IGD S.p.A.**

Dear sirs,

in compliance with Your request, **KROLL Advisory S.p.A., Real Estate Advisory Group Division (hereinafter REAG S.p.A.)** carried out the valuation of a real estate portfolio, indicated as fully owned by GRUPPO IGD S.p.A. (hereinafter the Client), in order to determine the market value as of June 30th, 2023.

The appraisal has been completed on the basis of the following assumptions:

- sale of the real estate complex as a whole (not piecemeal), in the rental situation at the date of the appraisal (income producing asset);
- sale of the real estate complex as a whole (not piecemeal), considering the development project and remaining urbanization costs provided by the Client (developing asset).

KROLL Advisory S.p.A.
Direzione Generale
Centro Direzionale Colleoni
Palazzo Cassiopea 2 – Via Paracelso, 24
20864 Agrate Brianza MB – Italy
Tel. +39 039 6423.1 - Fax +39 039 6058427
info.krolladvisory@kroll.com
krolladvisory@pec.kroll.com

Sede Legale
Via Boccaccio, 4 - 20123 Milano - Italy
Società a socio unico - Capitale Sociale € 1.100.000,00 i.v
Società soggetta alla attività di direzione e coordinamento di KROLL LLC con sede a New York
R.E.A. Milano 1047058
C.F. / Reg. Imprese / P.IVA 05881660152
www.kroll.com

Teleborsa: distribution and commercial use strictly prohibited

Definitions

In this report, the following listed words have to refer to their proper definitions, except for the different cases mentioned on the report itself. For the definition of all other technical and/or legal terms contained in this report, please refer to the Italian Civil Code and related laws, or to the commonly used meaning.

"Real Estate" (hereinafter to be called the **"Property"**) shall mean the real estate asset (land, buildings, building services plant and external construction works) forming the subject matter (of the Valuation), with the express exclusion of all other or different assets including chattels and intangible assets.

"Valuation" shall mean "An opinion of the value of an asset or liability on a stated basis, at a specified date. If supplied in written form, all valuation advice given by members is subject to at least some of the requirements of the Red Book Global Standards – there are no exemptions (**PS 1 paragraph 1.1**). Unless limitations are agreed in the terms of engagement, this will be provided after an inspection, and any further investigations and enquiries that are appropriate, having regard to the nature of the asset and the purpose of the valuation" (RICS Red Book, English edition, January 2022).

"Market value" shall mean "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion" (RICS Red Book, English edition, January 2022).

"Market rent" shall mean "The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion" (RICS Red Book, English edition, January 2022).

Valuation criteria

Valuations Asset by Asset of the entire portfolio have been carried out considering the conditions set out in drafts of leases and rent of business unit and individual "rent roll" provided by the Ownership, reflecting the rental situation as of June 2023.

For the valuation of the shopping centers having both the part called "Hyper" and the part called "Mall", REAG, as agreed with the client, proceeded to the virtual separation of the properties into two separate entities, Hyper and Mall, making two separate assessments, assumptions and specific valuation criteria.

Teleborsa: distribution and commercial use strictly prohibited

During the appraisal, REAG followed generally accepted valuation concepts and methods, applying in particular the following valuation methods.

- **Market/Sales Comparison Approach**: is predicated on actual sales transaction data. Sales are adjusted for comparability including time, location, size, condition, utility and intangible benefits.
- **Income Capitalization Approach**: takes two different methodological approaches into consideration:
  - Direct Capitalisation: based on capitalisation of future net incomes generated by the property at a rate deduced from the real estate market;
  - Discounted Cash Flow Method (DCF) based:
    - on the calculation of future net incomes derived from Property renting for a period of "n." years;
    - on the determination of the Market Value of the property by means of the capitalisation in perpetuity of the net income at the end of this period;
    - on the discounted back net incomes (cash flow) as of the evaluation date.
- The **Development Approach**, based on the discounting of the cash flows generated by the development project to the Study/Valuation date through the project duration.
  This model can be combined with a financial valuation model (Discounted Cash Flow) based on a development project defined on the basis of size, use destination, development costs and sustainability. In other words, an analysis based on costs and revenues is used in order to determine the Market Value of the asset forming the subject matter of the valuation.
  The model is broken down into a chart of cash flows (incoming and outgoing) relating to the building development project. Outflows are made up of construction, demolition, urban development, design and works management costs, profits for the real estate promoter and any other incidental costs; inflows are made up of revenues deriving from the sales of the forecast use destinations.The breakdown of costs and revenues on a temporal basis makes it possible to create a chart of cash flows - net of the profits of the real estate promoter – to be discounted to date at an appropriate rate representing the cost of the capital. The latter must take into account:
  – The percentages represented by own capital and debt capital (financial structure);
  – rates applied to non-risk investments with a similar duration to the operation;

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

- the appropriate "spreads" applied as correction to the above rates (liquidity, country risk, initiative risk and town planning risk);
- cost of the debt capital.

Revenues and costs are recorded in the same currency and shown at the moment when they occur.

For it to be possible to identify the value determined by the development approach with Market Value, the economic transaction associated with the development should have as its point of reference an "ordinary" business developer. An "ordinary" developer is a business with normal management abilities, that is, which carries out an economic transaction with costs and revenues identical or nearly identical to those that would be incurred and generated by the majority of developers for this same project. If a developer taken as a reference is not ordinary as defined above, this would lead to the inclusion of extra return, positive or negative, thus distorting the Market Value.

REAG moreover:

- Carried out site inspections on the Properties located in Civita Castellana, Ascoli Piceno (CC Città delle Stelle), Conegliano Veneto (CC Conè), Gravina di Catania (CC Katanè), Palermo (CC La Torre), Roma (CC Casilino), Rimini (CC Malatesta), Livorno (sviluppo Porta a Mare) in Italy, to find out all the information (building qualities, preservation condition, etc.) necessary to elaborate the appraisals themselves, in addition to the information given by Client (full analysis); no site inspections were carried on the other properties (asset in Romania and CC Tiburtino in Guidonia Montecelio), REAG based the appraisals on the information provided by the Client (desktop analysis).
- Carried out an analysis of the conditions of the local real estate market, took the economic data detected therein into consideration and adapted it to the specific features of the Properties through appropriate statistical work-ups;
- Determined the building area on the basis of the documents supplied by the Client;
- Considered the draft of the "model" lease agreement, the individual amounts of the fees as indicated in the "rent-roll" and the related clauses (duration, insurance costs, maintenance costs, etc) provided by the Client;
- Determined the value of the Property on the assumption of its highest and best use, that is to say, considering among all legally

permitted and financially feasible technical uses, only those that can potentially confer the maximum value to each Property;

- Considered the rental situation at the date of the appraisal and indicated by the Client;
- Considered, for the development in Livorno, building areas and remaining urbanization costs indicated by the Client;
- Specifically excludes the impact of substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials or of structural damage or environmental contamination resulting from earthquakes or other causes;
- No environmental impact study has been ordered made.
- Did not make specific compliance survey and analysis of the property to determine whether or not it is compliant with the various detailed requirements of the law, concerning the possibility for disabled people to enter work places;
- has expressed values in EURO;
- did not consider special assumptions for evaluation purposes.

Report content

This work, including the final report on the conclusions reached by REAG, comprises:

- a letter of general introduction to the work, identifying the Property appraised, describing the nature and extent of the investigation, presenting and certifying the conclusion reached;
- assumptions and limiting conditions;
- general service conditions

Conclusions

The conclusions out coming from the analysis have been reached by REAG on the basis of the results obtained at the end of all the following activities:

- Site inspections on the Properties;
- Collection, selection, analysis and valuation of the data and documents concerning the Property;
- Performance of proper market researches;
- Technical-financial elaborations;

besides on the basis of the methods and valuation criteria above described.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Given the above considerations

It is our opinion that, as of June 30th, 2023, the **Market Value** of the full ownership of the subject Properties can reasonably be expressed as follows:

Euro 551.510.000,00

(Euro Five Hundred Fifty One Millions Five Hundred Ten Thousands/00)

Global Market conditions explanatory note

The rise of conflict in Ukraine, started on 24 February 2022, has caused an immediate volatility of stock exchanges worldwide. The consequences for the cost and availability of energy and natural resources have led European countries to establish containment measures to mitigate the resulting increase in energy costs and to diversify sources of supply.
On 21 June 2023, the Board of Directors of the European Central Bank (ECB) raised interest rates to 4.00, i.e. a further increase of 25bps, the eighth after the rise of rates on July 2022, when the ECB increased the rates (from 0.0% to 0.5%) for the first time since 2016.
This was a significant decision, meant to sustain the inflation targeting within the limit of 2%. For the purpose of preventing the risk of a persistent rise in inflation, the ECB does not exclude a further increase in interest rates in the future.
In the current economic phase, the capital market is shrinking and investors' interest appears to be focused mainly on low-risk products with rising yields
The limited number of deals reflects a real estate market trend that is not easy to read; as a consequence, the outlook for the real estate market appears to be characterised by greater uncertainty and tension over the medium term, which will negatively reflect on and slow down capital market operations.
This explanatory note was introduced for the purpose of ensuring transparency and supplying further details about the context of the market, within which the valuation was drawn up. Emphasised herein is the importance of the valuation date, hereby acknowledging the possibility of market conditions changing rapidly with the development of the conflict in Ukraine and monetary policies.

Agrate Brianza, 28th July 2023

Ref. n° 26953R00 – 26955R00

KROLL Advisory S.p.A.

Performed by:	Supervised and coordinated by:
Gianluca Molli	Savino Natalicchio
Associate Director,	Managing Director,
Retail, Special Divisions & Feasibility Dept.	Special Divisions & Feasibility Dept.

Simone Spreafico
Managing Director
Advisory & Valuation Dept.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Milan, 30/06/2023

IGD SiiQ S.p.A.
Via Trattati Comunitari Europei 1957-2007, n.13
40127, Bologna
Italy

For the attention of Mr. R. Zoia

Subject: Valuation as at 30th June 2023 of a Portfolio held by IGD SiiQ S.p.A. comprising 5 Hypermarkets, 5 Shopping Centres, 1 Shopping Centre + Retail Park, 2 Offices, 1 Guest House and 1 property including Medium Size Units (MSU).

Dear Mr. Zoia,

Following the assignment conferred on 27th April 2023, we have performed the necessary analysis aiming to determine the Market Value and Market Rental Value (as defined in Section 2) of the properties identified in Section 1 of the present letter. The present Certificate Letter summarizes the results of the valuation analysis, the general principles and the information provided to us, which are detailed in each individual valuation report prepared on behalf of IGD SiiQ S.p.A. of the properties detailed in Section 1. All introductory and explanatory provisions, limitations, valuation and special assumptions and specific information are set out in each individual Valuation Report.

COPYRIGHT © JONES LANG LASALLE IP, INC. 2023. All Rights Reserved

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

1. Valuation Certificate

1.1. Subject properties

The portfolio under-analysis consists of 5 Hypermarkets, 5 Shopping Centres, 1 Shopping Centre + Retail Park, 2 Offices, 1 Guest House and 1 property consisting of retail MSU mainly located in the Centre of Italy.

The main details of these are identified in the table below:

Ref	Address	Use	Asset	GLA (sqm)
1	Grosseto,Via Commendone	Shopping centre + Retail Park	MAREMA'	17,120
2	Imola,Via G. Amendola ,129	Hypermarket	LEONARDO	15,862
3	Imola,Via G. Amendola ,129	Shopping centre	LEONARDO	14,857
4	Bologna,Via dei Trattati Comunitari 1957-2007,13	Offices	Sede Bologna 2°piano- ex Hera	1,070
5	Bologna,Via dei Trattati Comunitari 1957-2007,13	Offices	Sede Bologna - Librerie Coop	317
6	Livorno,Via Gino Graziani, 6	MSUs	FONTI altro	5,835
7	Bologna,Via dell'Arcoveggio	Guest house	Arco campus	1,297
8	Bologna,via M.E. Lepido 184-186,	Hypermarket	BORGO	11,480
9	San Giovanni Teatino,Via Po	Hypermarket	CENTRO D'ABRUZZO	14,127
10	Cesena,Via Arturo Carlo Jemolo, 110	Hypermarket	LUNGO SAVIO	7,476
11	Bologna,Via Marco Polo, 3	Hypermarket	LAME	15,201
12	Bologna,via M.E. Lepido 184-186,	Shopping centre	BORGO	6,975
13	Cesena,Via Arturo Carlo Jemolo, 110	Shopping centre	LUNGO SAVIO	2,976
14	San Giovanni Teatino, Via Po	Shopping centre	CENTRO D'ABRUZZO	16,182
15	Bologna, Via Marco Polo, 3	Shopping centre	LAME	6,185

1.2. Scopo dell'analisi valutativa

Scope of this valuation exercise is to provide you with our professional opinion of the following values as at market conditions available at the valuation date, 30th June 2023.

- Market Value: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion";
- Market Rent: "The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

© 2023 Jones Lang LaSalle IP, Inc. All rights reserved.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

As previously mentioned, the present Valuation Certificate reports the results of our analysis, the supplied information, which have been considered to be accurate and correct, and the general assumptions upon which our valuations have been based.

1.3. Basis of Valuation

Our analyses are carried out in accordance with the principles, guidelines and definitions contained in the RICS professional standards and guidance, global – RICS Valuation – Global Standards, issued November 2021, effective from 31 January 2022, incorporating the IVSC International Valuation Standards.

The subject valuation is carried out in accordance with the following definition of Market Value settled by the International Valuation Standards Committee and referred to in the RICS professional standards and guidance, global – RICS Valuation – Global Standards, issued November 2021, effective from 31 January 2022 (VPS 4 – Section 4):

Market Value

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The subject valuation is carried out in accordance with the following definition of Market Rent as settled by the International Valuation Standards Committee and referred to in the RICS professional standards and guidance, global – RICS Valuation – Global Standards, issued November 2021, effective from 31 January 2022 (VPS 4 – Section 5):

Market Rent

"The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion"

1.4. Special Assumption

As agreed, we have carried out valuation of Lungo Savio Hipermarket (ref 10) and Lungo Savio Shopping Centre (ref 13) under the following Special Assumption:

Following the alluvium and flood of Savio River in Emilia-Romagna Region on the 17th of May 2023, the Shopping Centre and Hypermarket of Lungo Savio subject of the present valuation have suffered noteworthy damages leading to a full stoppage of their commercial activity which according to the Client should prevail until year-end.

The Client has informed us that the Insurance Company will cover not only the rental stream that is in place during the 6-month closure but also the damages repair caused by the flooding in order to ensure the normal activity of the two assets. Further to this information the Client has also supplied us with a CAPEX plant to be sustained by the Landlord of:

- € 600,000 for the Shopping Centre Lungo Savio (ref 13);
- €1,400,000 for the Hypermercat Lungo Savio (ref 10)

In view of the above, the present valuation considers the payment continuity of the cashflows deriving from the leases in place.

1.5. Market Conditions

As at the date of valuation and at the time this report was drafted, there are several negative factors recognised as influencing property markets, exerting downward pressure on asset values and reducing liquidity. These include:

Global Economy

© 2023 Jones Lang LaSalle IP, Inc. All rights reserved.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

The wider global economy continues to face challenges that cumulatively contribute to cost inflation, interest rate changes and consumer confidence thereby resulting in a more volatile transactional market. Issues in the banking and financial services sectors may prove to exacerbate an already volatile situation.

Market activity

Real estate markets can mostly be described as functioning but there is reduced transaction activity and the sentiment of buyers and sellers across some markets has been impacted. These factors have led to softer pricing across all sectors. There is a general perception and expectation of continued changes, and there is a risk that continued volatility, coupled with changes in debt costs, will have a direct impact on pricing as yields continue to evolve. There remains evidence of wide bid spreads, price renegotiations and transactions taking a long time to complete, which all add to the market dynamics.

Ukraine

At the present time, certain locations within Europe are facing difficult investment market conditions as a direct result of the war. For the avoidance of doubt, due to the functioning nature of the market, our valuation is NOT reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

This explanatory note has been included to ensure transparency and to provide further insight of the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly, we highlight the critical importance of the valuation date and advise you to keep the valuation under regular and early review.

1.6. General Principles

Please note that the "General Principles" on which our Valuation are based, are detailed in the single Valuation Reports; those principles are to be considered valid and applicable to the present the all valuation unless differently stated.

Every required Special Assumption will be detailed in the single Valuation Report of each property in order to guarantee a correct interpretation of the valuation results.

We would bring to your attention that, in the present Valuation Certificate, we refer to IGD SiiQ S.p.A. as the Client.

The present valuation has been carried out under the supervision of Mr. Riccardo Bianchi MRICS, Head of Value and Risk Advisory Department, Jones Lang LaSalle S.p.A. (signee of the present report) and Mr. Hugo Carlota MRICS, Head of Retail Value and Risk Advisory, Jones Lang LaSalle S.p.A. and carried out by Stefano Digrazia, Senior Valuer, Jones Lang Lasalle S.p.A.

The Value and Risk Advisory Department confirms to have obtained the Certification ISO 9001:2015 related to "Real Estate Valuation and Advisory Services" issued by TÜV Rheinland on 08th November 2021. The Certificate no. 01 100 2117554 is valid from 05.11.2021 until 04.11.2024

1.7. Source of Information

As per our agreement, we have carried out our analysis on the basis of the documentation and data provided by the Client. For the purposes of this valuation, we have assumed that the information provided to us are accurate and correct; we highlight that the documentation and information provided to us were analysed within the limits of our valuation instruction.

For completeness of the information, we report below the list of the documentation provided to us:

- Tenancy Schedule;
- Turnover figures (net of VAT) of each retail unit divided per year and per months for the years of 2019, 2020, 2021, 2022 and for the first 4 months of 2023;

© 2023 Jones Lang LaSalle IP, Inc. All rights reserved.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

- Non- recoverable Landlord costs and additional incomes;
- Dati relativi alle voci di costo non recuperabili;
- Forecast turnover rent generated in 2023;
- Asset summary identification schedules;
- ESG schedules;
- BREEAM Certification (if available).

1.8. Valuation approach

We have analysed the subject property using an income-based approach to value in form of the Discounted Cash Flow Method (DCF), the choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment. The DCF method identifies the value of the asset by discounting the cash flows generated by the property in the holding period. A ten-year cash flow period has been adopted with the assumption that all payments are made monthly in advance whereas the terminal value at the end of the assumed ten-year holding period is due annually in arrears. The Market Value was estimated on the basis of the analysis we conducted and the documentation provided by the Client.

1.9. Valuation

Please note that the sum of the Net Market Values of each subject property, listed in Section 1 ("Subject Properties"), is € 457,045,000, while the sum of the rounded Gross Market Values is equal to € 471,285,000 rounded. Please note that the valuation of Lungo Savio Hipermarket (ref 10) and Lungo Savio Shopping Centre (ref 11) is subject to the Special Assumption reported in Section 1.4.

Please note that the above reported Gross Market Value is inclusive of the associated acquisition costs detailed in the single Valuation Report.

This certificate has been drawn up in good faith and at best of our knowledge on the basis of information made available to us and market conditions available at the valuation date.

R. Bianchi

Riccardo Bianchi MRICS

Head of Value and Risk Advisory

Jones Lang LaSalle S.p.A.

Hugo Carlota MRICS

Head of Retail Value and Risk Advisory

Jones Lang LaSalle S.p.A.

Stefano Digrazia

Senior Valuer - Value and Risk Advisory

Jones Lang LaSalle S.p.A.

Firmato digitalmente da:
Riccardo Bianchi
Data: 21/07/2023 10:47:13

© 2023 Jones Lang LaSalle IP, Inc. All rights reserved.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

1.11. // The SIIQ Regulatory Environment and Information on the Company's Compliance

The special SIIQ (Società di Investimento Immobiliare Quotate) regime was introduced in Art. 1, paragraphs 119 - 141, of Law n. 296 dated 27 December 2006 ("**the Founding Law**") and is governed by the Ministry of Economics and Finance's decree n. 174 dated 7 September 2007 ("**the Implementing Regulation"**).

Pursuant to the law the income generated by rental activities is exempt from IRES and IRAP as long as the company distributes a minimum percentage of the income generated by this activity ("**Exempt Operations**").

Based on Legislative Decree n. 133 of 12 September 2014, converted as amended into Law n. 164 of 11 November 2014, exempt operations may also include the capital gains and losses relating to rental properties and interests held in SIIQ or SIINQ, as well as the income, capital gains and losses, relating to interests held in "qualified" real estate funds.

In order to fulfill the distribution requirements, the SIIQs must distribute (or risk losing their SIIQ status): (i) at least 70% of the distributable income generated by exempt operations upon approval of the full year financial statements; (ii) at least 50% of the capital gains generated by the sale of rental properties, interests in SIIQs or SIINQs, as well as in qualified real estate investment funds within two years of their realization.

The main characteristic of the special regime is, therefore, the possibility of benefitting from a specific system of taxation, once certain mandatory qualifications are complied with, based on which earnings are subject to taxation solely upon distribution to shareholders which basically inverts the system of taxation based on which income is subject to taxation when posted by the company rather than when distributed.

The current requirements for eligibility under the special regime can be summarized as follows:

Subjective requirements

- must be a joint stock company
- must reside in Italy for tax purposes or, with regard to companies with stable real estate businesses in Italy, in one of the countries, member of the European Union and party to the agreement to create a single European economic zone as indicated in the list appended to the decree issued by the Ministry of Treasury and Finance as per paragraph 1 of Art. 168-*bis* of the Uniform Income Tax Act
- shares must be traded on a regulated market

Statutory requirements

The corporate bylaws must include:

- rules which regulate investments
- limits on the concentration of investment and counterparty risk
- limits on the maximum financial leverage allowed

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Objective requirements

- freehold rental properties or other properties, interests in other SIIQ/SIINQ, in SICAF and in "qualified" real estate funds must make up 80% of the real estate assets, the so-called "**Asset Test**".
- revenue from rental activities, income from SIIQ/SIINQ, SICAF and "qualified" real estate funds, gains on rental properties must make up must total at least 80% of the positive entries in the income statement, the so-called "**Profit Test**".
- The failure to comply with one of the most important conditions for 3 consecutive years will result in ineligibility under the special regime and the ordinary rules and regulations will be applied beginning as of the second of the three years considered.

Ownership requirements

- a single shareholder may not hold more than 60% of the voting rights exercisable in ordinary Shareholders' Meetings and more than 60% of the dividend rights, the so-called "**Control limit**"
- at least 25% of the float must be held by shareholders who, at the time the option is exercised, hold less than 2% of the voting rights exercisable in ordinary Shareholders' Meetings and less than 2% of the dividend rights, the so-called "**Float requisite**". This requisite is not applicable to companies that are already listed.

With regard to the verification of eligibility, based on the Founding Law the subjective and statutory requirements must be met before the option is exercised while the verification of the objective and ownership requirements is done after the close of the financial statements for the year in which the option was exercised, and subsequently verified after the close of every year.

COMPLIANCE WITH SUBJECTIVE, OBJECTIVE AND OWNERSHIP REQUIREMENTS

The subjective requirements were satisfied as IGD SIIQ SPA is a joint stock company, with headquarters and residing, for tax purposes, in Italy. Its shares are traded on the Mercato Telematico Azionario (MTA - screen-based stock market) managed by Borsa Italiana S.p.A. in the STAR segment.

Based on the parent company's financial statements at 30 June 2023, similar to year-end 2022, the objective requirements were all satisfied. The asset test, based on which the value of freehold rental properties must represent more than 80% of the total value of the real estate assets, and the profit test, based on which revenues from the rental of freehold properties or other property rights rental activities must total at least 80% of the positive entries in the income statement, were satisfied.

As for the ownership requirements, based on the information available to the company, no single shareholder holds more than 60% of the voting rights exercisable in ordinary Shareholders' Meetings and more than 60% of the dividend rights.

COMPLIANCE WITH STATUTORY REQUIREMENTS

With regard to the Statutory requirements, please note the following.

With regard to investments, it is expressly provided in Art. 4.3 lett. i) of the Company's bylaws that: "*the Company shall not, either directly or through its subsidiaries, invest more than 30*

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

percent of its assets in a single property with urban and functional characteristics, except in the case of development plans covered by a single planning scheme, where portions of the property are covered by individual, functionally independent building permits, or equipped with urban works that are sufficient to guarantee connection to public services";

The Company did not invest, either directly or through its subsidiaries, more than 30% of its assets in a single property with urban and functional characteristics.

With regard to the limits on the concentration of investment and counterparty risk, it is expressly provided in Art. 4.3 lett. ii) of the Company's bylaws that: "*income from a single tenant or from tenants belonging to a single group may not exceed 60 percent of total rental income"*.

The income from a single tenant or tenants belonging to a single group did not exceed 60% of total rental income.

With regard to limits on the maximum financial leverage permitted, it is expressly provided in Art. 4.3 lett. ii) of the Company's bylaws that: *"the maximum permitted financial leverage, at a company or group level, is 85 percent of equity"*.

Financial leverage, either at the group or company level, never exceeded 85% of equity.

OTHER INFORMATION RELATING TO THE COMPANY'S ADHERENCE TO THE SPECIAL REGIME

Once it was clear that all the requisites had been satisfied, IGD exercised the option to be treated under the special regime effective 1 January 2008.

Under the special regime the total capital gains, net any losses, resulting from the difference between the normal value of the rental assets and the value for tax purposes at the end of the fiscal year, are subject to IRES (corporate income tax) and IRAP (regional business tax) at a tax rate of 20 per cent (the **Entry Tax**).

With regard to 2022, as resolved in previous years, during the AGM held on 13 April 2023 shareholders approved the distribution of income generated by exempt operations for an amount that complied with the distribution requirements.

More in detail, shareholders approved the distribution of a total dividend of €33,102,570.90, 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 for exempt operations released in 2021 following the disposal of 5 hypermarkets and 1 supermarket.

Teleborsa: distribution and commercial use strictly prohibited

1.12. // Subsequent events

There are no significant subsequent events to report on.

1.13. // 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 expects the FFO for FY 2023 to be in a range of between €54 and €55 million, higher than what was disclosed on 23 February 2023 (€53 million); this estimate does not include the economic impact stemming from any early refinancing transactions that might be completed in the second half of 2023.

1.14. // Intercompany and related party transactions

With regard to related party and intercompany transactions, there are no transactions which qualify as unusual or atypical, as they fall within the Group's ordinary scope of operations and take place under arm's-length conditions.
Details of related party transactions carried out in the first half of 2023 are provided in a section of the notes to the financial statements.

1.15. // Treasury shares

IGD owned no treasury shares at 30 June 2023.

1.16. // Research and development

IGD SIIQ and the Group companies do not perform research and development activities.

1.17. // Significant transactions

During the first half of 2023, no significant non-recurring transactions or atypical/unusual transactions, as defined in CONSOB's notice of 28 July 2006, were carried out with third parties or between Group companies.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

2. IGD GROUP CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2023

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

2.1 // Consolidated income statement

(in thousands of Euros)	Note	6/30/2023 (A)	6/30/2022 (B)	Change (A)-(B)
Revenue	1	**70,085**	**68,961**	**1,124**
Revenues from third parties		57,363	53,279	4,084
Revenues from related parties		12,722	15,682	(2,960)
Other revenue	2.1	**4,141**	**3,685**	**456**
Other revenues from third parties		2,413	2,248	165
Other revenues from related parties		1,728	1,437	291
Revenues from property sales	2.2	**5,572**	**432**	**5,140**
Operating revenues		**79,798**	**73,078**	**6,720**
Change in inventory	6	(4,840)	667	(5,507)
Revenues and change in inventory		**74,958**	**73,745**	**1,213**
Construction costs for the period	6	(559)	(1,038)	479
Service costs	3	(9,874)	(9,694)	(180)
Service costs from third parties		(7,741)	(6,874)	(867)
Service costs from related parties		(2,133)	(2,820)	687
Cost of labour	4	(5,550)	(5,322)	(228)
Other operating costs	5	(4,813)	(4,789)	(24)
Total operating costs		**(20,796)**	**(20,843)**	**47**
Depreciations, amortization and provisions		(1,264)	(772)	(492)
(Impairment losses)/Reversals on work in progress and inventories		(399)	(482)	83
Provisions for doubtful accounts		(169)	(1,288)	1,119
Change in fair value		(79,878)	(9,337)	(70,541)
Depreciation, amortization, provisions, impairment and change in fair value	7	**(81,710)**	**(11,879)**	**(69,831)**
EBIT		**(27,548)**	**41,023**	**(68,571)**
Income/ (loss) from equity investments and asset disposal	8	**0**	**397**	**(397)**
Financial Income		**79**	**62**	**17**
Financial income from third parties		79	62	17
Financial charges		**(19,278)**	**(14,372)**	**(4,906)**
Financial charges from third parties		(19,031)	(14,306)	(4,725)
Financial charges from related parties		(247)	(66)	(181)
Net financial income (expense)	9	**(19,199)**	**(14,310)**	**(4,889)**
Pre-tax profit		**(46,747)**	**27,110**	**(73,857)**
Income taxes	10	(316)	(653)	337
NET PROFIT FOR THE PERIOD		**(47,063)**	**26,457**	**(73,520)**
Non-controlling interests in (profit)/loss for the period		0	0	0
Profit/(loss) for the period attributable to the Parent Company		**(47,063)**	**26,457**	**(73,520)**
Basic earnings per share	11	(0.427)	0.240	(0.667)
Diluted earnings per share	11	(0.427)	0.240	(0.667)

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

2.2 // Consolidated statement of comprehensive income

(amount in thousands of euro)	6/30/2023	6/30/2022
NET PROFIT FOR THE PERIOD	**(47,063)**	**26,457**
Total other components of comprehensive income that will not be reclassified to profit/loss for the period, net of tax effect	**0**	**0**
Other components of comprehensive income that will be reclassified to profit/(loss) for the period:		
Effects of hedge derivatives	(741)	8,585
Tax effects of hedge derivatives	178	(1,956)
Conversion reserve	(273)	(247)
Total other components of comprehensive income that will be reclassified to profit/loss for the period	**(836)**	**6,382**
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	**(47,899)**	**32,839**
Non controlling interest in profit/(loss) for the period	0	0
TOTAL PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	**(47,899)**	**32,839**

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

2.3 // Consolidated statement of financial position

(in thousands of Euros)	Note	6/30/2023 (A)	12/31/2022 (B)	Change (A)-(B)
NON CURRENT ASSETS:				
Intangible assets				
Intangible assets with finite useful lives	12	857	796	61
Goodwill	13	6,835	7,085	(250)
		7,692	**7,881**	**(189)**
Property, plant, and equipment				
Investment property	14	1,969,733	2,041,330	(71,597)
Buildings	15	6,878	6,998	(120)
Plant and machinery	16	78	86	(8)
Equipment and other goods	16	2,123	2,340	(217)
Assets under construction and advance payments	17	35,223	36,662	(1,439)
		2,014,035	**2,087,416**	**(73,381)**
Other non-current assets				
Deferred tax assets	18	2,735	2,537	198
Sundry receivables and other non-current assets	19	109	121	(12)
Equity investments	20	25,765	25,765	0
Non-current financial assets	21	174	174	0
Derivative assets	40	5,493	6,314	(821)
		34,276	**34,911**	**(635)**
TOTAL NON-CURRENT ASSETS (A)		**2,056,003**	**2,130,208**	**(74,205)**
CURRENT ASSETS:				
Work in progress inventory and advances	22	24,337	29,297	(4,960)
Trade and other receivables	23	10,803	15,212	(4,409)
Related party trade and other receivables	24	1,227	1,242	(15)
Other current assets	25	8,381	7,748	633
Cash and cash equivalents	26	16,311	27,069	(10,758)
TOTAL CURRENT ASSETS (B)		**61,059**	**80,568**	**(19,509)**
TOTAL ASSETS (A + B)		**2,117,062**	**2,210,776**	**(93,714)**
NET EQUITY:				
Share capital		650,000	650,000	0
Other reserves		458,675	477,948	(19,273)
Group profit (loss) carried forward		(20,814)	16,167	(36,981)
Group profit		(47,063)	(22,315)	(24,748)
Total Group net equity		**1,040,798**	**1,121,800**	**(81,002)**
Capital and reserves of non-controlling interests		-	-	-
TOTAL NET EQUITY (D)	27	**1,040,798**	**1,121,800**	**(81,002)**
NON-CURRENT LIABILITIES:				
Derivatives - liabilities	38	0	199	(199)
Non-current financial liabilities	28	864,001	905,350	(41,349)
Provisions for employee severance indemnities	29	2,774	2,756	18
Deferred tax liabilities	18	16,394	16,636	(242)
Provisions for risks and future charges	30	5,231	4,644	587
Sundry payables and other non-current liabilities	31	7,843	9,387	(1,544)
Related parties sundry payables and other non-current liabilities	31	10,475	10,441	34
TOTAL NON-CURRENT LIABILITIES (E)		**906,718**	**949,413**	**(42,695)**
CURRENT LIABILITIES:				
Current financial liabilities	32	134,450	98,834	35,616
Trade and other payables	34	14,115	22,746	(8,631)
Related parties trade and other payables	35	1,469	1,845	(376)
Current tax liabilities	36	3,183	1,975	1,208
Other current liabilities	37	16,329	14,163	2,166
TOTAL CURRENT LIABILITIES (F)		**169,546**	**139,563**	**29,983**
TOTAL LIABILITIES (H=E+F)		**1,076,264**	**1,088,976**	**(12,712)**
TOTAL NET EQUITY AND LIABILITIES (D+H)		**2,117,062**	**2,210,776**	**(93,714)**

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

2.4 // Consolidated statement of changes in equity

(Amount in thousands of Euro)	Share capital	Share premium reserve	Other reserve	Profit (loss) from previous year	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	(47,063)	(47,063)	0	(47,063)
Cash flow hedge derivative assessment	0	0	(563)	0	0	(563)	0	(563)
Other comprehensive income/(loss)	0	0	(273)	0	0	(273)	0	(273)
Total comprehensive profit/(loss)	**0**	**0**	**(836)**	**0**	**(47,063)**	**(47,899)**	**0**	**(47,899)**
Allocation of 2022 profit								
Dividend distribution	0	0	(18,437)	(14,666)	0	(33,103)	0	(33,103)
Fair value reserve reclassification	0	0	0	0	0	0	0	0
Allocation of 2022 profit	0	0	0	(22,315)	22,315	0	0	0
Balance at 06/30/2023	**650,000**	**0**	**458,675**	**(20,814)**	**(47,063)**	**1,040,798**	**0**	**1,040,798**

(Amounts in thousands of Euro)	Share capital	Other reserves	Profit (loss) from previous years	Profit (loss) of the year	Group net equity	Non-controlling interest capital and reserves	Total net equity
Balance at 01/01/2022	**650,000**	**467,300**	**1,689**	**52,769**	**1,171,758**	**0**	**1,171,758**
Profit/(Loss) of the period	0	0	0	26,457	26,457	0	26,457
Cash flow hedge derivative assessment	0	6,626	0	0	6,626	0	6,626
Other comprehensive income (loss)	0	(247)	0	0	(247)	0	(247)
Total compehensive profit (loss)	**0**	**6,379**	**0**	**26,457**	**32,836**	**0**	**32,836**
Allocation of 2021 profit							
Dividends paid	0	(6,887)	(31,733)	0	(38,620)	0	(38,620)
Fair Value reserve reclassification	0	0	0	0	0	0	0
Undistributed dividends previous years	0	0	0	0	0	0	0
Allocation 2021 profit	0	6,558	46,211	(52,769)	0	0	0
Balance at 06/30/2022	**650,000**	**473,350**	**16,167**	**26,457**	**1,165,974**	**0**	**1,165,974**

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

2.5 // Consolidated statement of cash flows

(In thousands of Euros)	06/30/2023	06/30/2022
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit (loss) of the year	**(47,063)**	**26,457**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities		
Taxes of the year	316	653
Financial charges / (income)	19,199	14,310
Depreciation and amortization	1,264	772
Writedown of receivables	169	1,288
(Impairment losses) / reversal on work in progress	399	482
Changes in fair value - increases / (decreases)	79,878	9,337
Gains/losses from disposal - equity investments	0	(397)
Changes in provisions for employees and end of mandate treatment	707	699
CASH FLOW FROM OPERATING ACTIVITIES:	**54,869**	**53,601**
Financial charge paid	(11,283)	(10,072)
Provisions for employees, end of mandate treatment	(909)	(1,373)
Income tax	(497)	(587)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX:	**42,180**	**41,569**
Change in inventory	4,840	(666)
Change in trade receivables	4,255	(1,721)
Net change in other assets	(819)	1,326
Change in trade payables	(9,007)	(3,244)
Net change in other liabilities	2,884	(2,137)
CASH FLOW FROM OPERATING ACTIVITIES (A)	**44,333**	**35,127**
(Investments) in intangible assets	(237)	(321)
Disposals of intangible assets	0	0
(Investments) in tangible assets	(9,011)	(8,663)
Disposals of tangible assets	0	0
(Investments) in equity interests	0	0
CASH FLOW FROM INVESTING ACTIVITIES (B)	**(9,248)**	**(8,984)**
Distribution of dividends	(33,103)	(37,850)
Rents paid for financial leases	(4,301)	(4,018)
Collections for new loans and other financing activities	131,851	40,000
Loans repayments and other financing activities	(140,267)	(166,149)
CASH FLOW FROM FINANCING ACTIVITIES (C)	**(45,820)**	**(168,017)**
Exchange rate differences on cash and cash equivalents (D)	(23)	3
NET INCREASE (DECREASE) IN CASH BALANCE (A+B+C+D)	**(10,758)**	**(141,871)**
CASH BALANCE AT BEGINNING OF THE PERIOD	**27,069**	**158,080**
CASH BALANCE AT END OF THE PERIOD	**16,311**	**16,209**

Teleborsa: distribution and commercial use strictly prohibited

2.6 // Notes to the condensed interim consolidated financial statements

2.6.1. General information

The condensed interim consolidated financial statements of IGD at 30 June 2023 were approved and authorized for publication by the Board of Directors on 2 August 2023.

IGD SIIQ S.p.A. is a subsidiary of Coop Alleanza 3.0 Soc. Coop. and is under the management and coordination of that company.

2.6.2. Summary of accounting standards

2.6.2.1. Preparation criteria

Statement of compliance with International Accounting Standards

The condensed interim consolidated financial statements for the period ended 30 June 2023 have been prepared in accordance with the IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) and approved by the European Union, and with instructions issued in compliance with 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), that as of the reporting date had been endorsed following the procedure specified in Regulation (EC) 1606/2002 and specifically includes IAS 34 – Interim Financial Reporting. The IFRS have been applied consistently to all reporting periods presented. The condensed interim consolidated financial statements do not include all disclosures required in the annual financial statements, and should be read jointly with the Group's annual report for the year ended 31 December 2022.

Reporting formats

The items in the statement of financial position are classified as current, non-current, or (if applicable) non-current held for sale, and those in the income statement by type.

The statement of comprehensive income shows the net profit or loss along with income and charges that by express requirement of IFRS are recognized directly in equity.

The statement of changes in equity presents comprehensive income and charges, transactions with shareholders and other changes in shareholders' equity.

The statement of cash flows is prepared using the indirect method, adjusting the pre-tax profit for non-cash items.

The financial statements, tables and explanatory notes are expressed in thousands of euro (€/000 or €K), unless otherwise specified.

Teleborsa: distribution and commercial use strictly prohibited

Changes in accounting standards

a) IFRS accounting standards, amendments and interpretations applied from 1 January 2023

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group as from 1 January 2023:

- On 7 May 2021 the IASB published "Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction." The amendments clarify the accounting of deferred tax on certain translations that can generate assets and liabilities of the same amount, such as leasing and decommissioning obligations. The modifications are effective from 1 January 2023. This amendment has not affected the Group's consolidated financial statements.
- On 12 February 2021 the IASB published two amendments: "Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2" and "Definition of Accounting Estimates—Amendments to IAS 8." The amendments improve the disclosure of accounting policies in order to provide more useful information to investors and to other primary users of financial statements, and help companies distinguish changes in accounting estimates from changes in accounting policies. The modifications are effective from 1 January 2023. Adoption of these amendments has not affected the Group's consolidated financial statements.

b) IFRS accounting policies, amendments and interpretations not yet endorsed by the European Union

As of the reporting date, the EU authorities had not yet finished the endorsement process necessary for the adoption of the following amendments and standards.

- On 23 January 2020, the IASB published "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on 31 October 2022 it published "Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants." These clarifying amendments come into force on 1 January 2024; early adoption is permitted. The directors do not expect the amendments to have a significant impact on the consolidated financial statements
- On 25 May 2023 the IASB published "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements." The document requires disclosures on reverse factoring agreements that allow users of financial statements to assess how supplier finance arrangements affect an entity's liabilities and cash flows and to understand the effect of supplier finance arrangements on the entity's exposure to liquidity risk. The changes are effective from 1 January 2024 but early adoption is permitted. The directors do not expect the amendments to have a significant impact on the consolidated financial statements.

2.6.2.2. Consolidation

a) Scope of consolidation

The consolidated financial statements have been drawn up on the basis of the draft financial statements at 30 June 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

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

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 rates	Euro/Ron
Spot exchange rate at 30.06.2023	4.9634
Average exchange rate at Ist Half 2023	4.9335
Spot exchange rate at 30.06.2022	4.9454
Average exchange rate at Ist Half 2022	4.9455
Spot exchange rate at 31.12.2022	4.9474
Average exchange rate 2022	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). As mentioned in the 2022 Annual Report, these consortiums are not consolidated as they are considered to be immaterial.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

b) Consolidation methods

The consolidated financial statements include the financial statements of the parent company, IGD SIIQ S.p.A., its direct and indirect subsidiaries, and its associates at 30 June 2023. The subsidiaries' and associates' accounts are prepared each year using the same accounting standards as the parent. The main consolidation methods used to prepare the consolidated financial statements are as follows:

- subsidiaries are consolidated from the date control is effectively transferred to the Group, and cease to be consolidated from the date control is transferred outside the Group; control exists when the Group has the power, directly or indirectly, to influence a company's financial and managerial policies in such a way as to obtain benefits from its operations;
- subsidiaries are consolidated on a line-by-line basis, aggregating all financial statement items in full, regardless of the interest held. Only for the determination of net equity and net profit (loss) is the minority interest, if any, shown separately in the statement of financial position and the income statement;
- the carrying value of equity investments is eliminated against the assumption of their assets and liabilities;
- all intercompany assets, liabilities, income and losses, including unrealized profits deriving from transactions between Group companies, are completely eliminated;
- the financial statements of all IGD SIIQ Group companies that use a functional currency other than that used in the consolidated statements are translated into euros as follows:
    - the assets and liabilities of each statement of financial position submitted are translated at the exchange rates in force on the reporting date;
    - the revenue and costs of each income statement are converted at the average exchange rates for the period;
    - all exchange gains and losses arising from this process are shown in the translation reserve under net equity;
- equity investments in joint ventures and associates are consolidated using the equity method. As such, the investment is initially carried at cost, which is then adjusted upward or downward to reflect changes in net equity after purchase. If an investment is classified as a joint venture or associate due to loss of control, it is initially carried at fair value, which is then adjusted upward or downward to reflect changes in net equity after the date control was lost. The adjustments are taken to the income statement in proportion to the Group's share of the company's profit or loss, taking into account any impact of preference shares or quotas held by third parties.

2.6.3. Use of estimates

The preparation of the condensed interim consolidated financial statements and notes in accordance with IFRS requires Management to follow accounting policies and methods that in some cases depend on difficult subjective quantifications and estimates based on past experience, and assumptions that are considered reasonable and realistic on a case-by-case basis. These affect the carrying values of assets and liabilities and disclosures of contingent assets and liabilities as of the reporting date. Estimates and assumptions are reviewed on a regular basis and any changes are reflected immediately in profit or loss. Because assumptions about future performance are highly uncertain, actual results may differ from those forecast, and may require sizable adjustments that cannot presently be foreseen or estimated.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

The critical valuation processes and key assumptions used by management in the process of applying IFRS that may significantly impact the amounts presented in the consolidated financial statements or that may in the future lead to material differences with respect to the carrying amount of assets and liabilities are summarized below.

Investment property and inventory

The real estate portfolio is appraised twice a year, at 30 June and 31 December, by independent external firms selected on the basis of the following criteria: (i) recognized European-level qualifications, (ii) specialized expertise in the retail segment, and (iii) reputability and independence. The selection of the independent appraisers is by resolution of the Board of Directors.

In line with recommendations from the supervisory authorities and the various industry best practices, the company has long followed a specific procedure that governs the selection rules for independent appraisers and the handling of information flows used in the process of assessing the properties' fair value.

To appraise the real estate portfolio at 30 June 2023, the following independent firms were selected: (i) CBRE Valuation S.p.A., (ii) Kroll (formerly Duff&Phelps Reag S.p.A.), (iii) Cushman & Wakefield LLP, and (iv) Jones Lang LaSalle S.p.A. Given their specialized expertise in the retail segment, IGD believes that the findings and assumptions used by the independent appraisers are representative of the market.

The properties in the portfolio are appraised individually, using for each one the appraisal techniques specified below in accordance with IFRS 13.

According to IFRS 13, an entity shall use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Fair value is measured on the basis of observable transactions in an active market, and is adjusted, if necessary, to take account of the specific characteristics of the individual real estate investment. If that information is not available, to determine the fair value of an investment property, the company uses the discounted cash flow method (over a variable period of time depending on the duration of outstanding leases) relating to the future net rental income from the property. At the end of that period it is assumed that the property will be sold at a value obtained by capitalizing the final year's rental income at an applicable market rate of return for similar investments.

The appraisal methods used, as specified in the individual certificates, are as follows:

- for malls and retail parks, offices, hypermarkets and supermarkets: discounted cash flow (DCF) method based on net rental income for the next n years. According to this method, at the end of the given period it is assumed that the property will be sold at a value obtained by capitalizing the final year's net rental income at an applicable market rate of return for similar investments;
- for construction in progress (extensions and new constructions): transformation method, based on the discounting of future rental income for the property net of construction costs through to completion and other expenses.

With the DCF method, the market value of an investment property is the sum of the present values of the net cash flows it will generate for a number of years depending on the duration of the outstanding contracts. During the period, when the contracts expire, the rent used to compute revenue is replaced with the estimated rental value (ERV) determined by the appraiser, taking account of the contractual rent received, so that in the final year of the DCF revenue consists

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

entirely of ERV. At the end of the period it is assumed that the property will be sold at a value obtained by capitalizing the final year's rental income at an applicable market rate (gross cap out rate) for similar investments.

With the transformation method, the market value of a property in the planning or construction phase is calculated by discounting the future income from renting the property, net of construction and other costs to be incurred, for a number of years depending on the duration of plans. At the end of the period it is assumed that the property will be sold at a value obtained by capitalizing the final year's rental income at an applicable market rate (gross cap out rate) for similar investments.

In both methods based on the discounting of future income, the key elements are:

1) the amount of net cash flow:
   a. for finished properties: rent received less property costs
   b. for construction in progress: estimated future rent less construction costs and property costs
2) the distribution of cash flows over time:
   a. for finished properties: generally even distribution over time
   b. for construction in progress: construction costs come before future rental income
3) the discount rate
4) the gross cap out rate.

In appraising the different types of properties in the real estate portfolio, the independent experts base their considerations primarily on:

1) information received from IGD SIIQ, as follows:
   (i) for finished properties: data on the rental status of each unit in each shopping center, as specified in the Company's internal procedure; property taxes; insurance and operating costs for the shopping centers; and any likely incremental costs;
   (ii) for construction in progress: the start and end dates of the work, the status of building permits and authorizations, remaining costs, the state of progress, the ribbon-cutting date and projected rentals;
2) assumptions used by the independent appraisers, such as inflation, discount rates, cap out rates and ERVs, determined through their own professional judgment upon careful observation of the market. The following are taken into account when determining the capitalization and discounting rates used to value individual properties:
   - the type of tenant currently occupying the property or responsible for complying with rental obligations and the possible future occupants of vacant properties, as well as the market's general perception of their creditworthiness;
   - the division of responsibilities for insurance and maintenance between the lessor and the lessee;
   - the remaining economic life of the property.

The information provided by IGD to the independent appraisers and the latters' assumptions and appraisal methods are approved by the head of Real Estate Development and Management, who is

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

responsible for organizing and coordinating the appraisal and for monitoring and verifying results before they are incorporated into the financial statements. The entire process is governed in detail by IGD SIIQ's internal procedure.

Disclosures on the fair value hierarchy are provided below in accordance with IFRS 13. The fair value hierarchy classifies into three levels the inputs to valuation techniques used to measure fair value. It gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). More specifically:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following:
  (a) quoted prices for similar assets or liabilities in active markets;
  (b) quoted prices for identical or similar assets or liabilities in markets that are not active;
  (c) inputs other than quoted prices that are observable for the asset or liability, for example:
    (i) interest rates and yield curves observable at commonly quoted intervals;
    (ii) implied volatilities; and
    (iii) credit spreads;
  (d) market-corroborated inputs.
- Level 3 inputs are unobservable inputs for the asset or liability.

The IGD Group's real estate portfolio has been measured according to Level 3 fair value models as the inputs directly and indirectly unobservable in the market, used in the valuation models, are greater than the observable inputs.

The following table shows Group IGD's investment property by type, measured at fair value at 30 June 2023. It does not include construction in progress in the amount of €26,469K (Porto Grande expansion, listed with assets under construction, and non-retail portions of the Porta a Mare project, listed with inventory) as these are measured at the lower of cost and appraised market value as opposed to fair value.

The unobservable inputs used to appraise the real estate portfolio (Level 3 of the fair value hierarchy) are as follows:

- discount rate;
- gross cap out rate;
- annual market rent per square meter.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

FAIR VALUE MEASUREMENTS 06/30/2023 Amount in thousands of Euro	QUOTED PRICES (UNADJUSTED) IN ACTIVE MARKETS FOR IDENTICAL ASSETS OR LIABILITIES	SIGNIFICANT INPUTS OBSERVABLE IN THE MARKETS (LEVEL 2)	SIGNIFICANT INPUTS NOT OBSERVABLE IN THE MARKET (LEVEL 3)
Investment property Italy:			
Shopping malls and retail parks	0	0	1,406,280
Hypermarkets and supermarkets	0	0	398,648
Residual portion of property	0	0	16,295
Total investment property Italy	**0**	**0**	**1,821,223**
Investment property Romania:			
Shopping malls	0	0	123,960
Office Building	0	0	2,900
Total investment propertyRomania	**0**	**0**	**126,860**
IGD Group investment property	**0**	**0**	**1,948,083**
Porta a Mare Proejct			
Porta a Mare Project (*)	0	0	30,570
Total asset under construction	**0**	**0**	**30,570**
Right of use (IFRS 16)			
Right of use (IFRS 16)	0	0	21,650
Total right of use (IFRS 16)	**0**	**0**	**21,650**
Total IGD Group investment property measured at fair value	**0**	**0**	**2,000,303**

(*) This is a project relating to a retail sector of the Porta a Mare Project, recorded under construction in progress and valued at fair value

The unobservable inputs that IGD SIIQ considers most meaningful are the discount rate and the gross cap out rate, as the sensitivity analysis has shown that any change in those values would have a significant impact on fair value.
The following table shows the ranges of unobservable inputs at 30 June 2023, 31 December 2022, and 30 June 2022:

Portfolio	Appraisal method	Discount rate 06/30/2023		GROSS CAP OUT 06/30/2023		Yearly rent €/sqm 6/30/2023	
		min	max	min	max	min	max
Total Malls/RP	Income based (DCF)	7.00%	11.00%	6.59%	11.15%	7	541
Total Hyper / Supermarkets	Income based (DCF)	5.80%	8.30%	6.51%	10.11%	85	220
Total Winmarkt	Income based (DCF)	6.00%	10.50%	7.26%	11.74%	41	196

Portfolio	Appraisal method	Discount rate 12/31/2022		GROSS CAP OUT 12/31/2022		Yearly rent €/sqm 12/31/2022	
		min	max	min	max	min	max
Total Malls/RP	Income based (DCF)	6.60%	9.12%	5.88%	11.82%	24	496
Total Hyper / Supermarkets	Income based (DCF)	6.10%	8.43%	5.63%	7.95%	79	206
Total Winmarkt	Income based (DCF)	7.00%	9.85%	6.54%	10.73%	41	196

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Portfolio	Appraisal method	Discount rate 06/30/2022		GROSS CAP OUT 06/30/2022		Yearly rent €/sqm 6/30/2022	
		min	max	min	max	min	max
Total Malls/RP	Income based (DCF)	6.50%	8.61%	5.76%	10.69%	6	541
Total Hyper / Supermarkets	Income based (DCF)	5.90%	7.98%	5.36%	7.85%	79	206
Total Winmarkt	Income based (DCF)	7.00%	9.60%	6.22%	9.47%	38	200

The Group conducts periodic sensitivity analyses on its properties to monitor the impact that changes ("shocks") in the most important unobservable inputs (discount rate and/or gross cap out rate), as a result of macroeconomic trends, would have on the value of its portfolio.
Rate shocks of +/-0.5% are tested individually and jointly to determine how they increase/decrease the value of the real estate portfolio by asset class. The sensitivity analysis at 30 June 2023 is reported below.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Sensitivity analysis at 30 June 2023

Asset class	Hypermarkets and supermarkets	Malls and retail parks	Other	Investment property Romania	Total
Market value at 30/06/2023 +0.5 discount rate	(14,309)	(49,130)	(626)	(3,780)	(67,845)
Market value at 30/06/2023 -0.5 discount rate	14,364	50,455	665	4,290	69,774
Market value at 30/06/2023 +0.5 Gross cap out	(16,141)	(43,611)	(443)	(3,390)	(63,585)
Market value at 30/06/2023 -0.5 Gross cap out	18,567	49,659	450	4,110	72,786
Market value at 30/06/2023 + 0.5 discount rate +0.5 Gross cap out	(29,835)	(90,189)	(1,018)	(7,030)	(128,072)
Market value at 30/06/2023 -0.5 discount rate -0.5 Gross cap out	34,461	102,964	1,158	8,550	147,133
Market value at 30/06/2023 +0.5 discount rate -0.5 Gross cap out	3,523	(1,470)	(161)	70	1,962
Market value atl 30/06/2023 -0.5 discount rate +0.5 Gross cap out	(2,452)	5,236	229	730	3,743

Regarding the sensitivity of fair value measurements to changes in the main unobservable inputs, fair value would go down for increases in the discount rate and gross cap out rate.

Other variables that could reduce fair value are:

- an increase in operating costs and/or taxes
- a decrease in rent or in estimated rental value for vacant space
- an increase in estimated extraordinary charges.

Conversely, fair value would go up if these variables changed in the opposite direction.

Recoverable amount of goodwill

The recoverable amount of goodwill is determined each year, or more frequently in the case of events or changes in circumstances that may indicate impairment. Impairment is identified through tests based on the ability of each cash generating unit to produce cash flows suitable for recovering the portion of goodwill that has been allocated to it, following the procedures specified in the section on property, plant and equipment.

Recoverability of deferred tax assets

The Group has deferred tax assets on deductible temporary differences and theoretical tax benefits for losses carried forward. In estimating recoverable value, the Group considered the results of the business plan in keeping with those used for impairment testing.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Fair value of derivative instruments

The fair value of interest rate swaps for which no active market exists is determined according to market-based quantitative techniques, i.e. accredited pricing models based on parameters taken as of the individual measurement dates, also with support from external consultants. This method therefore reflects a prioritization of the input data consistent with level 2 of the fair value hierarchy defined by IFRS 13: although quoted prices in active markets (level 1) are not available for these instruments, it is possible to base measurements on data observable either directly or indirectly in the market.

Variable revenue

Variable revenue at 30 June is determined on the basis of monthly earnings reports from the individual tenants, if available, or otherwise on the basis of the previous year's earnings.

Provision for doubtful accounts

The provision for doubtful accounts reflects estimated losses on receivables. Management closely monitors the quality of the receivables portfolio and the current and prospective conditions of the economy and IGD's markets. Estimates and assumptions are reviewed on a regular basis and any changes are reflected in the income statement of the pertinent year.

Contingent liabilities

The Group recognizes a liability for pending disputes and legal actions when it believes that a financial outlay is likely and when the amount of the resulting losses can be reasonably estimated. If a financial outlay becomes possible but its amount cannot be determined, this is reported in the notes to the financial statements. The Group is involved in lawsuits and tax disputes concerning difficult, complex issues that present varying degrees of uncertainty, including with regard to the facts and circumstances of each case, matters of jurisdiction, and different applicable laws. Therefore, it is difficult to reach an accurate prediction of any outlays resulting from these disputes, and the provisions set aside for such matters may vary according to future developments. The Group monitors the status of such litigation and consults with its attorneys and with experts in law and taxation.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

2.6.4. Segment reporting

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

INCOME STATEMENT	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
	CORE BUSINESS		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
Total revenues and operating income	**70,085**	**68,961**	**3,777**	**3,685**	**5,572**	**432**	**0**	**0**	**79,434**	**73,078**
Change in work in progress inventories	**0**	**0**	**0**	**0**	**(4,840)**	**667**	**0**	**0**	**(4,840)**	**667**
Direct costs (a)	(11,044)	(11,865)	(2,844)	(2,776)	(891)	(1,283)	0	0	(14,779)	(15,924)
G&A Expenses (b)	0						(6,185)	(6,207)	(6,185)	(6,207)
Total operating costs (a) + (b)	**(11,044)**	**(11,865)**	**(2,844)**	**(2,776)**	**(891)**	**(1,283)**	**(6,185)**	**(6,207)**	**(20,964)**	**(22,131)**
(Depreciation and amortization)	(945)	(586)	343	(34)	0	(1)	(299)	(151)	(901)	(772)
(Impairment) / Reversals on work in progress and inventories	(279)	27	0	0	(120)	(509)	0	0	(399)	(482)
Fair value changes - increases / (decreases)	(79,878)	(9,337)	0	0	0	0	0	0	(79,878)	(9,337)
Total depreciation, amortization, provisions, impairment and fair value changes	**(81,102)**	**(9,896)**	**343**	**(34)**	**(120)**	**(510)**	**(299)**	**(151)**	**(81,178)**	**(10,591)**
EBIT	**(22,061)**	**47,200**	**1,276**	**875**	**(279)**	**(694)**	**(6,484)**	**(6,358)**	**(27,548)**	**41,023**
Property sales and equity investment results	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**397**	**0**	**397**
Financial income:	0	0	0	0	0	0	79	62	79	62
Financial charges:	0	0	0	0	0	0	(19,278)	(14,372)	(19,278)	(14,372)
Net financial income	**0**	**0**	**0**	**0**	**0**	**0**	**(19,199)**	**(14,310)**	**(19,199)**	**(14,310)**
PRE-TAX PROFIT	**(22,061)**	**47,200**	**1,276**	**875**	**(279)**	**(694)**	**(25,683)**	**(20,271)**	**(46,747)**	**27,110**
Income taxes for the period	0	0	0	0	0	0	(316)	(653)	(316)	(653)
NET RESULT FOR THE PERIOD	**(22,061)**	**47,200**	**1,276**	**875**	**(279)**	**(694)**	**(25,999)**	**(20,924)**	**(47,063)**	**26,457**
Non-controlling interest in (profit) / loss for the period	0	0	0	0	0	0	0	0	0	0
Parent company share of net profit	**(22,061)**	**47,200**	**1,276**	**875**	**(279)**	**(694)**	**(25,999)**	**(20,924)**	**(47,063)**	**26,457**

REVENUES FROM FREEHOLD PROPERTIES	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
	NORTHERN ITALY		CENTRAL/SOUTHERN ITALY + ISLANDS		ABROAD		TOTAL	
LEASE & RENTAL INCOME	36,745	35,428	21,925	22,746	4,823	4,569	63,493	62,743
ONE-OFF REVENUES	10	10	0	2	0	0	10	12
TEMPORARY LOCATION RENTALS	1,244	1,152	673	617	0	0	1,917	1,769
OTHER RENTAL INCOME	36	0	106	0	15	9	157	9
TOTAL	**38,035**	**36,590**	**22,704**	**23,365**	**4,838**	**4,578**	**65,577**	**64,533**

BALANCE SHEET	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22	30-Jun-23	30-Jun-22
	CORE BUSINESS		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
- Investment property	1,969,733	2,093,143	0	0	0	0	0	0	1,969,733	2,093,143
- Asset under construction	35,223	43,420	0	0	0	0	0	0	35,223	43,420
Intangible assets	5,828	6,328	1,007	1,007	0	0	857	615	7,692	7,950
Other tangible assets	2,167	1,746	34	6	0	0	6,881	7,057	9,082	8,809
Non current assets held for sale	0	0	0	0	0	0	0	0	0	0
- Sundry receivables and other non current assets	0	0	0	0	0	0	109	127	109	127
- Equity investments	25,693	25,693	0	0	0	0	72	72	25,765	25,765
NWC	(14,456)	(7,073)	1,318	714	22,787	34,540	0	0	9,649	28,181
Funds	(6,612)	(5,658)	(1,351)	(1,617)	(42)	(5)	0	0	(8,005)	(7,280)
Sundry payables and other non current liabilities	(14,279)	(13,108)	0	0	(4,039)	(5,917)	0	0	(18,318)	(19,025)
Net deferred tax (assets) / liabilities	(16,220)	(16,417)	0	0	2,561	2,563	0	0	(13,659)	(13,854)
Liabilities related to assets held for sale	0	0	0	0	0	0	0	0	0	0
Total use of funds	**1,987,077**	**2,128,074**	**1,008**	**110**	**21,267**	**31,181**	**7,919**	**7,871**	**2,017,271**	**2,167,236**
Total shareholders' equity	1,019,014	1,135,271	(347)	(610)	22,131	31,313	0	0	1,040,798	1,165,974
Capital and reserves attributable to minorty shareholders	0	0	0	0	0	0	0	0	0	0
Net (assets) and liabilities for derivative instruments	(5,493)	(329)	0	0	0	0	0	0	(5,493)	(329)
Net debt	973,556	993,132	1,355	720	(864)	(132)	7,919	7,871	981,966	1,001,591
Total sources	**1,987,077**	**2,128,074**	**1,008**	**110**	**21,267**	**31,181**	**7,919**	**7,871**	**2,017,271**	**2,167,236**

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

2.6.5. Notes to the consolidated financial statements

Note 1) Revenue and other income

	Note	06/30/2023	06/30/2022	Change
Revenue	1	**70,085**	**68,961**	**1,124**
Revenues from third parties		57,363	53,279	4,084
Revenues from related parties		12,722	15,682	(2,960)
Other revenue	2.1	**4,141**	**3,685**	**456**
Other revenues from third parties		2,413	2,248	165
Other revenues from related parties		1,728	1,437	291
Revenues from property sales	2.2	**5,572**	**432**	**5,140**
Operating revenues		**79,798**	**73,078**	**6,720**

In the first half of 2023 Group IGD earned revenue and other income of €79,798 thousand, including €5,572 thousand from property sales (one residential unit and one enclosed garage unit in the Mazzini section and 12 residential units, 10 enclosed garage units and one parking space in the Officine section of the Porta a Mare project). The increase of €6,720 thousand compared with the first half of 2022 mostly reflects higher revenue from property sales and revenue from third parties, as partially offset by a decrease in related party revenue.

Note 1.1) Revenue

	Note	06/30/2023	06/30/2022	Change
Freehold hypermarkets - Rents and business leases from related parties	a.1	11,885	14,487	(2,602)
Freehold hypermarkets - Rents and business leases from third parties	a.2	1,004	300	704
Freehold supermarkets - Rents and business leases from third parties	a.3	117	117	0
Freehold supermarkets - Rents and business leases from related parties	a.4	0	262	(262)
TOTAL HYPERMARKETS/SUPERMARKETS	a	**13,006**	**15,166**	**(2,160)**
Freehold malls, offices and city center	b.1	**50,456**	**47,556**	**2,900**
Rents		**9,594**	**9,155**	**439**
To related parties		230	348	(118)
To third parties		9,364	8,807	557
Business leases		**40,862**	**38,401**	**2,461**
To related parties		408	414	(6)
To third parties		40,454	37,987	2,467
Leasehold malls	b.2	**4,290**	**4,285**	**5**
Rents		**210**	**275**	**(65)**
To related parties		48	46	2
To third parties		162	229	(67)
Business leases		**4,080**	**4,010**	**70**
To related parties		101	91	10
To third parties		3,979	3,919	60
Other contracts and temporary rents	b.3	**2,333**	**1,954**	**379**
Other contracts and temporary rents		2,283	1,920	363
Other contracts and temporary rents - related parties		50	34	16
TOTAL MALLS	b	**57,079**	**53,795**	**3,284**
GRAND TOTAL	a+b	**70,085**	**68,961**	**1,124**
of which related parties		12,722	15,682	(2,960)
of which third parties		57,363	53,279	4,084

Total revenue increased by €1,124 thousand compared with the same period last year.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Rent from freehold hypermarkets and supermarkets decreased by €2,160 thousand, due mainly to agreements for the partial remapping of the hypermarkets at the Palermo, Catania, and Casilino shopping centers.

Rent and business lease revenue from freehold malls, offices, and city center properties rose by €3,284 thousand as a result of new openings and the ISTAT adjustment for inflation.

For further information, see the income statement review (section 1.4) in the Directors' Report.

Note 2.1) Other income

	06/30/2023	06/30/2022	Change
Out-of-period income/charges	430	45	385
Facility management revenues	1,668	1,930	(262)
Portfolio and rent management revenues	80	104	(24)
Pilotage and construction revenues	199	84	115
Marketing revenues	0	91	(91)
Other income	36	(6)	42
Other revenues from third parties	**2,413**	**2,248**	**165**
Facility management revenues from related parties	1,636	1,298	338
Pilotage and construction revenues from related parties	4	20	(16)
Marketing revenues vs related parties	4	106	(102)
Portfolio and rent management revenues from related parties	8	13	(5)
Other income from related party	76	0	76
Other revenues from related parties	**1,728**	**1,437**	**291**
Other revenue	**4,141**	**3,685**	**456**

Other income from third parties increased by €165 thousand compared with the first half of 2022, due mainly to an increase in out-of-period income following a positive ruling by the appellate court on a lawsuit regarding former employees of a tenant that had leased retail space from the Group at Conè shopping center.

Other income from related parties increased by €291 thousand, due mainly to the rise in facility management fees.

Note 2.2) Income from the sale of trading properties

This refers to the Porta a Mare project and came to €5,572 thousand in the first half of 2023, for 1 residential unit and 1 enclosed garage unit in the Mazzini section and 12 residential units, 10 enclosed garage units, and 1 parking space in the Officine section.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Note 3) Service costs

	6/30/2023	6/30/2022	Change
Service costs from third parties	**7,741**	**6,874**	**867**
Paid rents	147	114	33
Promotional and advertising expenses	73	119	(46)
Centers management expenses for vacancies	2,209	1,903	306
Centers management expenses for ceiling to tenants' costs	1,443	1,168	275
Facility management administration costs	378	377	1
Insurances	567	536	31
Professional fees	71	175	(104)
Directors' and statutory auditors' fees	460	441	19
External auditing fees	50	105	(55)
Investor relations, Consob, Monte Titoli costs	224	229	(5)
Consulting	548	437	111
Real estate appraisals fees	229	214	15
Maintenance and repair expenses	86	13	73
Out-of-period income/charges	0	34	(34)
Other costs of services	1,256	1,009	247
Service costs from related parties	**2,133**	**2,820**	**(687)**
Promotional and advertising expenses	700	808	(108)
Service	0	181	(181)
Centers management expenses for vacancies	630	864	(234)
Centers management expenses for ceiling to tenants' costs	691	943	(252)
Insurances	4	4	0
Directors' and statutory auditors' fees	32	32	0
Other costs of services	76	(12)	88
Service costs	**9,874**	**9,694**	**180**

Service costs rose by €180 thousand for the year.
Most of the increase in service costs from third parties (€867 thousand) is explained by higher building management expenses due to unlet space and cost caps.
Related party service costs decreased by €687 thousand.

Note 4) Cost of labour

	6/30/2023	6/30/2022	Change
Wages and salaries	4,168	3,913	255
Social security	1,026	1,043	(17)
Severance pay	203	233	(30)
Other costs	153	133	20
Cost of labour	**5,550**	**5,322**	**228**

The cost of labour was €228 thousand higher than the previous year, due mainly to headquarters payroll costs.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Note 5) Other operating costs

	6/30/2023	6/30/2022	Change
IMU/TASI/Property tax	4,128	4,225	(97)
Other taxes	6	37	(31)
Contract registrations	181	194	(13)
Out-of-period income/charges	28	(5)	33
Membership fees	31	67	(36)
Losses on receivables	127	29	98
Fuel and tolls	134	119	15
Other costs	178	123	55
Other operating costs	**4,813**	**4,789**	**24**

Other operating costs were essentially in line with the previous year.

Note 6) Change in work in progress inventory

	6/30/2023	6/30/2022	Change
Construction costs for the period	559	1,038	(479)
Change in inventories for disposal	(5,399)	(371)	(5,028)
Change in inventory	**(4,840)**	**667**	**(5,507)**

The change in work in progress inventory relating to the land, buildings, and urban infrastructure works of the multifunctional complex in Livorno came to €4,840 thousand in the first half of 2023, reflecting the sale of 1 residential unit and 1 enclosed garage unit in the Mazzini section and 12 residential units, 10 enclosed garage units, and 1 parking space in the Officine section. See Note 22 for details.

Note 7) Depreciation, amortization, provisions and fair value changes

	6/30/2023	6/30/2022	Change
Amortization of intangible assets	(177)	(9)	(168)
Amortization of tangible assets	(331)	(284)	(47)
Provisions for risks	(756)	(479)	(277)
Depreciations, amortization and provisions	**(1,264)**	**(772)**	**(492)**
Provisions for doubtful accounts	**(169)**	**(1,288)**	**1,119**
(Impairment losses)/Reversals on work in progress and inventories	**(399)**	**(482)**	**83**
Change in fair value	**(79,878)**	**(9,337)**	**(70,541)**
Depreciation, amortization, provisions, impairment and change in fair value	**(81,710)**	**(11,879)**	**(69,831)**

Amortization increased because of the switch to the new integrated accounting system on 1 July 2022.

Depreciation went up as a result of expenditure during the previous year, mostly for the purchase of advertising terminals, and the full-year depreciation of the investments made the prior year.

Allocations for doubtful accounts came to €169 thousand in the first half of 2023, down from €1,288 thousand the previous year, due mainly to an overall improvement in the recoverability of receivables.

All allocations were determined by evaluating the individual positions of clients in order to adjust them to estimated realizable value.

See Note 23 for changes in the provision for doubtful accounts.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Other provisions refer to the estimated outcome of three IMU (municipal property tax) disputes regarding La Torre shopping center in Palermo (€55 thousand), Esp shopping center in Ravenna (€13 thousand), and Tiburtino shopping center in Guidonia (€250 thousand). In addition, €160 thousand was allocated during the half-year for IGD's share of earthquake proofing to be carried out at some of the supermarkets and hypermarkets sold in 2021, while €28 thousand was set aside for a tax dispute and €250 thousand for an administrative dispute involving the subsidiary Win Magazin S.a.

Adjustments to fair value and net impairment losses/reversals for the first half of 2023 amounted to a negative €80,277 thousand, up from €9,819 thousand the previous year.
Fair value changes (-€79,878 thousand) were made up as follows:

- an impairment loss of €3,642 thousand on right-of-use assets from the application of IFRS 16, including increases for the year;
- an impairment loss of €7,115 thousand for extraordinary maintenance on freehold and leasehold properties of Group IGD's Italian companies;
- an impairment loss of €587 thousand for extraordinary maintenance on freehold properties of the Romanian subsidiary Win Magazin SA;
- an impairment loss of €67,075 thousand for the adjustment to fair value of the investment property of Group IGD's Italian companies, based on independent appraisals as of 30 June 2023;
- an impairment loss of €1,459 thousand for the adjustment to fair value of the investment property of the Romania subsidiary Win Magazin SA, based on independent appraisals as of 30 June 2023.

Net impairment losses on work in progress and inventory (€399 thousand) reflect *(i)* an impairment loss of €279 thousand on the Portogrande expansion and *(ii)* an impairment loss of €120 thousand on the Officine (residential), Molo, Lips, and Arsenale sections of Porta a Mare based on independent appraisals as of 30 June 2023.

Note 8) Income/(loss) from the disposal of assets

Amounting to €397 thousand at 30 June 2022, this item stemmed from the framework agreement between IGD Service S.r.l. and Do.Ma S.r.l. for the sale, as from 1 January 2022, of the mall at Centro Piave shopping center for consideration of €1 million.

Note 9) Financial income and charges

	6/30/2023	6/30/2022	Change
Bank interest income	24	61	(37)
Other interests income and equivalents	55	1	54
Financial income from third parties	**79**	**62**	**17**
Financial income from related parties	**0**	**0**	**0**
Financial Income	**79**	**62**	**17**

Most of the increase in financial income reflects a rise of €54 thousand in other interest income and equivalents.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

	6/30/2023	6/30/2022	Change
Interest expenses on security deposits	247	66	181
Financial charges from related parties	**247**	**66**	**181**
Interest expenses to banks	34	25	9
Amortized mortgage loan costs	11,440	2,235	9,205
Loans amortized costs	1,014	751	263
IRS spread	(1,355)	2,139	(3,494)
Bond financial charges	5,375	6,630	(1,255)
Bond amortized costs	1,172	1,405	(233)
IFRS 16 financial charges	715	586	129
Financial charges on leasing	53	16	37
Other interests and charges	583	519	64
Financial charges from third parties	**19,031**	**14,306**	**4,725**
Financial charges	**19,278**	**14,372**	**4,906**

Net financial charges went from €14,310 thousand in the first half of 2022 to €19,199 thousand. The increase of €4,889 thousand is due mainly to *(i)* higher interest on loans due to a new €215 million green loan taken out in August 2022 and a new €250 million loan taken out in May 2023, along with a rise in interest rates, *(ii)* lower expenses on interest rate swaps, partly as a result of the decrease in the notional amount, and *(iii)* lower financial charges on bonds.
At 30 June 2023, the average cost of debt (without considering recurring and non-recurring transaction costs) was 3.22%, up from 2.26% at 31 December 2022, while the weighted average effective cost of debt went from 2.71% to 3.67%.
The interest coverage ratio (ICR) calculated as the ratio of EBITDA to net financial charges is 2.9x, down from 3.6x at 31 December 2022.

Note 10) Income taxes

	6/30/2023	6/30/2022	Change
Current taxes	586	600	(14)
Deferred tax liabilities	(275)	64	(339)
Out-of-period income/charges - Provisions	5	(11)	16
Income taxes	**316**	**653**	**(337)**

Current and deferred taxes came to €316 thousand for the period, a decrease of €337 thousand with respect to the first half of 2022.

Current taxes were in line with the first half of the previous year.

Most of the change in deferred taxes (€339 thousand) is explained by: (i) adjustments reflecting the change in fair value of the investment property held by the non-SIIQ subsidiary Win Magazin S.A., and (ii) the effects of applying international accounting standard IFRS 16 to the lease agreement for the mall at Centro Nova shopping center.

Below is a reconciliation between theoretical income tax and actual income tax for the periods ended 30 June 2023 and 30 June 2022.

Teleborsa: distribution and commercial use strictly prohibited

EMARKET SDIR CERTIFIED

Reconciliation of income tax applicable to profit before taxes	6/30/2023	6/30/2022
Pre-tax profit	**(46,745)**	**27,110**
Theoretical tax change (rate 24%)	0	6,506
Profit resulting in the income statement	(46,745)	27,110
Increases:		
IMU - Property tax	3,637	3,653
Impairment on work in progress and inventories	399	510
Other increases	5,719	4,952
Decreases:		
Change in tax-exempt income	(26,666)	(27,584)
Deductible depreciation	(164)	(183)
Negative fair value	77,676	8,273
Other changes	(10,781)	(12,119)
Taxable income	**3,075**	**4,612**
Use of losses	**0**	**0**
Use of ACE benefit	**3,841**	**1,088**
Taxable income net of losses and ACE benefit	**(766)**	**3,524**
Current taxes of the year	**450**	**467**
Income from tax consolidation	**(36)**	**(65)**
Total current IRES for the year (a)	**414**	**402**

Difference between value and cost of production	**54,480**	**52,466**
Theoretical IRAP (3.9%)	2,125	2,046
Difference between value and cost of production	**54,480**	**52,466**
Changes:		
Increases	5,722	4,272
Decreases	(9,977)	(4,978)
Change in exempt income	(42,620)	(44,488)
Other deductions	(3,415)	(3,101)
Taxable IRAP Income	**4,190**	**4,171**
Current IRAP for the year (b)	**172**	**198**
Total current taxes (a + b)	**586**	**600**

Note 11) Earnings/(loss) per share

As required by IAS 33 (paragraph 66), the income statement presents the basic and diluted earnings/loss per share for profit or loss from continuing operations attributable to the ordinary equity holders of IGD SIIQ S.p.A. The information is provided on the basis of consolidated figures only, as provided for by IAS 33.

	6/30/2023	**6/30/2022**
Net profit attributable to IGD SIIQ S.p.A. shareholders	(47,063)	26,457
Diluted net profit attributable to IGD SIIQ S.p.A. shareholders	(47,063)	26,457
Weighted average number of ordinary shares for purposes of basic earnings per share	110,341,903	110,341,903
Weighted average number of ordinary shares for purposes of diluted earnings per share	110,341,903	110,341,903
Basic earnings per share	**(0.427)**	**0.240**
Diluted earnings per share	**(0.427)**	**0.240**

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Note 12) Intangible assets with finite useful lives

	01/01/2022	Increase	Amortization	12/31/2022
Intangible assets with finite useful lives	303	644	(151)	796

	01/01/2023	Increase	Amortization	6/30/2023
Intangible assets with finite useful lives	796	237	(176)	857

Intangible assets with finite useful lives consist of expenses incurred for the design and registration of company trademarks and for business software, licenses, and certifications valid for more than one year. During the half-year there were no impairment losses or reversals on intangible assets. The increases of €237 thousand refer mainly to the implementation of the new integrated accounting and management software.

Note 13) Goodwill

	01/01/2022	Increase	Impairment	12/31/2022
Goodwill	7,585	0	(500)	7,085

	01/01/2023	Increase	Impairment	6/30/2023
Goodwill	7,085	0	(250)	6,835

Goodwill has been allocated to the individual cash generating units (CGUs).
For each goodwill amount in the financial statements, the Group has indicated the pertinent CGU, distinguishing between:

i. goodwill from the purchase of companies with investment property;
ii. goodwill from the purchase of business units.

The first category consists of goodwill from the purchase of Win Magazin S.A., while the second is made up of goodwill from the purchase of the business units Winmarkt Management S.r.l., Centro Nova, San Donà, Darsena, Service and Fonti del Corallo.

Below is the breakdown of goodwill by CGU at 30 June 2023 and 31 December 2022:

Goodwill	6/30/2023	12/31/2023
Win Magazin S.A.	4,159	4,409
Winmarkt Management s.r.l.	1	1
Darsena	123	123
Fonti del Corallo	1,000	1,000
Centro Nova	546	546
Service	1,006	1,006
Goodwill	**6,835**	**7,085**

At 30 June 2023, goodwill for Win Magazin was reduced by €250 thousand as a result of the exchange rate adjustment.

Goodwill for Win Magazin refers to the consolidation difference that arose upon acquisition and first-time consolidation of Win Magazin S.A. The recoverability of the goodwill allocated to this CGU

Teleborsa: distribution and commercial use strictly prohibited

has been analyzed on the basis of the property appraisals by CBRE Valuation S.p.A. and KROLL S.p.A. in accordance with the criteria described earlier in these notes ("use of estimates"). Specifically, this goodwill covers the possibility to sell properties owned by the subsidiary (through the equity investment) without incurring taxes. Therefore, recoverability derives from the tax savings that could be achieved from the investment's sale and is measured on the basis of the deferred tax provision covering the higher book value of the property with respect to the tax-deductible amount.

Goodwill for the CGUs Fonti del Corallo, Centro Nova, Service, and Winmarkt Management pertains to business management for properties not owned by the Group, as well as services (facility management) provided at shopping centers owned by the Group and by third parties. For the latter, the Group performs impairment tests every year at 31 December, and whenever circumstances indicate that the recoverable amount of goodwill may have been impaired. At 30 June 2023 there were no signs from quantitative and/or qualitative indicators requiring that the tests be conducted anew.

As for the need to conduct second-level impairment testing at 30 June 2023 – given that the Group's stock market capitalization was again lower than consolidated net equity – to test the recoverability of consolidated net invested capital (including goodwill), in consideration of the fact that:

- in the first half of 2023 the Group outperformed the 2022-2024 Strategic Plan and the 2023 budget;
- impairment testing as of 31 December 2022 showed positive coverage of €4,23 thousand;
- in the first half of 2023, as a result of independent appraisals, consolidated net invested capital decreased by around €80 million and therefore absorbed the effects of the higher discount rates;

management has decided that for the half-year report at 30 June 2023 there are no quantitative and/or qualitative indicators suggesting the need for a new second-level impairment test.

Moreover, as mentioned in the 2022 Annual Report, regarding the difference between recoverable amount and market capitalization the directors considered the following factors:

- management view and assumptions vs. broker consensus;
- inputs used to calculate value in use, in terms of cash flows, discount rates, and any key variables;
- any information asymmetries between the market and management;
- different horizons (the market has an investment horizon, hence short-term);
- other valuation methods (value in use and fair value);
- liquidity of the shares;
- excessive market reaction to news or information.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Note 14) Investment property

	01/01/2022	Increase	Revaluation	Devaluation	Reclassification	12/31/2022
Investment property	2,062,060	11,936	9,208	(76,977)	9,870	2,016,097
Right-of-use IFRS16	31,116	268	0	(6,151)	0	25,233
Investment property	**2,093,176**	**12,204**	**9,208**	**(83,128)**	**9,870**	**2,041,330**

	01/01/2023	Increase	Revaluation	Devaluation	Reclassification	6/30/2023
Investment property	2,016,097	2,770	24,511	(95,295)	0	1,948,083
Right-of-use IFRS16	25,233	58	0	(3,641)	0	21,650
Investment property	**2,041,330**	**2,828**	**24,511**	**(98,936)**	**0**	**1,969,733**

Investment property decreased by €71,597 thousand, due mainly to:

- ongoing extraordinary maintenance work (€2,828 thousand), mostly for waterproofing at Leonardo shopping center and energy efficiency upgrades at Punta di Ferro, Centro d'Abruzzo, Tiburtino, Porte di Napoli, and La Torre shopping centers and at various shopping centers in Romania;
- fair value adjustments. Specifically, investment property was revalued in the amount of €24,511 thousand and written down by €95,295 thousand, for a net negative impact of €70,784 thousand;
- an impairment loss on the right-of-use assets for the malls at Centro Nova and Fonti del Corallo shopping centers based on the results of third-party appraisals (€3,641 thousand).

For details, see Sections 1.8 (significant events during the half-year) and 1.9 (the real estate portfolio) of the interim directors' report.

Note 15) Buildings

	01/01/2022	Increase	Decrease	Amortization	12/31/2022
Historical cost	10,133	68	0	0	10,201
Depreciation fund	(2,959)	0	0	(244)	(3,203)
Net book value	**7,174**	**68**	**0**	**(244)**	**6,998**

	01/01/2023	Increase	Decrease	Amortization	6/30/2023
Historical cost	10,201	2	0	0	10,203
Depreciation fund	(3,203)	0	0	(122)	(3,325)
Net book value	**6,998**	**2**	**0**	**(122)**	**6,878**

This item refers to the lease-to-own purchase of the building that houses IGD SIIQ S.p.A.'s head office. The movement during the half-year refers to the standard depreciation process.

Note 16) Plant and machinery, equipment, and leasehold improvements

	01/01/2022	Increase	Decrease	Amortization	12/31/2022
Historical cost	3,247	7	0	0	3,254
Depreciation fund	(3,132)	0	0	(36)	(3,168)
Plant and machinery	**115**	**7**	**0**	**(36)**	**86**
Historical cost	6,954	892	0	0	7,846
Depreciation fund	(5,213)	0	0	(293)	(5,506)
Equipment and other goods	**1,741**	**892**	**0**	**(293)**	**2,340**

	01/01/2023	Increase	Decrease	Amortization	6/30/2023
Historical cost	3,254	10	0	0	3,264
Depreciation fund	(3,168)	0	0	(18)	(3,186)
Plant and machinery	**86**	**10**	**0**	**(18)**	**78**
Historical cost	7,846	0	(26)	0	7,820
Depreciation fund	(5,506)	0	0	(191)	(5,697)
Equipment and other goods	**2,340**	**0**	**(26)**	**(191)**	**2,123**

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Most of the increase in depreciation reflects the purchase and installation, in 2022, of multimedia information terminals at various malls.

Note 17) Assets under construction

	01/01/2022	Increase	Decrease	(Impairment)/Re valuations	Changes in fair value	Reclassification to investment properties	12/31/2022
Assets under construction	44,075	18,876	0	(41)	(16,402)	(9,870)	36,638
Advance payments	20	4	0	0	0	0	24
Assets under construction and advance payments	**44,095**	**18,880**	**0**	**(41)**	**(16,402)**	**(9,870)**	**36,662**

	01/01/2023	Increase	Decrease	(Impairment)/Re valuations	Changes in fair value	Reclassification to investment properties	6/30/2023
Assets under construction	36,638	6,171	(1,878)	(279)	(5,452)	0	35,200
Advance payments	24	0	(1)	0	0	0	23
Assets under construction and advance payments	**36,662**	**6,171**	**(1,879)**	**(279)**	**(5,452)**	**0**	**35,223**

Assets under construction and advances decreased by a net €1,439 thousand, the result of:

- ongoing work on the Officine Storiche section of Porta a Mare (€4,811 thousand), partially offset by the deduction of costs incurred for various works eligible for offsetting (€1,878 thousand);
- restyling work (second lot) at Porto Grande shopping center in San Benedetto del Tronto, scheduled for completion in 2023 (work performed during the period amounted to €1,078 thousand);
- restyling work at Leonardo shopping center in Imola, scheduled for completion in 2023 (work performed during the period amounted to €282 thousand);
- the writedown of the Officine Storiche portion of the Porta a Mare project, nearing completion (€5,452 thousand), and the writedown of the Porto Grande expansion by €279 thousand.

Note 18) Deferred tax assets and deferred tax liabilities

Deferred tax assets and liabilities have been offset in accordance with paragraph 74 of IAS 12, given that: *(i)* the company is entitled to offset current tax assets and liabilities and *(ii)* the deferred tax assets and liabilities are associated with income taxes charged by the same tax jurisdiction.

Deferred tax assets and deferred tax liabilities for the Italian companies are shown in detail below:

	6/30/2023	12/31/2022	Change
Taxed provisions	469	518	(49)
Impairment loss on inventories	2,559	2,559	0
Impairment loss on equity investments and financial receivables	289	289	0
Loss from tax consolidation	741	741	0
IFRS 16	2,066	1,967	99
Total deferred tax assets	**6,124**	**6,074**	**50**

	6/30/2023	12/31/2022	Change
Investment property	(2,005)	(1,981)	(24)
IRS transactions	(1,347)	(1,525)	178
Other effects	(38)	(31)	(7)
Total deferred tax liabilities	**(3,390)**	**(3,537)**	**147**

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

	6/30/2023	12/31/2022	Change
Net deferred tax assets	2,734	2,537	197
Net deferred tax liabilities	0	0	0
Total net deferred tax assets	**2,734**	**2,537**	**197**

Deferred tax assets mainly originate from:

- taxed provisions, such as the provision for doubtful accounts and the bonus provision;
- the effect of writing down inventories to market value;
- the recognition of deferred tax assets on mortgage hedging instruments (IRS);
- the application of IFRS 16;
- tax losses carried forward.

Deferred tax liabilities refer mainly to the difference between the market value of investment property held by IGD Service and its value for tax purposes.
Given the likelihood of future taxable income, prior-year losses are expected to be used, so the deferred tax assets are likely to be recovered.

For the Italian companies, at 30 June 2023 the balance of deferred tax assets of €6,124 thousand and deferred tax liabilities of €3,390 thousand was a net asset of €2,734 thousand.

The deferred tax liabilities shown in the statement of financial position include the deferred tax liabilities on the investment property of the Romanian subsidiary Win Magazin SA. The decrease in deferred tax liabilities for the Romanian companies reflects the negative change in the fair value of investment property during the period.

	6/30/2023	12/31/2022	Change
Investment property Romania	16,394	16,636	(242)
Italian companies deferred tax assets	2,734	2,537	197
Total deferred tax liabilities	**13,660**	**14,099**	**(439)**

Note 19) Sundry receivables and other non-current assets

	6/30/2023	12/31/2022	Change
Security deposits	101	101	0
Due to other	8	20	(12)
Sundry receivables and other non-current assets	**109**	**121**	**(12)**

This item was essentially unchanged with respect to 31 December 2022.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Note 20) Equity investments

	01/01/2023	Increase	Decrease	06/30/2023
Cons. propr. del compendio com. del Commendone (GR)	6	0	0	6
Consorzio prop. Fonti del Corallo	7	0	0	7
Consorzio I Bricchi	4	0	0	4
Consorzio Leonardo	0	0	0	0
Consorzio Punta di Ferro	6	0	0	6
Equity investment in subsidiaries	**23**	**0**	**0**	**23**
Millennium Center	4	0	0	4
Fondo Juice	25,666	0	0	25,666
Equity investments in associates	**25,670**	**0**	**0**	**25,670**
Equity investments in other companies	**72**	**0**	**0**	**72**
Equity investments	**25,765**	**0**	**0**	**25,765**

Equity investments were unchanged with respect to 31 December 2022.
Fondo Juice, of which the Company owns 40%, was formed in 2021 with IGD's contribution of five hypermarkets and one supermarket, with an eye to boosting earnings from its real estate portfolio. The fund is valued using the equity method and its valuation at 30 June 2023 was in line with the previous year.

Note 21) Non-current financial assets

	6/30/2023	12/31/2022	Change
Non-current financial assets	**174**	**174**	**0**

These consist of the interest-free loan due from Iniziative Bologna Nord S.r.l (in liquidation) in the amount of €174 thousand, net of the €430 thousand writedown charged in previous years.

Note 22) Work in progress inventory

	01/01/2023	Increase	Decrease	Revaluations/ (Write-downs)	6/30/2023
"Porta a Mare" project	29,240	345	(5,185)	(120)	24,280
Advances	57	0	0	0	57
Work in progress inventory	**29,297**	**345**	**(5,185)**	**(120)**	**24,337**

Inventory for work in progress related to land, buildings (completed and under construction) and urban infrastructure works at the multifunctional complex in Livorno underwent: (i) an increase for work on the Officine Storiche section, totaling €345 thousand; (ii) a decrease for the final sale of 1 property and 1 enclosed garage unit in the Mazzini section and 12 properties, 10 enclosed garage units, and 1 parking space in the Officine section (€5,185 thousand); and (iii) a writedown to adjust carrying amount to the lower of cost and appraised fair value (€120 thousand).

Note 23) Trade and other receivables

	6/30/2023	12/31/2022	Change
Trade and other receivables	28,070	33,200	(5,130)
Provision for doubtful accounts	(17,267)	(17,988)	721
Trade and other receivables	**10,803**	**15,212**	**(4,409)**

Trade receivables, net of the provision for doubtful accounts, decreased by €4,409 thousand with respect to 31 December 2022. The allocation to the provision for doubtful accounts, €1,152 thousand, was calculated based on the problems encountered with individual receivables.
Net allocations for Italy came to €155 thousand: gross allocations of €1,058 thousand minus utilizations of €903 thousand.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

The €1,058 thousand in gross allocations for Italy is made up of:

- €912 thousand for the writedown of non-performing receivables in Italy;
- €145 thousand for the writedown of receivables being pursued through legal action in Italy.

During the period, the Romanian companies made net allocations for doubtful accounts of €14 thousand with no utilizations.

Movements in the provision for doubtful accounts are reported below:

	6/30/2023	12/31/2022	Change
Provision for doubtful account at the beginning of the period	**17,988**	**20,343**	**(2,355)**
Foreign exchange effect	(2)	0	(2)
Reverse	(1,871)	(2,888)	1,017
Provision	1,152	533	619
Provision for doubtful account at the end of the period	**17,267**	**17,988**	**(721)**

The following table shows receivables by geographical area:

	6/30/2023	12/31/2022	Change
Receivables Italy	27,101	32,117	(5,016)
Provision for doubtful accounts	(16,780)	(17,515)	735
Net receivables Italy	**10,321**	**14,602**	**(4,281)**
Receivables Romania	969	1,083	(114)
Provision for doubtful accounts	(487)	(473)	(14)
Net receivables Romania	**482**	**610**	**(128)**
Total Net Receivables	**10,803**	**15,212**	**(4,409)**

Note 24) Related party trade and other receivables

	6/30/2023	12/31/2022	Change
Coop Alleanza 3.0	105	99	6
Librerie Coop s.p.a.	0	25	(25)
Alleanza Luce e Gas	27	25	2
Unicoop Tirreno s.c.a.r.l.	37	37	0
Cons. propr. del compendio com. del Commendone (GR)	98	50	48
Consorzio Cone'	3	3	0
Consorzio Clodì	1	1	0
Consorzio Crema (Gran Rondò)	1	3	(2)
Consorzio I Bricchi	75	39	36
Consorzio Katané	29	107	(78)
Consorzio Lame	1	127	(126)
Consorzio Leonardo	6	65	(59)
Consorzio La Torre	145	0	145
Consorzio Porta a Mare	90	22	68
Consorzio Sarca	65	2	63
Consorzio Punta di Ferro	44	80	(36)
Millennium Center	151	22	129
Fondo Juice	47	171	(124)
Consorzio La Favorita	2	49	(47)
Consorzio Le Porte di Napoli	253	179	74
Consorzio Casilino	44	133	(89)
Consorzio del centro commerciale Nuova Darsena	3	3	0
Related party trade and other receivables	**1,227**	**1,242**	**(15)**

Related party trade and other receivables amounted to €1,227 thousand at 30 June 2023, in line with the previous year.
See Note 38 for details.

Teleborsa: distribution and commercial use strictly prohibited

EMARKET SDIR CERTIFIED

Note 25) Other current assets

	6/30/2023	12/31/2022	Change
Tax credits			
VAT credits	4,001	5,099	(1,098)
IRES credits	465	468	(3)
IRAP credits	562	580	(18)
Due from others			
Advances paid to suppliers	1	97	(96)
Accrued income and prepayments	2,849	1,045	1,804
Deferred costs	250	226	24
Other costs of services	253	233	20
Other current assets	**8,381**	**7,748**	**633**

Other current assets increased by €633 thousand, due mainly to greater prepayments for insurance and other costs pertaining to the year but paid in the first half of 2023, which were partially offset by the lower VAT credit.

Note 26) Cash and cash equivalents

	6/30/2023	12/31/2022	Change
Cash and cash equivalents	16,180	27,022	(10,842)
Cash on hand	131	47	84
Cash and cash equivalents	**16,311**	**27,069**	**(10,758)**

Cash and cash equivalents at 30 June 2023 consisted mainly of current account balances at banks. The statement of cash flows provides a clearer understanding of how this item changed during the period.

Note 27) Net equity

	6/30/2023	12/31/2022	Change
Share capital	650,000	650,000	0
Other reserves	**458,675**	**477,948**	**(19,273)**
Legal reserve	130,000	130,000	0
Translation reserve	(6,120)	(5,847)	(273)
FTA IFRS 16 reserve	1,886	1,886	0
Recalculation of defined benefit plans	412	412	0
Cash flow hedge reserve	885	964	(79)
Fair value reserve	212,586	216,608	(4,022)
Subsidiaries cash flow hedge reserve	3,382	3,866	(484)
Recalculation of defined benefit plans subsidiaries	271	271	0
Available reserve from capital reduction	53,584	55,178	(1,594)
Other available reserves	61,789	74,610	(12,821)
Group profit (loss) carried forward	(20,814)	16,167	(36,981)
Group profit	(47,063)	(22,315)	(24,748)
Total Group net equity	**1,040,798**	**1,121,800**	**(81,002)**
Capital and reserves of non-controlling interests	**0**	**0**	**0**
Net Equity	**1,040,798**	**1,121,800**	**(81,002)**

The Group's share of net equity amounted to €1,040,798 thousand at 30 June 2023. The decrease of €81,002 thousand is explained by:

Teleborsa: distribution and commercial use strictly prohibited

- the negative adjustment of cash flow hedge reserves pertaining to derivatives accounted for using the cash flow hedge method (€79 thousand for the parent company);
- the negative adjustment of cash flow hedge reserves pertaining to derivatives accounted for using the cash flow hedge method (€484 thousand for a subsidiary);
- movements in the reserve for the translation of foreign currency financial statements, for a negative €273 thousand;
- dividends paid during the period (€33,103 thousand);
- the Group's share of net loss for the period (€47,063 thousand).

Note 28) Non-current financial liabilities

This item includes the non-current portion of floating-rate loans from banks, bonds, and amounts due to other lenders, as detailed below:

	Duration	6/30/2023	12/31/2022	Change
Mortgage loans		**448,110**	**386,757**	**61,353**
08 Carisbo Guidonia IGD Tiburtino	27/03/2009 - 27/03/2024	0	23,187	(23,187)
01 Unipol Sarca	10/04/2007 - 06/04/2027	48,945	50,438	(1,493)
07 Carige Nikefin Asti I Bricchi	31/12/2008 - 31/03/2024	0	9,530	(9,530)
13 CR Veneto Mondovi (Retail Park)	08/10/2009 - 01/11/2024	0	9,286	(9,286)
10 Mediocredito Faenza IGD	05/10/2009 - 30/06/2029	4,640	5,106	(466)
14 MPS Palermo (Galleria)	21/12/2010 - 30/11/2025	0	10,698	(10,698)
17 Carige Palermo IGD (Iper)	12/07/2011 - 30/06/2027	5,677	6,587	(910)
15 CentroBanca Cone (Galleria)	22/12/2010 - 31/12/2025	13,806	15,121	(1,315)
Mps - SACE 2020	16/10/2020 - 30/09/2026	19,924	24,212	(4,288)
BNL 215 Milioni	04/08/2022 - 01/08/2027	212,671	212,544	127
Mps - SACE 2022	15/12/2022 - 30/09/2028	20,167	20,048	119
Intesa 250 Milioni	09/05/2023 - 09/08/2028	122,280	0	122,280
Debts for bonds		**396,458**	**495,223**	**(98,765)**
Bond 100 Milioni	11/01/2017- 11/01/2024	0	99,896	(99,896)
Bond 400 Milioni	28/11/2019 - 28/11/2024	396,458	395,327	1,131
Due to other source of finance		**19,433**	**23,370**	**(3,937)**
Sardaleasing for Bologna HQ	30/04/2009 - 30/04/2027	1,950	2,145	(195)
IFRS 16 Livorno liabilities	01/01/2019 - 31/03/2026	5,652	7,296	(1,644)
IFRS 16 Nova liabilities	01/01/2019 - 28/02/2027	11,831	13,929	(2,098)
Non current financial liabilities		**864,001**	**905,350**	**(41,349)**
Total financial liabilities vs related parties		**0**	**0**	**0**

The following table shows movements in non-current financial liabilities:

NON CURRENT FINANCIAL LIABILITIES	12/31/2022	250 ML INTESA LOAN	REFUNDS / RENEGOTIATIONS	AMORTIZED COST	RECLASSIFICATION	6/30/2023
Payables due to loans	386,757	125,851	(53,018)	(1,119)	(10,361)	448,110
Payables due to bonds	495,223	0	0	1,131	(99,896)	396,458
Payables due to IFRS16	21,225	0	0	0	(3,742)	17,483
Payables due to other source of finance	2,145	0	0	0	(195)	1,950
TOTAL	**905,350**	**125,851**	**(53,018)**	**12**	**(114,194)**	**864,001**

Mortgage loans

Mortgage loans due beyond 12 months increased by €61,353 thousand with respect to 31 December 2022. The change reflects the green secured loan contracted with a pool of major

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

national and international lenders including Intesa Sanpaolo S.p.A. (IMI Corporate & Investment Banking division), serving as global coordinator, green coordinator, agent bank and lender bank; Group MPS, through MPS Capital Services Banca per le Imprese S.p.A., serving as global coordinator and lender bank; 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., all serving as lender banks; for a maximum of €250 million due in five years. At 30 June 2023, IGD had received the first tranche of the loan in the amount of €130 million. Upon receiving that sum, the Company paid off some existing mortgage loans originally due in 2024 or 2025.
Mortgage loans are secured by properties.
The rest of the change in this item is explained by the reclassification to current financial liabilities of the principal falling due in the next 12 months, and the early repayment of loans as mentioned above. The average interest rate on adjustable-rate mortgage loans at 30 June 2023 was 6.57%.

Bonds

The change in bonds during the year is due to *(i)* the reclassification to current liabilities of the €100 million loan maturing in January 2024 and (ii) the amortization of transaction costs for outstanding bonds using the amortized cost method.
Details of outstanding bonds are presented in the table below:

	NON-CURRENT PORTION	CURRENT PORTION				NON-CURRENT PORTION	CURRENT PORTION		
Debts for bonds	**12/31/2022**	**12/31/2022**	**Bond issue / repayments**	**Ancillary cost amortization at 6/30/2023**	**Financial chargest at 6/30/2023**	**6/30/2023**	**6/30/2023**	**Nominal interest rate**	**Actual interest rate**
Bond 100 ML	100,000				0	0	100,000		
Additional transaction costs	(104)			41		0	(63)		
Coupon rate 12.31.2022		1,056			(1,056)	0	0		
Paid interest					1,125	0	0		
Coupon rate 06.30.2023					1,056	0	1,056		
Total Bond 100 ML	**99,896**	**1,056**		**41**	**1,125**	**0**	**100,993**	**2.250%**	**2.35%**
Bond 400 ML	400,000					400,000	0		
Additional transaction costs	(4,673)			1,131		(3,542)	0		
Coupon rate 12.31.2022		756			(756)	0	0		
Paid interest					0	0	0		
Coupon rate 06.30.2023					5,006	0	5,006		
Total Bond 400 ML	**395,327**	**756**	**0**	**1,131**	**4,250**	**396,458**	**5,006**	**2.125%**	**2.76%**
Total bonds	**495,223**	**1,812**	**0**	**1,172**	**5,375**	**396,458**	**105,999**		
Total financial charges				**1,172**	**5,375**				

Due to other sources of finance and for IFRS 16

This item covers the non-current portion of liabilities arising from:

- the lease for HQ premises;
- the use of IFRS 16 to account for the leases on the malls at Fonti del Corallo and Nova shopping centers.

Teleborsa: distribution and commercial use strictly prohibited

EMARKET SDIR CERTIFIED

Covenants

The following table presents covenants on outstanding loans. All of the covenants were satisfied at 30 June 2023.

	Name	Guarantees given	Type of product	End date	Financial "covenant"	Indicator i)	Indicator ii)	Indicator iii)	Indicator iv)	Indicator v)
121	Bper Banca	Sarca shopping mall	Mortgage	4/6/2027	Certified consolidated financial statement: ratio of net debt (including derivative assets and liabilities) to net equity must not exceed 2.3	0.92				
49	Banca Intesa Sanpaolo	Le Maioliche Shopping Center (Hypermarket)	Loan	6/30/2029	IGD Siiq SpA financial statements: ratio of external net debt to equity + Intercompany loan must not exceed 2.70	0.93				
35	Banca Intesa Sanpaolo	Conè Shopping Center (Mall)	Loan	12/31/2025	Certified consolidated financial statement: ratio of net debt (including derivative assets and liabilities) to net equity must not exceed 2	0.92				
263	Banca Intesa Sanpaolo	Punta di Ferro Shopping Mall Tiburtino Shopping Center (ihypermkt + mall) Porto Grande Shopping Center (hypermkt + mall) Centro Luna Shopping Mall Gran Rondò Shopping Mall Mondovicino Shopping Mall and Retail Park Lame Shopping Center (hypermkt + loan) Città delle Stelle Shopping Center (hypermkt + loan)	Mortgage	5/9/2028	i) Ratio Total Asset - Intangible Asset to Total Debt lower (excluding derivative liabilities and net of cash and cash equivalents) under 60%; ii) Interest Cover Ratio (recurring items on cash basis) > 1.7; iii) Ratio of Secured Debt to Total Asset - Intangible Asset under 45%; iv) Ratio of unencumbered assets to unsecured debt (net of cash and cash equivalents) > or equal to 1.25 - [excluding effect of IFRS16 accounting standards]; v) Loan to value not more than 50%	45.84%	4.03	10.02%	1.70	23.09%
28	Notes 2,25% - 11/01/2024	unsecured	Bond	1/11/2024	i) Ratio Total Asset - Intangible Asset to Total Debt lower (excluding derivative liabilities) under 60%; ii) Interest Cover Ratio (recurring items on cash basis) > 1.7; iii) Ratio of Secured Debt to Total Asset - Intangible Asset under 45%; iv) Ratio of unencumbered assets to Unsecured debt > 1.50 - [including effect of IFRS16 accounting standards]	47.33%	3.68	11.10%	1.67	
35	Notes 2,125% - 28/11/24	unsecured	Bond	11/28/2024	i) Ratio Total Asset - Intangible Asset to Total Debt (excluding derivative liabilities and net Cash and Cash Equivalents) under 60%; ii) Interest Cover Ratio (recurring items on cash basis) > 1.7; iii) Ratio of Secured Debt to Total Asset - Intangible Asset under 45%; iv) Ratio of unencumbered assets to Unsecured debt (net of Cash and Cash equivalentsi) > 1.25 - [excluding effect of IFRS16 accounting standards]	45.85%	4.03	10.02%	1.70	
152	34 Syndicated Loan	unsecured	Syndicated loan	6/30/2027	i) Ratio Total Asset - Intangible Asset to Total Debt (excluding derivative liabilities) under 60%; ii) Interest Cover Ratio (recurring items on cash basis) > 1.7; iii) Ratio of Secured Debt to Total Asset - Intangible Asset under 45%; iv) Ratio of unencumbered assets to Unsecured debt > 1.25 - [excluding effect of IFRS16 accounting standards]	45.84%	4.03	10.02%	1.70	
57	35 Fin.to MPS Garanzia Italia	unsecured	Unsecured loan	10/16/2026	i)Ratio Total Asset - Intangible Asset to Total Debt (excluding derivative liabilities and cahs and cash equivalents) under 65% ii) Interest Cover Ratio (recurring items on cash basis) > 1.5; iii) Ratio of Secured Debt to Total Asset - Intangible Asset under 50%; iv) Ratio of unencumbered assets to Unsecured debt (net of cash and cash equivalents) > 1.00 - [excluding effect of IFRS16 accounting standards]	45.85%	4.03	10.02%	1.70	

Note 29) Provision for employee severance indemnities

Movements in the provision for employee severance indemnities are shown below:

	01/01/2023	Actuarial (Gain)/ Losses	Reverse	Provision	Financial charges IAS 19	6/30/2023
Provisions for employee severance indemnities	2,756	0	(153)	121	50	2,774

	01/01/2022	Actuarial (Gain)/ Losses	Reverse	Provision	Financial charges IAS 19	12/31/2022
Provisions for employee severance indemnities	3,391	(785)	(190)	304	36	2,756

The following charts show the demographic and financial assumptions used:

DEMOGRAPHIC ASSUMPTIONS	*EMPLOYEES*
Probability of death	RG 48
Probability of long-term disability	INPS (national statistics) by age and gender
Probability of retirement	Achievement of retirement age under mandatory general insurance
Probability of resignation	2%
Probability of receiving TFR advance at beginning of the year (provisioned at 70%)	1%

FINANCIAL ASSUMPTIONS	*2023*
Cost of living increase	2.30%
Discount rate	3.77%
Increase in total compensation	Executives 2.5% White collar/Middle managers 1.0% Blue collar 1.0%
Increase in severance indemnity provision	3.2250%

The provision qualifies as a defined benefit plan. In accordance with paragraph 83 of IAS 19, the annual discount rate used to calculate the present value of the liability is based on the iBoxx

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Corporate A index with duration 10+ as of the measurement date. Use of a discount rate based on the iBoxx Corporate AA 10+ would not have made a significant difference.
As permitted by the international accounting standards, the provision for employee severance indemnities is assessed once a year by an independent actuary upon closure of the annual accounts.

Note 30) General provisions

	01/01/2023	Reverse	Provision	6/30/2023
Provision for taxation	1,922	0	346	2,268
Consolidated Fund risks and future charges	1,827	0	410	2,237
Bonus provisions	895	(755)	586	726
Provisions for risks and future charges	**4,644**	**(755)**	**1,342**	**5,231**

Provision for taxation

This provision covers the charges that might arise from tax audits and other likely tax liabilities. The increase consists mainly of an additional allocation against pending IMU/ICI (local property tax) disputes, which mainly concern new classifications and cadastral rent calculations for three shopping centers.

Bonus provision

The bonus provision covers the variable compensation that will be paid to employees in 2024 on the basis of the Group's 2023 estimated results. The utilization refers to the bonus for 2022, paid to employees in June 2023.

Other general provisions

These cover the risks arising from litigation in course and probable other expenses (€410 thousand), and estimated end-of-term benefits for directors (€750 thousand). During the first half of the year, movements consisted of *(i)* an allocation of €160 thousand for IGD's share of earthquake proofing to be carried out at some of the supermarkets and hypermarkets sold in 2021, and *(ii)* an allocation of €250 thousand for an administrative dispute involving the subsidiary Win Magazin S.a.

Note 31) Sundry payables and other non-current liabilities

	6/30/2023	12/31/2022	Change
Livorno municipality obligation	4,039	5,918	(1,879)
Down payments due over year	800	800	0
Extention fees BNL	625	625	0
Extention fees INTESA	516	0	516
SACE guarantee debts	968	968	0
SIINQ entry tax debts	493	731	(238)
Other liabilities	402	345	57
Sundry payables and other non-current liabilities	**7,843**	**9,387**	**(1,544)**

The decrease of €1,544 thousand in sundry payables and other non-current liabilities is explained chiefly by the reduction of the amount due to the City of Livorno thanks to the completion of works eligible for offsetting.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Commitments to the City of Livorno concern additional secondary urban infrastructure works as provided for by contract (€587 thousand) and works to be delivered to Porta a Mare S.p.A. (€3,452 thousand).
Advances due beyond one year refer to the advance from BNP Paribas under the agreement for the sale of the commercial licenses of the Fonti del Corallo mall, which will be finalized in 2026 when the current rental contract expires.

Related party payables are shown below:

	6/30/2023	12/31/2022	Change
Coop Alleanza 3.0	9,911	9,911	0
Librerie Coop s.p.a.	35	0	35
Alleanza Luce e Gas	55	55	0
Unicoop Tirreno s.c.a.r.l.	25	25	0
Distribuzione Centro Sud s.r.l.	450	450	0
Related parties sundry payables and other non-current liabilities	**10,476**	**10,441**	**35**

Security deposits refer to the sums advanced on the leasing of hypermarkets and malls. Security deposits pay interest at the rates provided for by law.

Note 32) Current financial liabilities

	Duration	6/30/2023	12/31/2022	Change
Due to banks		**0**	**13,000**	**(13,000)**
Bper intesa - Hot money	09/05/2022 - 28/01/2023	0	13,000	(13,000)
Mortgage loans		**20,675**	**76,348**	**(55,673)**
05 BreBanca IGD MONDOVICINO (Galleria)	23/11/2006 - 10/01/2023	0	690	(690)
06 Unipol Lungosavio IGD	31/12/2008 - 31/12/2023	0	4,025	(4,025)
01 Unipol Sarca	10/04/2007 - 06/04/2027	3,460	3,295	165
08 Carisbo Guidonia IGD TIBURTINO	27/03/2009 - 27/03/2024	0	4,136	(4,136)
07 Carige Nikefin Asti I BRICCHI	31/12/2008 - 31/03/2024	0	2,082	(2,082)
13 CR Veneto Mondovi (Retail Park)	08/10/2009 - 01/11/2024	0	1,725	(1,725)
10 Mediocredito Faenza IGD	05/10/2009 - 30/06/2029	933	934	(1)
14 MPS Palermo (Galleria)	21/12/2010 - 30/11/2025	0	2,318	(2,318)
17 Carige Palermo IGD (Iper)	12/07/2011 - 30/06/2027	1,811	1,791	20
15 CentroBanca Cone (Galleria)	22/12/2010 - 31/12/2025	2,640	2,642	(2)
Ubi 5 Leonardo loan	19/04/2018 - 17/10/2023	0	41,713	(41,713)
Ubi 1 Lame Rp Favorita loan	19/04/2018 - 17/07/2023	0	1,891	(1,891)
Mps sace	16/10/2020 - 30/09/2026	9,075	9,075	0
BNL 215 ML loan	04/08/2022 - 01/08/2027	0	31	(31)
Intesa 250 ML	09/05/2023 - 09/08/2028	2,756	0	2,756
Due to other source of finance		**7,776**	**7,674**	**102**
Leasing Sede Igd	30/04/2009 - 30/04/2027	386	380	6
IFRS 16 Livorno liabilities	01/01/2019 - 31/03/2026	3,220	3,152	68
IFRS 16 Abruzzo liabilities	01/01/2019 - 31/12/2023	60	119	(59)
IFRS 16 Nova liabilities	01/01/2019 - 28/02/2027	4,110	4,023	87
Debts for bonds		**105,999**	**1,812**	**104,187**
Bond 100 ML	11/01/2017- 11/01/2024	100,993	1,056	99,937
Bond 400 ML	28/11/2019 - 28/11/2024	5,006	756	4,250
Current financial liabilities		**134,450**	**98,834**	**35,616**
Total current financial liabilities vs related parties		**0**	**0**	**0**

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Movements in current financial liabilities are shown in the table below:

CURRENT FINANCIAL LIABILITIES	12/31/2022	COUPON OF THE YEAR	INCREASES	REFUNDS	AMORTIZED COST	INTEREST RATE	RECLASSIFICA TION	6/30/2023
Payables due to banks	13,000	0	6,000	(19,000)	0	0	0	0
Payables due to loans	76,348	0	0	(66,935)	29	873	10,360	20,675
Payables due to bonds	1,812	(1,125)	0	0	41	5,375	99,896	105,999
Payables due to IFRS16	7,294	0	0	(3,645)	0	0	3,741	7,390
Payables due to other source of finance	380	0	0	(189)	0	0	195	386
TOTAL	**98,834**	**(1,125)**	**6,000**	**(89,769)**	**70**	**6,248**	**114,192**	**134,450**

Current financial liabilities with third parties include the current portion of lease payments on the new head office, the current portion of outstanding mortgage and bond loans (including interest accrued), and the current portion of the financial liabilities arising from the adoption of IFRS 16.

The principal changes in current financial liabilities relate to:

- the repayment of ultra-short-term borrowings (€13 million);
- the early repayment of various mortgage loans, originally maturing in 2024 or 2025, in the second quarter of 2023 as a result of contracting a five-year loan of up to €250 million with a pool of major national and international lenders. At 30 June 2023, IGD had received the first tranche of that loan in the amount of €130 million;
- the reclassification to current liabilities of the €100 million bond loan maturing in January 2024.

Note 33) Net financial position

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

	6/30/2023	12/31/2022	Change
Cash and cash equivalents	(16,311)	(27,069)	10,758
LIQUIDITY	**(16,311)**	**(27,069)**	**10,758**
Current financial liabilities	0	13,000	(13,000)
Mortgage loans - current portion	20,675	76,348	(55,673)
Leasing - current portion	7,776	7,674	102
Bond loans - current portion	105,999	1,812	104,187
CURRENT DEBT	**134,450**	**98,834**	**35,616**
CURRENT NET DEBT	**118,139**	**71,765**	**46,374**
Non-current financial assets	(174)	(174)	0
Leasing - non-current portion	19,433	23,371	(3,938)
Non-current financial liabilities	448,110	386,756	61,354
Bond loans	396,458	495,223	(98,765)
NON-CURRENT NET DEBT	**863,827**	**905,176**	**(41,349)**
Net debt	**981,966**	**976,941**	**5,025**

Net debt decreased by about €5 million 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 half-year net of capital expenditure and mortgage loan payments.

The gearing ratio is the ratio of net financial position to net equity, including non-controlling interests, net of cash flow hedge reserves. The ratio of 0.95 at 30 June 2023 showed a negative trend compared with 31 December 2022 (0.87).

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Uncommitted credit facilities amount to €113 million: €63 million from banks and €50 million from the holding company, Coop Alleanza 3.0. They were fully unutilized at the end of the period.
Committed revolving credit facilities with banks, unutilized at 30 June 2023, amount to €60 million.
See the "Statement of financial position and financial review" section of the Directors' Report, as well as the statement of cash flows, for additional comments on changes in the net financial position.

As in previous years, the net financial position does not include other payables consisting mainly of: *(i)* security deposits and guarantees received from third parties and related parties for the lease of hypermarkets and malls; *(ii)* tax liabilities; and *(iii)* payables for extension fees.
In addition, as in previous years, it does not include assets for derivative financial instruments which amounted to €5,493 thousand.

Note 34) Trade and other payables

	6/30/2023	12/31/2022	Change
Trade payables within	14,115	22,746	(8,631)
Trade and other payables	**14,115**	**22,746**	**(8,631)**

The decrease in trade payables mostly reflects the different timing of payments.

Note 35) Related party trade and other payables

	6/30/2023	12/31/2022	Change
Coop Alleanza 3.0	1,068	262	806
Librerie Coop s.p.a.	5	0	5
Alleanza Luce e Gas	1	1	0
Unicoop Tirreno s.c.a.r.l.	10	0	10
Cons. propr. del compendio com. del Commendone (GR)	7	41	(34)
Consorzio prop. Fonti del Corallo	25	33	(8)
Consorzio Cone'	25	60	(35)
Consorzio Clodì	4	37	(33)
Consorzio Crema (Gran Rondò)	27	29	(2)
Consorzio I Bricchi	0	25	(25)
Consorzio Katanè	49	159	(110)
Consorzio Lame	12	79	(67)
Consorzio Leonardo	0	146	(146)
Consorzio La Torre	0	164	(164)
Consorzio Porta a Mare	0	28	(28)
Consorzio Sarca	22	269	(247)
Distribuzione Centro Sud s.r.l.	0	6	(6)
Consorzio Punta di Ferro	45	59	(14)
Millennium Center	0	98	(98)
Fondo Juice	14	14	0
Consorzio La Favorita	105	6	99
Consorzio Le Porte di Napoli	25	118	(93)
Consorzio Casilino	25	211	(186)

Related party trade and other payables decreased by €376 thousand due to the different timing of payments.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

See Note 38 for additional information.

Note 36) Current tax liabilities

	6/30/2023	12/31/2022	Change
Due to tax authorities for withholdings	2,511	714	1,797
Irap	66	43	23
Ires	219	171	48
VAT	125	181	(56)
Other taxes	0	2	(2)
Substitute tax	0	620	(620)
Entry tax SIINQ	262	244	18
Current tax liabilities	**3,183**	**1,975**	**1,208**

The change in tax liabilities of €1,208 thousand mostly refers to withholding tax due on dividends, partially offset by the settlement of the substitute tax on revaluation and realignment, under the option granted by Art. 110 of Decree Law 104 of 14 August 2020 (the "August Decree," converted into Law 126 of 13 October 2020) to realign statutory amounts with those valid for tax purposes and to revalue business assets, including for tax purposes, by paying a substitute tax equal to 3% of the revalued amounts. This option was taken in 2020 by the subsidiaries Millennium Gallery S.r.l. and IGD Management S.r.l. and the final installment was paid in the second quarter of 2023.

Note 37) Other current liabilities

	6/30/2023	12/31/2022	Change
Social security	408	384	24
Accrued liabilities and deferred income	1,396	289	1,107
Insurance	8	8	0
Due to employees	1,058	820	238
Security deposits	9,330	9,143	187
Unclaimed dividends	253	287	(34)
Advances received due within the year	463	1,150	(687)
Amounts due to director for emoluments	147	120	27
INTESA fees	1,590	0	1,590
Other liabilities	1,676	1,962	(286)
Other current liabilities	**16,329**	**14,163**	**2,166**

These consist mainly of security deposits received from tenants.

The increase of €2,166 thousand stems mainly from *(i)* the fees IGD owes for the chance to request disbursement in several tranches of the €250 million loan contracted with a pool of banks on 9 May 2023 and *(ii)* an increase in accrued liabilities and deferred income, which were only partially offset by a decrease in *(iii)* payables for advances due within 12 months.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Note 38) Related party disclosures

Below is the information required by paragraph 18 of IAS 24.

	RECEIVABLES AND OTHER CURRENT ASSETS	FINANCIAL RECEIVABLES	CURRENT PAYABLES AND OTHER LIABILITIES	NON-CURRENT PAYABLES AND OTHER LIABILITIES	FINANCIAL PAYABLES	SUNDRY RECEIVABLES AND OTHER NON-CURRENT ASSETS	FIXED ASSETS - INCREASES	FIXED ASSETS - DECREASES
Coop Alleanza 3.0	105	0	1,068	9,911	0	0	0	0
Librerie Coop s.p.a.	0	0	5	35	0	0	0	0
Alleanza Luce e Gas	27	0	1	55	0	0	0	0
Unicoop Tirreno s.c.a.r.l.	37	0	10	25	0	0	0	0
Cons. propr. del compendio com. del Commendone (GR)	98	0	7	0	0	0	30	0
Consorzio prop. Fonti del Corallo	0	0	25	0	0	0	58	0
Consorzio Cone'	3	0	25	0	0	0	96	0
Consorzio Clodì	1	0	4	0	0	0	11	0
Consorzio Crema (Gran Rondò)	1	0	27	0	0	0	32	0
Consorzio I Bricchi	75	0	0	0	0	0	2	0
Consorzio Katané	29	0	49	0	0	0	203	0
Consorzio Lame	1	0	12	0	0	0	4	0
Consorzio Leonardo	6	0	0	0	0	0	135	0
Consorzio La Torre	145	0	0	0	0	0	250	0
Consorzio Porta a Mare	90	0	0	0	0	0	0	0
Consorzio Sarca	65	0	22	0	0	0	289	0
Distribuzione Centro Sud s.r.l.	0	0	0	450	0	0	0	0
Consorzio Punta di Ferro	44	0	45	0	0	0	34	0
Millennium Center	151	0	0	0	0	0	24	0
Fondo Juice	47	0	14	0	0	0	0	0
Consorzio La Favorita	2	0	105	0	0	0	4	0
Consorzio Le Porte di Napoli	253	0	25	0	0	0	177	0
Consorzio Casilino	44	0	25	0	0	0	255	0
Consorzio del centro commerciale Nuova Darsena	3	0	0	0	0	0	0	0
Total	**1,227**	**0**	**1,469**	**10,476**	**0**	**0**	**1,604**	**0**
Total reported	**44,748**	**174**	**31,913**	**18,318**	**998,451**	**109**		
Total increase/decrease of the period							**9,248**	**(2,129)**
Weight %	**2.74%**	**0.00%**	**4.60%**	**57.19%**	**0.00%**	**0.00%**		

	Operating revenues	Financial Income	Total operating costs	Financial charges
Coop Alleanza 3.0	10,819	0	802	246
Librerie Coop s.p.a.	474	0	0	0
Alleanza Luce e Gas	114	0	0	1
Unicoop Tirreno s.c.a.r.l.	757	0	10	0
Cons. propr. del compendio com. del Commendone (GR)	87	0	47	0
Consorzio Cone'	98	0	108	0
Consorzio Clodì	32	0	49	0
Consorzio Crema (Gran Rondò)	35	0	54	0
Consorzio I Bricchi	68	0	292	0
Consorzio Katané	122	0	69	0
Consorzio Lame	107	0	48	0
Consorzio Leonardo	116	0	(18)	0
Consorzio La Torre	117	0	61	0
Consorzio Porta a Mare	45	0	61	0
Consorzio Sarca	103	0	223	0
Distribuzione Centro Sud s.r.l.	501	0	0	0
Consorzio Punta di Ferro	101	0	148	0
Distribuzione Lazio Umbria s.r.l.	8	0	0	0
Millennium Center	96	0	37	0
Fondo Juice	89	0	0	0
Consorzio La Favorita	128	0	15	0
Consorzio Le Porte di Napoli	218	0	(15)	0
Consorzio Casilino	215	0	142	0
Total	**14,450**	**0**	**2,133**	**247**
Total reported	**79,798**	**79**	**20,796**	**19,278**
Weight %	**18.11%**	**0.00%**	**10.26%**	**1.28%**

The Group has financial and economic relationships with its controlling company, Coop Alleanza 3.0 Soc. Coop.; with other companies in the Coop Alleanza 3.0 Group (Librerie Coop S.p.A. and Alleanza Luce e Gas S.r.l.); with Unicoop Tirreno Soc. Coop. and with Distribuzione Centro Sud S.r.l. (owned 70% by Coop Alleanza 3.0 Soc. Coop. and 30% by Unicoop Tirreno Soc. Coop.).
Related party transactions are conducted at arm's length and are recognized at face value.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Transactions with Coop Alleanza 3.0 Soc. Coop. and its subsidiaries

Transactions with the controlling company Coop Alleanza 3.0. Soc. Coop. refer to:

- the rental of investment property to Coop Alleanza for use as hypermarkets and supermarkets; rental income in the first half of 2023, including for retail premises, amounted to €10.8 million;
- security deposits received on leases.

Transactions with Librerie Coop S.p.A. concern receivables and income for the business lease of properties inside shopping centers and the leasing of the third floor of the building that houses IGD's head office. For the half-year, the Group received €474 thousand under this arrangement.

Transactions with Alleanza Luce e Gas S.r.l. refer to the rental of part of the second floor of the building where IGD has its head office. For the half-year, the Group received €114 thousand under this arrangement.

Transactions with Distribuzione Centro Sud S.r.l. (owned 70% by Coop Alleanza 3.0. Soc. Coop. and 30% by Unicoop Tirreno Soc. Coop.) refer to the lease to those companies of the Afragola hypermarket for €501 thousand, as well as security deposits received on leases.

Transactions with Unicoop Tirreno Soc. Coop.

Transactions with Unicoop Tirreno Soc. Coop. consist of:

- security deposits received on leases;
- receivables and income for the leasing of properties used as hypermarkets and supermarkets. For the half-year, the Group received €757 thousand under these arrangements.

Note 39) Management of financial risk

In the course of business, the Group is exposed to various financial risks. To map and assess its risks, IGD SIIQ S.p.A. has developed an integrated risk management model based on the international Enterprise Risk Management standards. The Board of Directors reviews and agrees on policies to manage these risks.

Market risk

Market risk is the potential for changes in exchange rates, interest rates or prices to negatively affect the value of assets, liabilities or cash flows.

Interest rate risk

The main risk factor is the volatility of interest rates and the effect this has on borrowing and on the investment of liquid funds. The Company finances its operations through short-term borrowings, long-term secured and unsecured loans charging adjustable interest, and bond loans, so it risks an increase in financial charges if interest rates go up or if it refinances debt at higher rates.

The Finance department monitors interest rate risk constantly, in coordination with top management, including through analysis and measurement tools developed within the Group's enterprise risk management program. It also monitors trends in the main economic and financial indicators that may affect the Group's performance. Interest rate swaps hedge 86.53% of the Group's exposure to rate fluctuations on long-term loans, including bonds. The Finance department analyzes and measures interest rate and liquidity risk while constantly evaluating the best means of implementation of the risk management model and conducts routine scouting activities to find opportunities to reduce the cost of debt with banks and/or the capital markets.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

See Note 40 for quantitative information on derivatives.

Foreign exchange risk

The Group is exposed to foreign exchange risk for its operations in Romania. Fluctuations in the value of the RON could lead to the writedown of properties held or to the unsustainability of contractual obligations for tenants in Romania, where rent is denominated in euros but collected in the local currency. At the moment, IGD mitigates this risk through constant efforts to optimize the merchandising mix and tenant mix and by supporting the value of the real estate portfolio, in part by making improvements. Weekly meetings are held to coordinate and monitor the credit situation of individual malls and tenants, to determine if any action is needed. On a monthly basis, the Company checks the amount of rent as a percentage of the tenant's revenue. Commercial policies are determined with care and with the utmost attention to local consumption styles and market demands. To that end, the Group employs a specialized team made up of head office and local professionals, to seek the right trade-off between the expertise acquired at the corporate level and knowledge of the local context.

Price risk

The Group is exposed to the risk of changes in the rent charged on leasehold properties. The domestic and international real estate market is cyclical in nature and influenced by several macroeconomic variables, relating for example to general economic conditions, interest rates, inflation, tax laws, market liquidity, and the presence of other profitable investments.

Credit risk

Credit risk takes the form of customer insolvency and difficulty collecting payments. To mitigate these risks, tenants go through a pre-contractual selection process, based on financial standing and earnings prospects.
Reviews of potential customers are performed also with the help of external specialists and aim to identify any risk factors for the company. Monthly analyses analyze the level of risk associated with each tenant and monitor their solvency.
All customers are asked for bank guarantees and/or security deposits to guarantee fulfillment of their commitments. Throughout the life of the contract, the company monitors compliance on an ongoing basis, and follows internal credit management procedures in the event any problems arise; when the business relationship is secure, measures to assist the tenant may be taken. The Group constantly monitors its credit positions and uses an ad hoc program to assess each tenant's track record, risk level and solvency, an analysis that is formally conducted every quarter but monitored on a daily basis to stay abreast of the actions taken or needed to collect receivables.
The maximum credit risk on the Group's other financial assets, including cash and cash equivalents and certain derivative instruments, is the carrying value of these assets in the event of the counterparty's insolvency. The maximum exposure is presented gross of any mitigation through the use of various kinds of hedge.

Liquidity risk

This refers to problems with liquidity management, insufficient resources to finance the business, and difficulty keeping up with loans or obtaining new credit. Liquidity is monitored through cash flow planning, and risk is mitigated by the Group's extensive credit lines (committed and uncommitted).

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

The Finance department uses a financial forecasting tool to monitor expected cash flows over a one-quarter rolling horizon and makes sure there is enough liquidity to operate the business, while establishing the proper ratio of bank debt to capital market debt.
Most long-term loans and outstanding bond loans involve covenants; this aspect is monitored constantly by the chief financial officer, who also coordinates with management to gauge the likelihood of violating the covenants as a result of the strategic, operational, compliance and financial risks mapped, using the enterprise risk management system.
Financial commitments are covered by funds confirmed by the banks, and unutilized credit facilities are available.
Liquidity risk is managed prudently to avoid incurring excessive costs in the case of unforeseen events, which could have a further negative impact on market reputation and financial viability.

Capital management

The primary objective of the Group's capital management is to make sure it maintains a solid credit rating and sufficient capital indicators to support the business and maximize shareholder value. This is pursued by:

1. keeping the net debt/equity ratio at 1x or below over the medium term (the ratio was 0.87x at 31 December 2022 and 0.95x at 30 June 2023);
2. keeping the loan-to-value ratio (net of leasing installments due for the purchase of company premises) under 50% (it was 47.62% at the close of the half-year, compared with 45.46% at the end of 2022).

Note 40) Derivative instruments

Group IGD has engaged in derivative contracts for the use of interest rate swaps. The fair value of interest rate swaps for which no active market exists is determined according to market-based quantitative techniques, i.e. accredited pricing models based on parameters taken as of the individual measurement dates. This method therefore reflects a prioritization of the input data consistent with level 2 of the fair value hierarchy defined by IFRS 7: although quoted prices in active markets (level 1) are not available for these instruments, it is possible to base measurements on data observable either directly or indirectly in the market.

Fair value - Hierarchy	6/30/2023	12/31/2022	Change	Level
Derivative assets	5,493	6,314	(821)	2
Derivative liabilities	0	(199)	199	2
IRS Net effect	**5,493**	**6,115**	**(622)**	

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Contract in details	121_97_ BNL Gruppo Bnp Paribas	121_99_ INTESA	152_209_ BNL Gruppo Bnp Paribas	152_210_ MPS	152_211_ INTESA	152_212_ DEUTSCHE BANK	152_213_ BPM	152_251_ INTESA
Nominal amount	26,000,000	26,000,000	18,428,571	18,428,571	18,428,571	4,095,240	12,285,714	18,428,571
Inception date	7/6/2017	7/6/2017	12/29/2022	12/29/2022	12/29/2022	12/29/2022	12/29/2022	2/20/2023
Maturity	4/6/2027	4/6/2027	8/2/2026	8/2/2026	8/2/2026	8/2/2026	8/2/2026	8/3/2026
IRS Frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Bank rate	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M
Consumer Rate	0.5925%	0.5925%	3.1800%	3.1800%	3.1800%	3.1800%	3.1800%	IRS 'Collar' : Floor Rate 1.84%, Cap Rate 3.84%

Contract in details	152_254_ BPM	152_256_ BNL	152_258_ DEUTSCHE BANK	152_260_ MPS	263_264_ DEUTSCHE BANK	263_265_ BNL Gruppo Bnp Paribas	263_266_ BPM	263_267_ INTESA
Nominal amount	12,285,714	18,428,571	4,095,240	18,428,571	22,608,696	2,826,087	14,130,435	33,913,043
Inception date	2/20/2023	2/20/2023	2/20/2023	2/20/2023	5/15/2023	5/15/2023	5/15/2023	5/15/2023
Maturity	8/2/2026	8/2/2026	8/2/2026	8/3/2026	5/10/2027	5/10/2027	5/10/2027	5/10/2027
IRS Frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Bank rate	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M
Consumer Rate	IRS 'Collar' : Floor Rate 1.84%, Cap Rate 3.84%	IRS 'Collar' : Floor Rate 1.84%, Cap Rate 3.84%	IRS 'Collar' : Floor Rate 1.84%, Cap Rate 3.84%	IRS 'Collar' : Floor Rate 1.84%, Cap Rate 3.84%	IRS 'collar': Floor Rate 2.365%, Cap Rate 3.715%	IRS 'collar': Floor Rate 2.365%, Cap Rate 3.715%	IRS 'collar': Floor Rate 2.365%, Cap Rate 3.715%	IRS 'collar': Floor Rate 2.365%, Cap Rate 3.715%

Contract in details	263_268_ BPER	263_269_ Unicredit	263_270_ MPS	35_67_ INTESA	35_81_ BPM	35_84_ INTESA	49_102_ MPS
Nominal amount	5,652,174	22,608,696	28,260,870	8,250,000	4,950,000	3,300,000	1,071,429
Inception date	5/15/2023	5/15/2023	5/15/2023	12/30/2011	12/30/2011	12/30/2011	12/31/2011
Maturity	5/10/2027	5/10/2027	5/10/2027	12/31/2025	12/31/2025	12/31/2025	3/31/2024
IRS Frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Bank rate	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M	Euribor 3M
Consumer Rate	IRS 'collar': Floor Rate 2.365%, Cap Rate 3.715%	IRS 'collar': Floor Rate 2.365%, Cap Rate 3.715%	IRS 'collar': Floor Rate 2.365%, Cap Rate 3.715%	2.4290%	2.4270%	2.4290%	2.8000%

Note 41) Subsequent events

There are no significant subsequent events to report.

Note 42) Commitments

At 30 June 2023 the Group had the following major commitments:

- contract for the development of the Officine Storiche section (Livorno), for a remaining amount of €3.5 million;
- contract for the restyling of the San Benedetto del Tronto property, for an amount of €2.1 million.

Note 43) Tax litigation

On 23 December 2015 the regional tax authorities of Emilia Romagna served IGD SIIQ S.p.A. with two assessments arguing that €240,625.00 in costs incurred in 2010 had been unduly deducted for IRES and IRAP purposes and that the corresponding €48,125.00 in VAT had been unduly credited against VAT payable. The assessments resulted from a notification that the provincial tax authorities of Ravenna had received from the Sicilian regional office, which began by stating that the Sicilian authorities had served Coop Sicilia S.p.A. (head office in San Giovanni La Punta in the province of Catania) with an assessment based on the disallowance of costs incurred for services that were deemed to lack sufficient documentation. On that basis, the Sicilian regional office

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

recommended that the Ravenna provincial authorities disallow the portion of those costs that Coop Sicilia had charged to IGD SIIQ S.p.A. under a contract between the two companies. After reviewing the papers and looking into the matter carefully, IGD's advisors concluded that the assessments are unfounded and filed settlement requests for both with the Emilia Romagna regional office.
During the subsequent debate phase, the company presented its arguments against the assessments to the Emilia Romagna authorities, who decided to consider IGD's arguments regarding IRES and IRAP but to uphold the complaint regarding VAT. Nevertheless, as the deadline approached for contesting the two assessments and no reversal notice had been received from the regional authorities, the company decided to prevent them from becoming definitive and on 6 June 2016 filed a formal appeal against each with the Provincial Tax Commission of Bologna.
On 30 November 2016 the Emilia Romagna regional authorities annulled the IRES assessment in full, while the IRAP/VAT assessment was annulled for the IRAP portion only and the VAT violation was confirmed.
In session on 25 January 2017, the Provincial Tax Commission of Bologna sided with IGD: with decision no. 253/17 filed on 28 February 2017 it definitively cleared the IRES and IRAP assessments, and with decision no. 254/14 (also filed on 28 February 2017) it accepted IGD's arguments concerning VAT and annulled that assessment as well, a ruling that became definitive on 14 June 2018.
For both proceedings, the Commission ordered the revenue office to reimburse IGD's legal expenses in the amount of €6,000.00 total.
On 29 September 2017 the Emilia Romagna regional authorities appealed the VAT decision (254/17) and on 28 November IGD filed its counterarguments against that appeal.
On 9 January 2020, the Emilia Romagna regional authorities filed a statement of defense to rebut the Company's counterarguments.
With a decision filed on 23 November 2020, the Regional Tax Commission of Emilia Romagna confirmed the lower commission's ruling, rejected the regional authorities' appeal, and ordered the regional authorities to pay the costs of both levels of justice in the amount of €7,000.00 (reimbursed in the first half of 2021).

In May 2021 the Emilia Romagna regional authorities filed an appeal with the Court of Cassation and IGD SIIQ S.p.A. filed its response.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

2.7 // Certification of the condensed interim consolidated financial statements

Certification pursuant to Art. 154-bis of Legislative Decree 58/98 and Art. 81- ter of the Consob Regulation adopted with Resolution 11971 of 14 May 1999, as amended

1. We, the undersigned, Claudio Albertini as chief executive officer and Carlo Barban as financial reporting officer of IGD SIIQ S.p.A., hereby declare, including in accordance with Art. 154-bis (3) and (4) of Legislative Decree 58/98:

- the adequacy of in relation to the characteristics of the business; and
- the company's due compliance with the administrative and accounting procedures for the preparation of the consolidated financial statements during the first half of 2023.

2. We also confirm that:

2.1. the condensed consolidated financial statements:

a) have been prepared in accordance with the applicable International Accounting Standards recognized by the European Union pursuant to Regulation 1606/2002/EC of the European Parliament and the Council of 19 July 2002;

b) correspond to the ledgers and accounting entries;

c) provide fair and truthful disclosure of the financial status and performance of the issuer and the companies included in the consolidation;

2.2 the directors' report contains a reliable analysis of the significant events that occurred in the first six months of the year and their impact on the half-year financial statements, along with a description of the main risks and uncertainties for the remaining six months of the year. The directors' report also includes a reliable analysis of the information of significant transactions with related parties.

Bologna, 2 August 2023

Claudio Albertini	Carlo Barban
Chief Executive Officer	Financial Reporting Officer

Teleborsa: distribution and commercial use strictly prohibited

EMARKET SDIR CERTIFIED

2.8 // External auditors' report on the condensed consolidated interim financial statements

Deloitte.

Deloitte & Touche S.p.A.
Piazza Malpighi, 4/2
40123 Bologna
Italia

Tel: +39 051 65811
Fax: +39 051 230874
www.deloitte.it

REPORT ON REVIEW
OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Immobiliare Grande Distribuzione SIIQ S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Immobiliare Grande Distribuzione SIIQ S.p.A. and subsidiaries ("IGD Group"), which comprise the statement of financial position as of June 30, 2023 and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation of this interim financial information in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly interim financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.
Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo www.deloitte.com/about.

© Deloitte & Touche S.p.A.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Deloitte.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of IGD Group as at June 30, 2023 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Francesco Masetti
Partner

Bologna, Italy
August 3, 2023

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

3. GLOSSARY

AGENCY MANAGEMENT

Activities aimed at finding the most profitable tenant mix and negotiating leases for stores at malls.

AVERAGE COST OF DEBT

Refers to the average cost, without taking into account additional borrowing costs like fees and commissions (recurring and non), incurred by a company to service debt. The calculation takes into account the interest payable matured in the period under examination (relating to short-term loans, mortgages, unsecured loans, IRS differentials, bonds and fees paid on financial leases) and the average stock of long and short term debt recorded at the close of every quarter and at the beginning of the period.

AVERAGE EFFECTIVE COST OF DEBT

Refers to the average cost, taking into account additional borrowing costs like fees and commissions (recurring and non), incurred by a company to service debt. The calculation takes into account the interest payable matured in the period under examination (relating to short-term loans, mortgages, unsecured loans, IRS differentials, bonds and fees paid on financial leases) and the average stock of long and short term debt recorded at the close of every quarter and at the beginning of the period.

CORE BUSINESS FFO

FFO (Funds from Operations) is a performance indicator used widely in the real estate sector (REITs).

Core business FFO, which measures the cash flow generated by the Group's core business, is calculated by subtracting non-cash items (writedowns, fair value adjustments, amortization, depreciation and other), as well as the impact of extraordinary transactions and income generated by property sales from pre-tax profit, net of current tax and adjusted to reflect non-recurring items.

DEVELOPMENT PIPELINE

Program of investments in development.

DIRECT COSTS

Costs directly attributable to the shopping centers.

DIVIDEND YIELD

The dividend yield, or price/dividend ratio, is the company annual dividend payments made or announced divided by closing price of its ordinary shares at the end of the year.

EBIT (Operating profit)

EBIT, or Earnings before Interest and Taxes, differs from EBITDA in that it includes information on amortization, depreciation, changes in the fair value of properties held and provisions for risk.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

EBITDA (including core business)

EBITDA, or Earnings Before Interest, Taxes, Depreciation & Amortization, is the most significant measure of a company's operating performance as it indicates earnings before interest payable, taxes, disposals, income/(loss) from equity investments, non-recurring transactions, amortization, depreciation, provisions, as well as impairment and fair value adjustments. Core business Ebitda refers to the core business included in the consolidated income statement which does not include the results posted by the "Porta a Mare Project".

EBITDA MARGIN (including core business)

This indicator is calculated by dividing Ebitda by operating income.

EPRA

European Public Real Estate Association.

EPRA Cost Ratios

They are ratios aimed at providing a consistent comparison base for a company's main structural and operating costs calculated by expressing operating costs and general overhead, net of management fees and a limited number of other items, as a percentage of gross rental income. There are two EPRA Cost Ratios, one which includes and one which excludes direct vacancy costs.

EPRA EARNINGS

It is a measure of a company's underlying operating performance net of fair value adjustments, gains and losses from the sale of investment property and a limited number of other items that are not considered to be part of the Group's core business.

EPRA Net Initial Yield o NIY

EPRA NIY is a performance measurement index and it is calculated as the annualized rental income based on the cash rents passing at the balance sheet date (including one-off and variable income), less non-recoverable property operating expenses, divided by the gross market value of property, net of development property.

EPRA "topped-up" NIY

The EPRA topped-up NIY is a performance measurement index obtained by making an adjustment to the EPRA NIY with annualized and full term rental income (including one-off and variable income), i.e. excluding unexpired lease incentives such as discounted rent periods and step rents.

EPRA LOAN TO VALUE

It is a performance measure which shows the ratio of the net financial position (which includes financial debt for the headquarter's lease and the balance between payables and receivables) to the market value of the real estate assets. The debt and assets of the companies in which the Group has a significant interest are included in the calculation.

EPRA VACANCY RATE

The portfolio's vacancy rate calculated as the ratio between the estimated market rental value (ERV) of the vacant premises and the ERV of for the whole portfolio. Given the different characteristics of the portfolio and the Italian market with respect to the Romanian one, the vacancy rate was calculated separately by asset class and for the two countries.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

EPS / EARNINGS PER SHARE
Net profit divided by the average number of shares outstanding in the year.

ESTIMATED RENTAL VALUE / ERV
The estimated value at market rates for rentable space, according to an independent appraisal based on similar properties in comparable areas.

FACILITY MANAGEMENT
Supply of specialized services to shopping centers such as security, clearing and routine maintenance.

FINANCIAL OCCUPANCY
Calculated as the GLA rented at market rates and expressed as a percentage of the market value of the total GLA rented at market rates.

GEARING
The gearing ratio reflects the total debt to total equity ratio, including non-controlling interests, and net of the cash flow hedge reserve. It measures financial leverage which demonstrates the degree to which a company's operations are funded by owner's funds versus borrowings and facilitates sector benchmark analysis.

GENERAL EXPENSES
Corporate costs not attributable to the individual shopping center.

GROSS EXIT CAP RATE
The terminal value of the gross revenue (rents, temporary and variable) calculated as a percentage of the exit value.

GROSS INITIAL YIELD
The gross initial yield of an investment is the annualized rental income used in the first year of the DCF model (Discounted Cash Flow) expressed as a percentage of the property's fair value.

GLA / GROSS LEASABLE AREA
The total floor area designed for tenant occupancy which includes outside walls.

GROSS MARGIN
The result obtained by subtracting direct costs from revenues.

HEDGING
The total amount of mortgage loans hedged with interest rate swaps and bonds divided by the total amount of mortgage loans and bonds.

HYPERMARKET
Property with a sales floor in excess of 2,500 sqm, used for the retail sales of food and non-food products.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

INTEREST COVER RATIO (ICR)

Measure of the number of times a company's operating profit covers the interest payable on debt. It is an indicator used to understand a company's solvency and ability to assume debt. It is calculated by dividing EBITDA by the net financial expense.

INITIAL YIELD

The annualized rental income from a property as a percentage of its valuation at the time of purchase.

INTEREST RATE SWAPS / IRS

Financial instrument whereby two parties agree to exchange a certain interest rate stream on a pre-established date. Using to convert floating rate debt into fixed rate debt.

LIKE-FOR-LIKE PORTFOLIO

Real estate assets held in the portfolio for the entire year and the entire prior year.

LIKE FOR LIKE REVENUE

Revenues from rental activities of the assets held in the portfolio for the entire year and the entire prior year. They are separately calculated for Italy and Romania portfolios and they exclude:

- revenues from assets that have been acquired, sold or subject to remodeling and therefore they have not realized any income in the period;
- missing revenues from instrumental vacancy due to different reasons (i.e. works carried out to create new layouts);
- exceptional and one-off revenues which would make the comparison less reliable.

LOAN TO VALUE (LTV)

Ratio between the amount borrowed (including the lease for IGD's headquarters) and the market value of freehold properties.

MALL / SHOPPING MALL

Property comprised of many stores plus the common spaces around which they are situated. Usually called a "galleria" in Italian.

MALL

Property that includes an aggregation of shops, as well as the common areas on which they insist

MIDSIZE STORE

A property with a sales floor area of 250 to 2,500 sqm used for the retail sales of non-food consumer goods.

NET ASSET VALUE METRICS

The main performance indicators that provide stakeholders with information about the fair value of the company's assets and liabilities.

In October 2019, three new asset value metrics were introduced in EPRA Best Practices Recommendations: EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets Value (NTA) and EPRA Net Disposal Value (NDV) which replace EPRA NAV and EPRA NNNAV.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

Consistent with EPRA Best Practices Recommendations, the new EPRA NAV indicators were used for the first time in the half-year report at 30 June 2020 which include a reconciliation of the calculation used for the old and new indicators, along with the calculation used for the comparison period (2019).

NET ASSET VALUE (NAV) AND TRIPLE NET ASSET VALUE (NNNAV)

The equity pertaining to the Group, calculated based on EPRA indications which call for a few adjustments.
Certain items are excluded from the NAV calculation for lack of relevance in a business model with a long term view like the Group's. NNNAV provides more relevant information about the fair value of assets and liabilities. The NAV is adjusted to take into account the fair value of (i) hedges, (ii) debt and (iii) deferred taxes.
It represents the equity pertaining to the Group including in the calculation the fair value of the main assets and liabilities that are not included in the EPRA NAV, namely (i) hedges, (ii) debt and (iii) deferred taxes.

NET DISPOSAL VALUE (NDV)

Represents the stakeholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax. In this disposal scenario goodwill is excluded from the Group's portion of equity, while the fair value of debt is included

NET DEBT

Net debt shows financial structure and is calculated by adding long-term debt, short-term debt and the current portion of long-term debt included in "Non-current and current financial liabilities (with third parties and related parties)", net of "Cash and cash equivalents", "Non-current financial assets" and "Financial receivables and other current financial assets (with third parties and related parties)".

NET REINSTATEMENT VALUE (NRV)

The objective of the EPRA Net Reinstatement Value measure is to highlight the value of net assets on a long-term basis. It represents the repurchase value of the company, assuming the company does not sale any properties and is calculated based on the equity attributable to the Group (as shown in the IFRS financial statements), excluding the fair value movements on financial derivatives and deferred taxes on property valuation surpluses.

NET TANGIBLE ASSETS (NTA)

The underlying assumption behind the EPRA Net Tangible Assets calculation assumes entities buy and sell assets, thereby crystallizing certain levels of deferred tax liability. It represents a scenario in which a few properties could be sold. At 30 June 2023 the company does not have any assets which could be sold and for this reason the deferred taxes coincide with the amount excluded from the NRV calculation. Contrary to NRV, the goodwill and the intangible assets included in the financial statements are excluded from the equity attributable to the Group.

OCCUPANCY RATE

Gross let surface area as a percentage of properties' total surface area.

Teleborsa: distribution and commercial use strictly prohibited
EMARKET SDIR CERTIFIED

OVER-RENTED

Space rented for an amount exceeding its ERV.

PRE-LET

Lease signed by a tenant before development of the property has been completed.

REAL ESTATE ASSETS

The Group’s freehold properties.

REAL ESTATE PORTFOLIO

The portfolio of freehold and leasehold properties rented out by the IGD Group.

REIT

Real Estate Investment Trust. Comparable to a SIIQ in Italy.

RETAIL PARK

Group of three or more complexes with a combined area of more than 4,500 sqm and shared parking.

REVERSIONARY POTENTIAL YIELD

The net annual rent that a property would generate if it were fully let at going market rates, as a percentage of the property’s value.

SHOPPING CENTER

Real estate complex comprised of a hypermarket and a shopping mall, featuring common areas and services located in a covered area with heating and air conditioning.

SIIQ

Società di Investimento Immobiliare Quotata. Real estate investment model comparable to a REIT. SIIQ rules allow income tax exemptions for publicly held listed company whose prevalent activity is the rental of properties and equivalent, provided they meet a series of earnings and balance sheet requirements.

STORE

Property for the retail sale of non-food consumer goods.

SUPER MARKET

A property with a sales floor of 250 to 2,500 sqm used for the retail sale of food and non-food products.

TENANT MIX

Set of store operators and brands found within a mall.

UNDER-RENTED

Space rented for an amount less than its ERV.

Teleborsa: distribution and commercial use strictly prohibited

EMARKET SDIR CERTIFIED

WACC / WEIGHTED AVERAGE COST OF CAPITAL

The weighted average cost of debt and all other sources of capital, used to calculated the expected return on investments.