



IMMOBILIARE GRANDE DISTRIBUZIONE SOCIETÀ DI INVESTIMENTO IMMOBILIARE QUOTATA S.P.A.

Registered office: Via Trattati Comunitari Europei 1957-2007, n. 13, Bologna

Share capital fully subscribed and paid-in: EUR 650,000,000.00

comprising n. 110,341,903 ordinary shares

Bologna Companies Register and tax identification no. 00397420399

Bologna Chamber of Commerce (R.E.A.) no.: 458582

Company subject to the direction and control of Coop Alleanza 3.0 Soc. Coop.

ORDINARY ANNUAL GENERAL MEETING OF IGD SIIQ S.P.A.

18 – 19 APRIL 2024

EXPLANATORY NOTES ON THE ITEMS OF THE AGENDA OF IGD SIIQ S.P.A. ORDINARY ANNUAL GENERAL MEETING PREPARED BY THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLES 125-TER AND 154-TER OF LEGISLATIVE DECREE NO. 58/1998 AS WELL AS ART. 73 OF THE CONSOB REGULATION ADOPTED BY RESOLUTION NO. 11971/1999

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- 1. Financial statements at 31.12.2023; Directors' report on operations; External auditors' report; Report of the Board of Statutory Auditors; Presentation of the consolidated financial statements at 31.12.2023; related and consequent resolutions.**
- 2. Allocation of the net result for the year; related and consequent resolutions.**
- 3. Report on the remuneration policy and compensations paid pursuant to art. 123-ter, paragraphs 3-ter and 6, of Legislative Decree 58/98: First section: report on the remuneration policy. Binding resolution.**
- 4. Report on the remuneration policy and compensations paid pursuant to art. 123-ter, paragraphs 3-ter and 6, of Legislative Decree 58/98: Second section: report on compensation paid. Non-binding resolution.**

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Item 1 - Financial statements at 31.12.2023; Directors' report on operations; External auditors' report; Report of the Board of Statutory Auditors; Presentation of the consolidated financial statements at 31.12.2023; related and consequent resolutions.

Dear Shareholders,

The financial statements as at 31 December 2023, whose draft has been approved by the Board of Directors in the meeting held on 27 February 2024, and which now are being submitted to you for your approval, show a net loss of €72,515 thousand. Total revenues amounted to €125.2 million, recording an increase with respect to the prior financial year of €11.2 million, corresponding to 9.0%, explained primarily by indexation, new leases and the merger by incorporation of the subsidiary company IGD Management SIINQ in IGD SIIQ with legal effect from 1st October 2023 and accounting and tax effect from 1st January 2023. Operating costs, including G&A expenses, have increased with respect to the previous financial year, but their impact on revenues improved slightly, going from 26.4% to 25.0%.

Operating result, which amounted to €28.1 million, was €51.7 million lower due mainly to the impairment in the real estate portfolio's fair value, equal to €120 million (impairment were equal to €59.3 million at 31 December 2022).

Financial management showed a balance of €44.1 million at 31 December 2023, an increase of €15.7 million with respect to prior financial year.

The Net Financial Position worsened compared to 2022 of approximately €56.1 million, mainly due to the effects of the merger by incorporation of the subsidiary company IGD Management in IGD SIIQ.

The IGD Group's total operating revenue at 31 December 2023 amounted to €156.7 million, showing an increase compared to the previous financial year (the Group's total operating revenue at 31 December 2022 amounted to €152 million).

Rental income reached €142.4 million, showing an increase of 3.7% compared to the same period of the prior year. Direct costs from rental activities amounted to €22.8 million, a decrease of 1.9% with respect to the prior year.

General expenses for the core business, including payroll costs at headquarters, amounted to €13.4 million, showing an increase of 8.8% compared to €12.3 million posted at 31 December 2022.

The core business EBITDA in 2023 amounted to €108.2 million, an increase of 4.6% compared to the prior year, while IGD Group's EBITDA amounted to €107.7 million, with an increase of 4.3%.

The EBITDA Margin for the core business amounted to 72.1%, up by 50 basis points with respect to the previous year.

EBIT, negative for €33.1 million, shows a decrease of €40.8 million with respect to the previous year.

Financial expense changed from €30.5 million recorded at 31 December 2022 to €48.7 million at 31 December 2023.

The pre-tax income at 31 December 2023 was negative and amounted to €81.8 million, compared to a loss

equal to €22.3 million recorded in 2022.

As a result of the above, the Group posted a net loss of €81.7 million (whereas at 31 December 2022 the loss was equal to €22.3 million). Core business Funds from Operations (FFO) amounted to €55.4 million, with a decrease of €11.8 million compared to previous financial year.

IGD Group's net financial debt at 31 December 2023 shows an improvement compared to 31 December 2022 of approx €8.5 million. Gearing ratio (0.97) and Loan to Value (48.05%) have worsened compared with the prior financial year.

The Real Estate Portfolio at 31 December 2023

Based on CBRE Valuation S.p.A., KROLL S.p.A., Cushman & Wakefield and Jones Lang Lasalle's independent assessment, the market value at 31 December 2023 of IGD Group's real estate portfolio reached €1,968.10 million, decreasing compared to €2,080.89 million recorded at 31 December 2022.

In light of the above, the Board of Directors submits the following proposal to you for approval:

"The Shareholders' Meeting of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A.,

- *having seen the Board of Directors' report;*
- *having seen the Board of Statutory Auditors' report;*
- *having examined the Company's financial statements for the year ended at 31 December 2023;*
- *having acknowledged the report prepared by the external auditors Deloitte & Touche;*

resolves

to approve the financial statements of IGD SIIQ S.p.A. for the financial year ended at 31 December 2023 with a Net Loss of €72,514,857.76 and the relevant Board of Directors' report".

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Item 2 – Allocation of the net result for the year; related and consequent resolutions.

Dear Shareholders,

the Board of Directors proposes to cover the net loss of €72,514,857.76 recorded at 31 December 2023 using the available reserves for €57,922,821.3 and the capital reduction reserve for €14,592,036.46 and to reclassify the Fair Value reserve by €25,179,494.12, following partial changes to the distributable income pursuant to art. 6 of Legislative Decree no. 38 of 28 February 2005, increasing the available reserve by the same amount. Consequently, the Fair Value reserve, relative to the fair value of the real estate portfolio, will go from €212,585,853.75 to €187,406,359.63.

In light of the above, the Board of Directors submits the following proposal to you for approval:

“The Shareholders’ Meeting of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A., having examined the Board of Directors report,

resolves

- *to cover the net loss of €72,514,857.76 recorded at 31 December 2023 using the available reserves for €57,922,821.3 and capital reduction reserves for €14,592,036.46;*
- *to reclassify the Fair Value reserve by €25,179,494.12, following partial changes to the distributable income pursuant to Art. 6 of Legislative Decree n. 38 of 28 February 2005, increasing the available reserve by the same amount. Consequently, the Fair Value reserve, relative to the fair value of the real estate portfolio, will go from €212,585,853.75 to €187,406,359.63.*

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Item 3 – Report on the remuneration policy and compensations paid pursuant to art. 123-ter, paragraphs 3-ter and 6, of Legislative Decree 58/98: First section: report on the remuneration policy. Binding resolution.

Dear Shareholders,

as you are well aware, pursuant to art. 123-ter of TUF, listed companies are required to make available to the general public a report on the remuneration policy and compensation paid drawn up by the said companies.

This report was approved by the Board of Directors on 18 March 2024, upon proposal by the Nominations and Compensation Committee, and is available to the public at the Company’s registered office, on the Company’s website <https://www.gruppoigd.it/en/>, in the section *Governance* –Shareholders’ Meetings – Ordinary Annual General Meeting of 18 April 2024, and on the authorized storage system eMarket STORAGE www.emarketstorage.com, in accordance with the terms and conditions set forth by the applicable regulations.

Pursuant to art. 123-ter of TUF and art. 84-quarter of Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, this Report is divided into two sections.

The first section describes the Company’s policy with respect to the remuneration of the members of the Board of Directors, of the Board of Statutory Auditors and of managers with strategic responsibilities for 2024 as well as the procedures used in the adoption and implementation of the said policy. This section, pursuant to Art. 123-ter, paragraphs 3-bis and 3-ter, of TUF, as introduced by Legislative Decree no. 49/2019, is subject to the binding resolution of the Shareholders’ Meeting.

In light of the above, the Board of Directors submits the following proposal concerning the first section of this report, to you for approval:

"The Shareholders' Meeting of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A.,

- *having examined the first section of the "Report on the remuneration policy and compensation paid" called for under art. 123-ter, paragraph 3, of Legislative Decree no. 58 dated 24 February 1998, prepared by the Board of Directors based on the proposal of the Remuneration and Nominations Committee, which describes the Company's policy relating to remuneration of members of the Board of Directors, of the Board of Statutory Auditors, of managers with strategic responsibilities for the year 2024, as well as the procedures used to adopt and implement said policy, and made available to the public in accordance with the law;*

resolves

to approve the first section of the "Report on the remuneration policy and compensation paid" approved by the Board of Directors on 18 March 2024, pursuant to art. 123-ter, paragraphs 3-bis) and 3-ter) of Legislative Decree no. 58 dated 24 February 1998."

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Item 4 - Report on the remuneration policy and compensations paid pursuant to art. 123-ter, paragraphs 3-ter and 6, of Legislative Decree 58/98: Second section: report on compensation paid. Non-binding resolution

The second section of the Report on the remuneration policy and compensation paid contains information about the compensation paid or accrued to the members of the Board of Directors, of the Board of Statutory Auditors and to managers with strategic responsibilities (shown as an aggregate) in 2023. This section, pursuant to the new paragraph 6 of art. 123-ter TUF, introduced by Legislative Decree no. 49/2019, is subject to the non-binding resolution of the Shareholders' Meeting.

With regard to the second section of this Report, the Board of Directors will submit the following proposal to you for your approval:

"The Shareholders' Meeting of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A.,

- *having examined the second section of the "Report on the remuneration policy and compensations paid " called for under art. 123-ter, paragraph 4, of Legislative Decree no. 58 dated 24 February 1998, prepared by the Board of Directors based on the proposal of the Remuneration and Nominations Committee, which describes the compensation paid to the members of the Board of Directors, of the Board of Statutory Auditors, and to managers with strategic responsibilities in 2023 or related to 2023;*

resolves

pursuant to art. 123-ter, paragraph 6 of Legislative Decree no. 58 dated 24 February 1998, in favor to the second section of the "Report on the remuneration policy and compensation paid" approved by the Board of Directors on 18 March 2024."

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Bologna, 18 March 2024

On behalf of the Board of Directors

The Chairman

Signed - Rossella Saoncella