IMMOBILIARE GRANDE DISTRIBUZIONE

SOCIETA' DI INVESTIMENTO IMMOBILIARE QUOTATA S.P.A.

Registered office in Bologna, Via Trattati Comunitari Europei 1957-2007 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

30/06/2024

Corporate and Supervisory Bodies

Board of Directors	Office	Executive	Non Executive	Independent	Control and Risk Committee	Nomination and Compensation Committee	Related Party Transaction Committee	Strategic Committee
Antonio Rizzi	Chairman			X			X	X
Edy Gambetti	Vice Chairman		X					X
Roberto Zoia	Chief Executive Officer	X						X
Antonello Cestelli	Director		X					X
Antonio Cerulli	Director		X					X
Alessia Savino	Director		X					
Daniela Delfrate	Director			X	X	X	X	
Francesca Mencuccini	Director		X					
Laura Ceccotti	Director		X					
Mirella Pellegrini	Director			X	X	X		
Simonetta Ciocchi	Director			X	X	X	X	

Board of Statutory Auditors	Office	Standing	Alternate
Iacopo Lisi	Chairman	X	
Barbara Idranti	Auditor	X	
Massimo Scarafuggi	Auditor	X	
Juri Scardigli	Auditor		X
Laura Macrì	Auditor		X
Pierluigi Brandolini	Auditor		X

Supervisory Board

Giuseppe Carnesecchi (Chairman), Alessandra De Martino, Paolo Maestri

External Auditors

Deloitte&Touche S.p.A.

Financial Reporting Officer

Carlo Barban

1. The IGD Group's Interim Management Statement

1.1. // Introduction

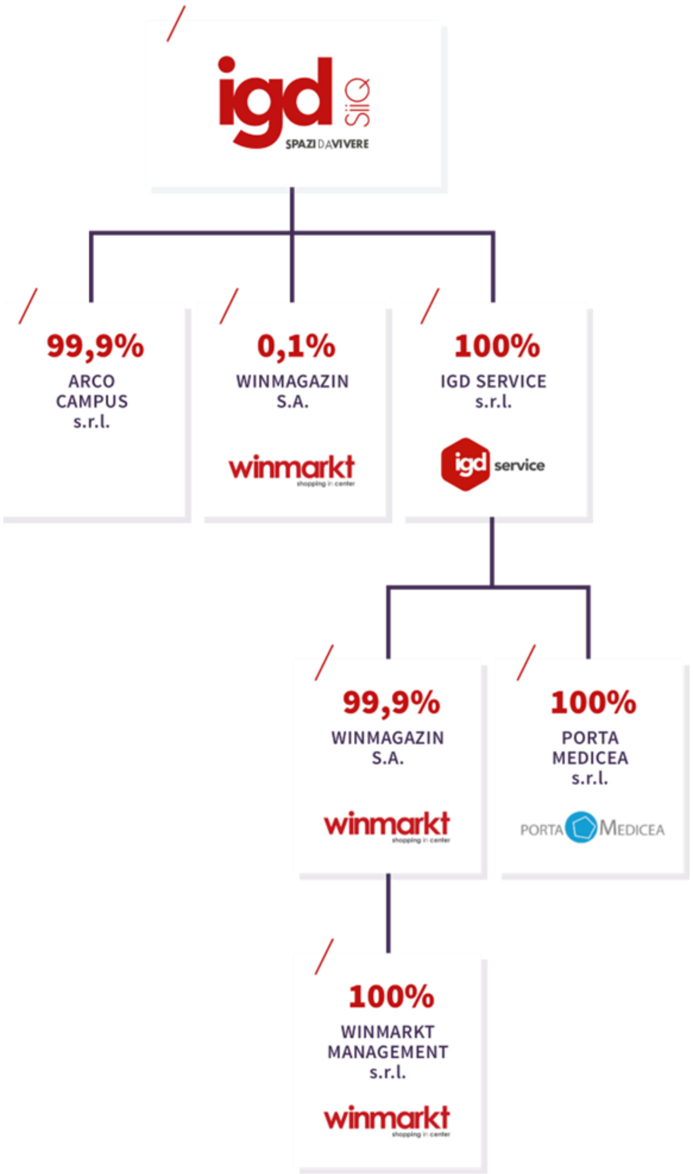
The Immobiliare Grande Distribuzione Group's Consolidated Half-Year Financial Report at 30 June 2024 was prepared pursuant to Art. 154-ter of Legislative Decree 58/1998 and in accordance with the valuation criteria and measurements established by the IFRS (International Financial Reporting Standards) 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 2024 of IGD Siiq S.p.A. (hereinafter "Company", "IGD" or "IGD SIIQ") and other Group companies (hereinafter "IGD Group 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.

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%). The remainder (around 7%) is in Romania where IGD owns the Winmarkt chain of shopping centers through Win Magazin SA.



IGD SIIQ's perimeter of exempt operations includes the freehold assets found in Italy.
At 30 June 2024, in addition to the parent company, IGD Group comprises:

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

1.4. // Income Statement Review

In the first six months of 2024 the global economy maintained a positive growth rate, albeit with different performances across the various geographical areas. Inflation continued to slow, at a faster rate than expected in some areas, and the labor market remained solid in western countries with unemployment at minimal levels.[1] Global trade was driven mainly by services, but over the reporting period manufacturing also strengthened gradually; based on the most recent estimates, GDP is expected to be 3.1% higher in 2024 and 3.2% higher in 2025. The main risk for global growth continues to be the potential worsening of the conflicts underway in Ukraine and the Palestinian territories.[2]

After five quarters of stagnation, in the first quarter of 2024 GDP began to rise again in Europe, driven, above all, by services. This moderate growth is expected to continue in the second quarter, also. The decline in inflation begun in 2023 continued and in June 2024 the European Central Bank lowered rates by 25 basis points.[3] The economic cycle in Italy was consistent with the dynamic seen in the Eurozone, with the GDP showing moderate growth in the first quarter of the year (+0.3% compared to the prior quarter)[4] which, based on the most recent figures, continued in the second quarter. Inflation was among the lowest levels in the Eurozone: in the first six months of 2024 the Harmonized Index of Consumer Prices (HICP) was 0.9% higher year-on-year, 1.6 percentage points lower than the European average.[5] In this environment the Italian GDP should continue to grow at a moderate, but constant, pace in both 2024 and 2025 (+1.0% in 2024 and +1.1% in 2025)[6] sustained mainly by the positive contribution of private consumption, partially offset by an expected slowdown in investments.[7]

The operating performances of the Italian malls in the first six months of 2024 were recorded in this backdrop: footfalls were 0.4% higher than in the same period of the prior year, while tenant sales were down slightly by -0.5% as a result mainly of the performance recorded in the last two months and the negative trend in Electronics in the wake of the significant increases recorded in 2019.

Looking at the different categories of merchandise, Electronics posted the biggest drop of -9.6% compared to the same period of the prior year, while Personal Care and Wellbeing recorded the biggest increase (+10.3% vs 2023); a positive trend was also recorded by clothing, restaurants and services.

During the first half of the year, IGD continued its marketing activities achieving good results: mall occupancy at June 30th stood at 94.38%, an increase of 22bps vs March 31st; average occupancy at malls + hypermarkets also rose by 20 bps to 94.96%. The ability of IGD's shopping centers to attract international anchor tenants was also confirmed: in February, Rituals opened a boutique at Puntadiferro, while the first Sinsay store in an Italian IGD center was opened on July 28th at Officine Storiche where, in September, Primark will also inaugurate a 2,400 square meter medium-sized store. In the same month, the newly renovated Notorious Cinemas multiplex will open its doors at the Nuova Darsena Shopping Center in Ferrara.

During the first half the 103 leases (51 renewals and 52 turnover) were signed with an overall downside of -0.6%. After a first quarter in which the downside reached -3.5%, upside on the

[1] Source: ISTAT - *Le prospettive per l'economia italiana nel 2024-2025,* June 2024
[2] Source: Banca Italia – *Bollettino economico 3/2024*, July 2024
[3] Source: Banca Italia – *Bollettino economico 3/2024*, July 2024
[4] Source: ISTAT - *Le prospettive per l'economia italiana nel 2024-2025,* June 2024
[5] Source: ISTAT – *Nota mensile sull'andamento dell'economia italiana maggio-June,* July 2024
[6] Source: ISTAT - *Le prospettive per l'economia italiana nel 2024-2025,* June 2024
[7] Source: Banca Italia – *Bollettino economico 3/2024*, July 2024

leases signed in the second quarter reached +3.6%. The leases signed account for 4.3% of the Group's rental income. Between the first and second quarters of 2024 the WALB or Weighted Average Lease Break was also extended going from 1.78 to 1.82 years for malls and from 11.77 to 12.22 years for hypermarkets. Positive results were also achieved in total collections, which stood at 94.3% at 29 July 2024.

In Romania, after a 2023 which closed with GDP up +2.1%, in 2024 economic growth is expected to continue, albeit at a slower pace: at year-end GDP is expected to rise 3.3%, thanks to an acceleration in private consumption and significant public sector investments.[8]
Consistent with what was seen in Italy, the Winmarkt malls also recorded a good operating performance: at 30 June 2024 occupancy landed at 95.52%, basically unchanged with respect to the high levels recorded at 31 March 2024; in the first half, 177 leases were signed between renewals (114) and turnover (63), with a net upside on renewals of around +4.94%, which confirmed the vitality of Romania's retail sector. The soundness of the tenant portfolio was also confirmed by the collection rate which came to around 96% in the first six months of 2024[9].
The positive outcomes are the first operating results achieved as a result of IGD's renewed strategy which, among other things, aims to fully exploit the potential of the Group's shopping centers and to provide tenants with a true 'IGD Shopping Center Ecosystem', making not only sales areas available to tenants, but also providing high value-added property services, digital and communication tools, partnerships and collaborative marketing initiatives, all with a long-term and ESG-compliant vision.
All of this had a positive impact on net rental income which, as described more in detail below, was 4.5% higher like-for-like.
Looking at asset management, in the first half of 2024 IGD's investments and capex amounted to approximately €7 million.
The fit-out work at Officine Storiche in Livorno continued in preparation for the opening of the Sinsay and Primark stores, as did the restyling of Centro Leonardo in Imola. The assets' decarbonization path also continued with the installation of a new solar energy system on the roof of the parking lot at La Favorita Shopping Center in Mantua, which will be operational as of September 2024. A total of 12 solar energy systems has, therefore, been installed in Italy and Romania, with power generation peaking at 3,100 MWp.
As for the Porta a Mare Project in Livorno, the sale of another residential unit at Officine Storiche – which closed in July – will be added to the 30 apartments already sold; 4 more sales are expected to close in the coming months, leaving only 7 out of a total 42 residential units to be sold.

The reporting period's main event was the disinvestment transaction completed by IGD on 23 April 2024 with Sixth Street and Starwood Capital. The disposal involved a real estate portfolio including eight hypermarkets, three supermarkets and two shopping malls for a total of €258 million. The transaction was carried out by contributing the entire real estate portfolio to 'Food Fund' - a closed-end real estate investment fund (an Italian REIF), of which IGD maintained 40% ownership, while the remaining 60% was sold to a Luxembourg vehicle (50% Sixth Street and 50% Starwood Capital) for €155 million.[10]

[8] Source: European Commission, *Spring Economic Forecast*, May 2024
[9] At 29 July 2024
[10] For more information on the disposal and impacts, please refer to the press release issued on April 23rd available on the website at https://www.gruppoigd.it/igd-perfeziona-con-sixth-street-e-starwood-capital-la-cessione-di-un-portafoglio-immobiliare/

The main benefits of this transaction can be seen, above all, in the financial structure with the Loan-to-Value reaching 44.9% at 30 June 2024, lower than 48.1% posted at year-end 2023; this indicator also reflects the stabilization of the freehold property valuations which showed a change of -0.50% like-for-like after a couple of years in which higher interest rates had resulted in significant writedowns.

With regard to other financial indicators, at 30 June 2024 the average cost of debt was 6.05%, higher than the 3.86% reported at year-end 2023 due to the cost of the most recent loans; the interest cover ratio or ICR, was 1.7x, while the interest cover ratio for covenants was 2.13X.

The consolidated operating income statement is shown below:

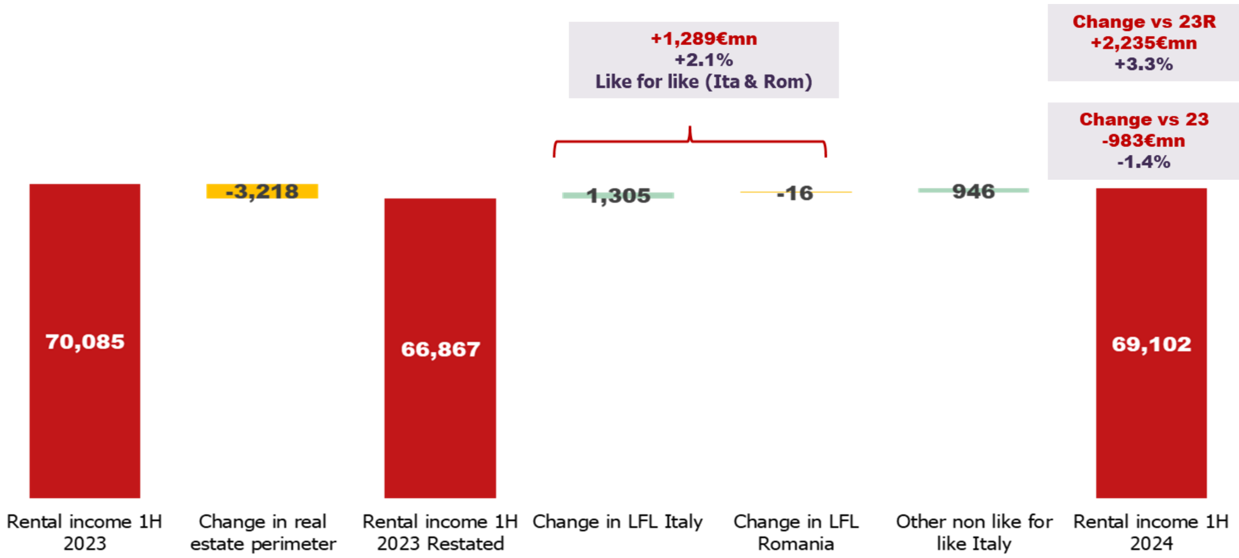
GROUP CONSOLIDATED	(a) 6/30/2024	(b) 6/30/2023	Δ (a)/(b)
Revenues from freehold rental activities	64,342	65,577	-1.9%
Revenues from leasehold rental activities	4,760	4,508	5.6%
Total income from rental activities	**69,102**	**70,085**	**-1.4%**
Rents and payable leases	-13	-1	n.a.
Direct costs from rental activities	-10,106	-11,043	-8.5%
Net rental income	**58,983**	**59,041**	**-0.1%**
Revenues from services	4,074	3,777	7.9%
Direct costs from services	-2,876	-2,844	1.1%
Net service income	**1,198**	**933**	**28.4%**
HQ personnel expenses	-3,870	-3,884	-0.4%
G&A Expenses	-2,438	-2,301	6.3%
CORE B USINESS EBITDA (Operating income)	**53,873**	**53,789**	**0.1%**
Core business Ebitda Margin	*73.6%*	*72.8%*	
Revenues from trading	84	5,572	-98.5%
Cost of sale and other costs from trading	-285	-5,731	-95.0%
Operating result from trading	**-201**	**-159**	**26.4%**
EBITDA	**53,672**	**53,630**	**0.1%**
Ebitda Margin	*73.3%*	*67.5%*	
Impairment and fair value adjustments	-18,800	-80,277	-76.6%
Depreciations and provisions	-1,004	-901	10.1%
EBIT	**33,868**	**-27,548**	**-222.9%**
FINANCIAL MANAGEMENT	-36,864	-19,199	92.0%
EXTRAORDINARY MANAGEMENT	-29,100	0	n.a.
PRE-TAX PROFIT/LOSS	**-32,096**	**-46,747**	**-31.3%**
Taxes	-448	-316	41.8%
NET RESULT OF THE PERIOD	**-32,544**	**-47,063**	**-30.9%**
(Profit/Loss) for the period related to third parties	0	0	n.a.
GROUP NET PROFIT/LOSS	**-32,544**	**-47,063**	**-30.9%**

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 sector companies and/or groups and, therefore, these figures may not be comparable.

Net rental income

Rental income amounted to €69,102 thousand at 30 June 2024, a decrease of 1.4%.
For a more consistent comparison, the 2023 rental income was restated to reflect the sale of assets and the change in the scope of consolidation described above. Restated rental income landed at €66,867 thousand.

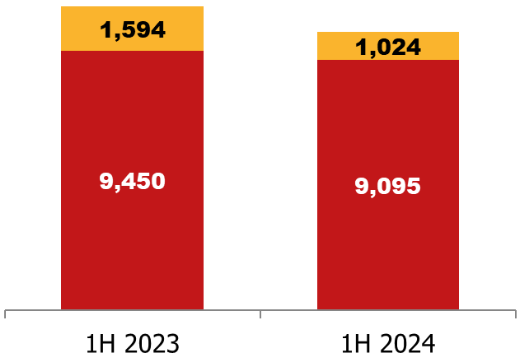


The increase over the restated 2023 amount was €2,235 thousand (+3.3%), attributable to:

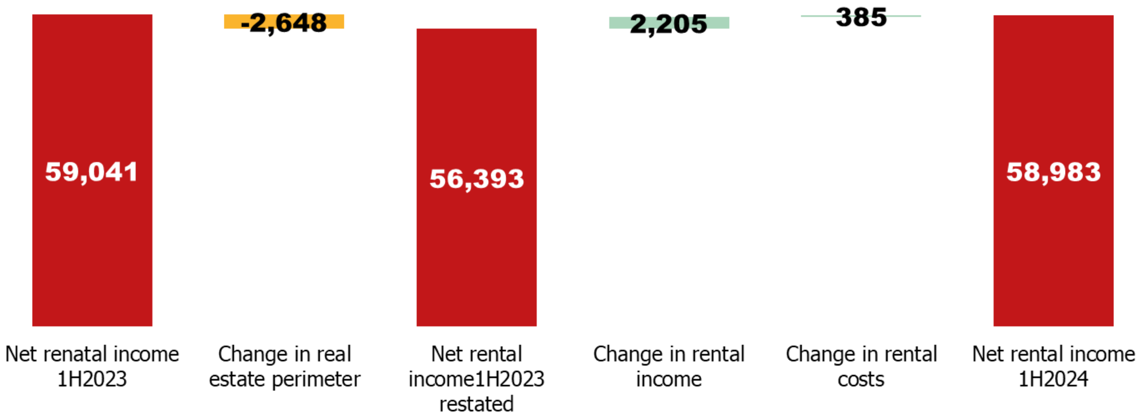
- higher like-for-like revenues in Italy (malls +2.1% and hypermarkets +3.8%) explained by the positive impact of ISTAT adjustments (for approx. €0.9 million, +1.8%), the decrease in discounts (for approx. €0.7 million) and the effects of marketing activities offset by some tenant turnover;
- for €946 thousand, higher revenues not like-for-like (due to the opening of Officine Storiche in September 2023, as well as the impact of the remodeled space at Katanè and Lungo Savio).
- a largely flat performance in Romania, with the positive impact of the relets and inflation indexing offset by the policy to rebalance rents/expenses.

Overall, like-for-like rental income, which accounts for roughly 90% of the total, rose 2.1% to €1.3 million.

The **direct costs for the rental business** amounted to €10,119 thousand. The decrease in costs is attributable largely to the costs of the portfolio sold which were €570 thousand lower than in the same period of the previous year. Like-for-like direct costs stood at €9,095, a drop of €355 thousand attributable mainly to lower condominium fees.



Net rental income amounted to €58,983 thousand, a decrease (-0.1%) against the same period of the prior year and an increase like-for-like of 4.5%. For a more consistent comparison, the 2023 net rental income was restated to reflect the change in the scope of consolidation attributable to the portfolio sold and landed at €56,393 thousand; the €2,648 thousand change in the perimeter is attributable for €3,218 thousand to the change in revenues and for €570 thousand to the costs referred to above. There was an increase of €2,590 thousand (+4.5%) in net rental income compared to 2023 restated.



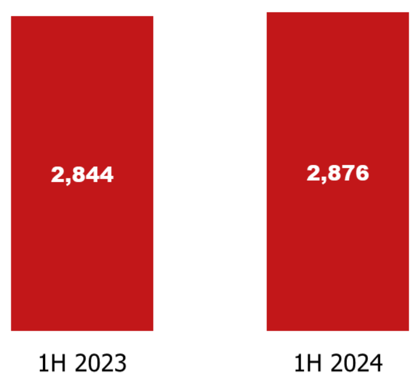
Net rental income freehold amounted to €54,331 thousand, lower (-0.7%) than in the same period of the prior year. Like-for-like, the net rental income freehold posted an increase of 4.8% compared to the previous year. The margin for this business is sizeable, coming in at 84.4%, higher than in the previous year.

Net rental income leasehold (for two properties in master lease) amounted to €4,653 thousand, an increase of 7.9% compared to the same period of the prior year.

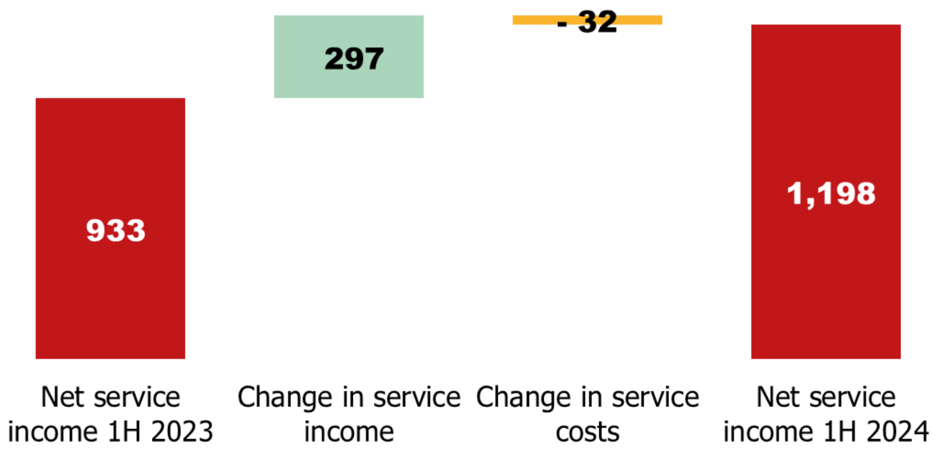
Net services income

Revenue from services showed an increase with respect to the same period of the prior year (+7.9% or €297 thousand) explained mainly by higher revenue for outsourcing services and center pre-lets. Most of this revenue comes from the facility management business (83.3% of the total or €3,299 thousand).

The **direct costs for services** amounted to €2,876 thousand, €32 thousand higher (+1.1%) than in the same period of the prior year due also to the initial impact that the renewal of the National Collective Labor Agreement had on network personnel expense.

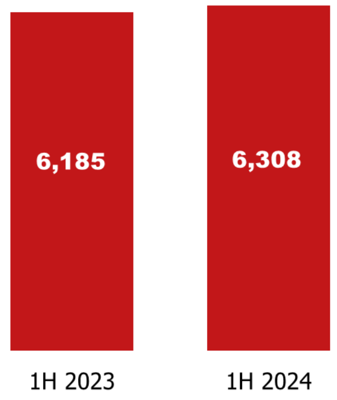


Net services income was 28.4% higher than in the same period of the prior year, coming in at €1,198 thousand or 29.4% of services income versus 24.7% in the same period of the prior year.



General expenses for the core business

General expenses for the core business, including payroll costs at headquarters, came to €6,308 thousand, slightly higher (+2.0%) than the €6,185 thousand recorded at 30 June 2023, due to an increase in corporate communication costs and other minor items. Professional consultancies and the cost of headquarter personnel (which was impacted to a limited degree by the renewal of the National Collective Labor Agreement) were flat.
These costs came to 8.6% of core business revenue.

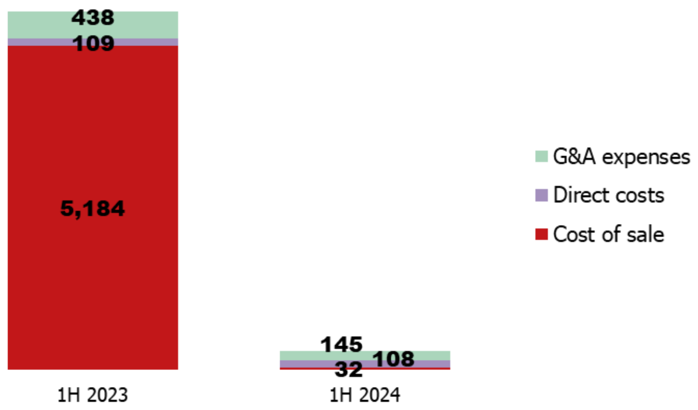


Operating results for trading

Trading posted an operating loss of €201 thousand, slightly lower than in the same period of the prior year.

In the first half of 2024, the sale of two garages, but no apartments, closed at Officine Storiche; out a total of 42 residential units, the sale of 30 units have already closed and 5 binding offers have been received, one of which already closed in July.

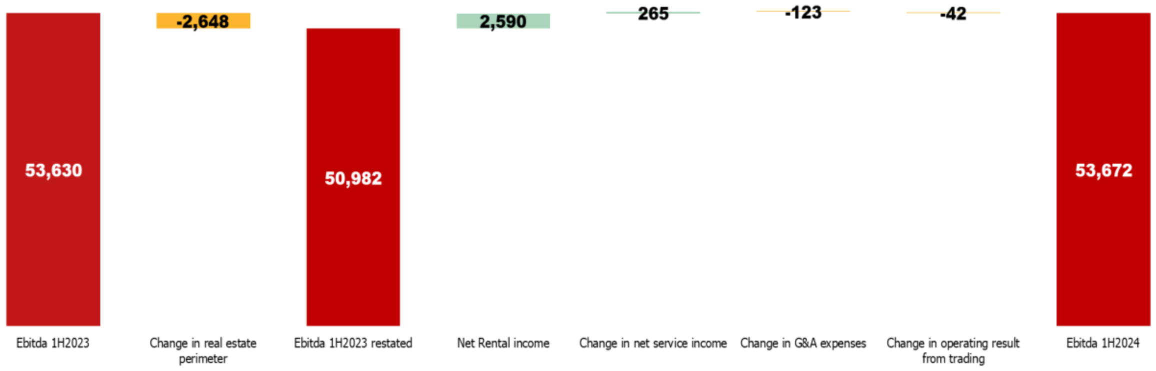
The costs for the Porta a Mare Project are broken down below:



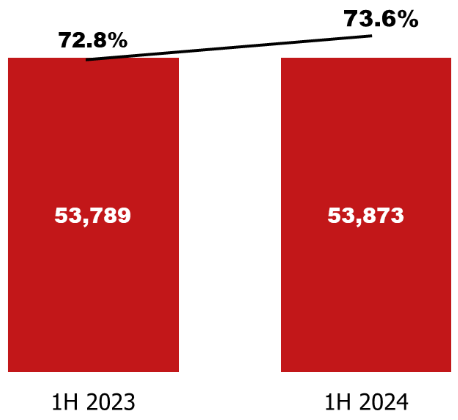
EBITDA

The **core business EBITDA** amounted to €53,873 thousand, 0.1% higher than in the same period of the prior year, while total EBITDA rose by 0.1% to €53,672 thousand. Total EBITDA restated was €2,690 thousand higher (+5.3%)

The changes in the components of total EBITDA in 2024 are shown below:



The core business **EBITDA MARGIN** reached 73.6%, higher than in the same period of the prior year.



Fair value adjustments and impairment losses on work in progress and inventory

Fair value adjustments and impairment losses/reversals was negative for €18,800 thousand at 30 June 2024, lower compared to the €80,277 thousand recorded at 30 June 2023. The change in fair value, negative for €18,386 thousand, comprises:

- for €3,496 thousand, impairment of the right-of-use assets stemming from IFRS 16 application, including increases in the year;
- for €6,438 thousand, impairment of the extraordinary maintenance of properties owned and leased by IGD Group's Italian companies;
- for €274 thousand, impairment of the extraordinary maintenance of properties owned by the Romanian subsidiary Win Magazin S.A.;
- for €5,898 thousand, an impairment loss for the adjustment to fair value of the freehold investment property of IGD Group's Italian companies, based on independent appraisals as at 30 June 2024;
- for €2,280 thousand, an impairment loss for the adjustment to fair value of the investment property of the Romanian subsidiary Win Magazin SA, based on independent appraisals as at 30 June 2024.

Net impairment losses on work in progress and inventory (€414 thousand) reflect (i) an impairment loss of €220 thousand on the Portogrande expansion and (ii) an impairment loss of €194 thousand on the Officine (residential), Molo, Lips, and Arsenale sections based on independent appraisals of these investments as at 30 June 2024.

EBIT

EBIT was negative for €33,868 thousand, showing improvement compared to the same period of the prior year; this change is attributable to the factors described above.

Income/(loss) from equity investments and property sales

	6/30/2024	6/30/2023	Change
Result of asset contribution in Food Fund	(4,689)	0	(4,689)
Result of Food Fund deconsolidation	(24,411)	0	(24,411)
Income/ (loss) from equity investments and asset disposal	**(29,100)**	0	**(29,100)**

As detailed in section 1.8 "Significant events in the half", on 23 April 2024 the definitive contract, in execution of the preliminary agreement disclosed to the market on 23 February 2024, was signed with Sixth Street and subsidiaries of Starwood Capital and Prelios SGR S.p.A.

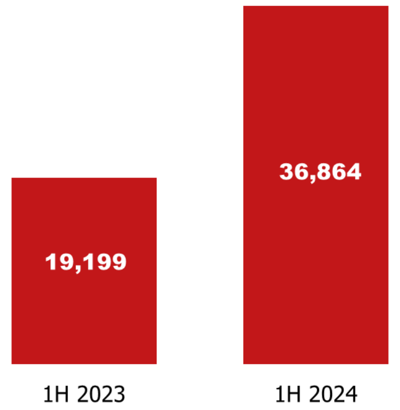
The transaction involved the sale, by IGD, of a real estate portfolio comprised of eight hypermarkets, three supermarkets and two shopping malls.

The transaction was carried out through a closed-end real estate investment fund (an Italian REIF) called "Food Fund" established and managed by Prelios SGR, the asset manager of Prelios Group, to which IGD transferred the properties. The difference between the book value of the properties and the transfer value of €258 million was negative for €4.7 million.

Subsequent to the transfer, 60% of the fund units (class A preferred shares) was sold by IGD to a Luxembourg vehicle (held 50% by Sixth Street and 50% by Starwood Capital) for €155 million, while IGD maintained ownership of the remaining 40% (class B subordinate shares).

The interest maintained in Food Fund (now an associate, as a result of the sale of the 60% stake) was measured at fair value as of the date when control was lost using the discounted cash flow method based on which impairment of €24.4 million was recognized.

Financial Income and Charges



"**Financial charges**" went from €19,199 thousand at 30 June 2023 to €36,864 thousand at 30 June 2024. The increase, of around €17,665 thousand, is attributable mainly to:

- an increase in interest on mortgages following the signing of a new €250 million loan in May 2023;
- higher financial charges on bonds reflecting the issue of a new €400 million bond and the partial exchange of the bond notes maturing on 28 November 2024 completed in November 2023;
- an increase in the amortized cost of bonds following the partial redemption made described in section 1.8 "Significant events in the half";
- lower financial charges for IRS, due in part to a decrease in notional amounts.

The **average cost of debt** (without considering recurring and non-recurring transaction costs) at 30 June 2024 was 6.05%, higher than the 3.86% recorded at 31 December 2023, while the weighted average effective cost of debt went from 4.71% at 31 December 2023 to 7.91%.
The **interest cover ratio (ICR)**, the ratio of Ebitda to net financial charges, came to 1.7x, lower than the 2.22x posted at 31 December 2023.

Taxes

	6/30/2024	6/30/2023	Change
Current taxes	591	586	5
Deferred tax liabilities	(146)	(275)	129
Out-of-period income/charges - Provisions	3	5	(2)
Income taxes	**448**	**316**	**132**

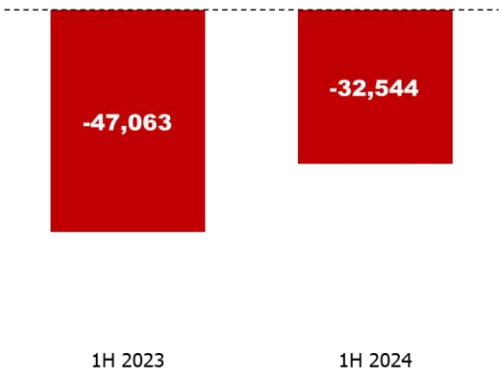
The **tax burden**, current and deferred, reached €448 thousand at 30 June 2024, an increase of €132 thousand against 30 June 2023.

Current tax is largely in line with the same period of the prior year.

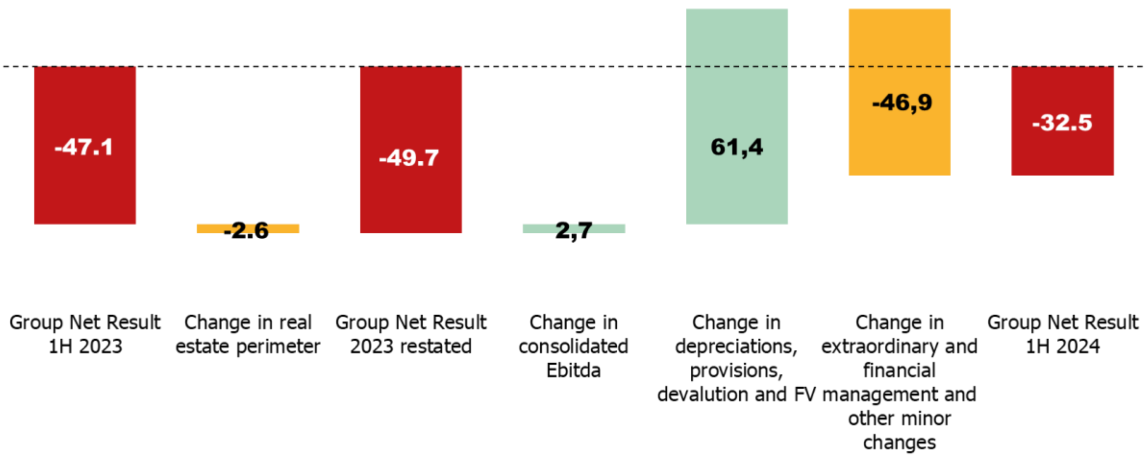
The change in deferred tax against the same period of the prior year (€132 thousand) is attributable mainly to (i) adjustments consistent with the change in fair value of the real estate investments held by the subsidiary Win Magazin S.A. subject to ordinary taxation and (ii) the impact of IFRS16 application 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 €32,544 thousand, lower than the net loss of €47,063 thousand recorded at 30 June 2023.



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

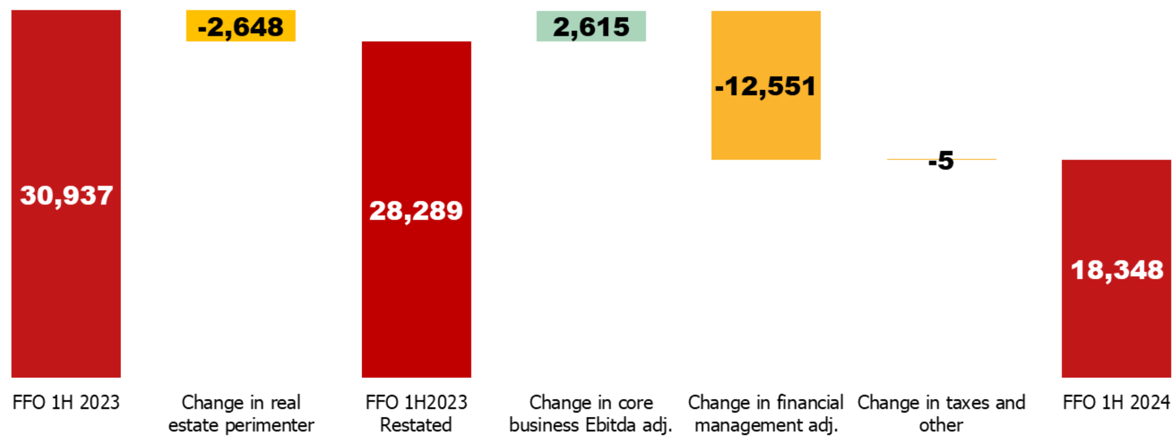


Core business FFO

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 €18,348 thousand at 30 June 2024 (-40.7%), lower than in same period of the prior year due to an increase in adjusted financial charges (net the non-recurring exchange costs which include the part of the redemption of the bonds made above par) and indexing of the rents payable. For a more consistent comparison, the FFO was restated to reflect the disposal and the change in perimeter (for around €2,648 thousand, as indicated previously), and amounts to €28,289 thousand (down -35.6%).

Funds from Operations	1H 2024	1H 2023	Δ	Δ%
Core business EBITDA*	**53,873**	**53,785**	**88**	**0.2%**
IFRS16 Adjustments (payable leases)	(4,481)	(4,361)	(119)	2.8%
Financial management Adj.**	(30,453)	(17,901)	(12,551)	70.1%
Current taxes for the period	(591)	(586)	(5)	0.9%
FFO	**18,348**	**30,937**	**(12,588)**	-40.7%

*Net of the non-recurring expenses recorded in 2023 relating to core business EBITDA.
** Adj. financial charges refer to financial charges net of IFRS 16, IFRS 9, other non-recurring exchange costs (including the portion of the redemptions made above par)



1.5. // Statement of financial position and financial review

IGD Group's statement of financial position at 30 June 2024 can be summarized as follows:

(in thousands of Euros)	6/30/2024	12/31/2023	▲	%
Investment property	1,684,925	1,959,053	(274,128)	-16.27%
Assets under construction and advance payments	2,200	2,364	(164)	-7.45%
Intangible assets	7,491	7,660	(169)	-2.26%
Other tangible assets	9,155	9,374	(219)	-2.39%
Sundry receivables and other non-current assets	129	112	17	13.05%
Equity investments	106,005	25,715	80,290	75.74%
Net working capital	8,407	3,810	4,597	54.68%
Funds	(8,933)	(9,235)	302	-3.38%
Sundry payables and other non-current liabilities	(11,272)	(17,600)	6,328	-56.14%
Net deferred tax (assets)/liabilities	(11,799)	(11,090)	(709)	6.01%
Total use of funds	**1,786,308**	**1,970,163**	**(183,855)**	**-10.29%**
Total shareholders' equity	970,081	1,000,533	(30,452)	-3.14%
Net (assets) and liabilities for derivative instruments	(1,893)	1,205	(3,098)	163.66%
Net debt	818,120	968,425	(150,305)	-18.37%
Total sources	**1,786,308**	**1,970,163**	**(183,855)**	**-10.29%**

The main changes in the first half of 2024 compared to 31 December 2023 concern:

✓ **Investment property**, down by €274,128 thousand, due to:
- the transfer to the Food real estate fund of eight hypermarkets, three supermarkets and two shopping malls, with a book value for IGD SIIQ of €262,505 thousand. For further details, see the section "Significant events in the half".
- extraordinary maintenance work (€6,763 thousand), mainly the restyling of the Leonardo shopping center, fit-out work at the Officine Storiche mixed-use complex and revamping at the ESP and Le Maioliche shopping centers;
- fair value adjustments. Specifically, investment property was revalued in the amount of €11,333 thousand and written down by €26,223 thousand, for a net negative impact of €14,890 thousand;
- for €3,496 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.

✓ **Intangible assets,** down by €219 thousand, due mainly to:
- for €260 thousand, amortization recognized in the reporting period;
- only partially offset by the costs incurred for the implementation of the new integrated accounting and operations software and the new HR management software

✓ **Other plant, property and equipment**, down by €219 thousand, due to:
- depreciation recognized in the reporting period;
- only partially offset by the purchase of IT equipment.

✓ **Assets under construction and advances**, which were €164 thousand lower explained mainly by:
- for €219 thousand, the writedown of the Portogrande expansion project;
- for €50 thousand, the net increase in advances.

- ✓ **Equity investments**, which was €80,290 thousand higher as a result of the institution of the Food real estate fund, the contribution to this fund of eight hypermarkets, three supermarkets and two shopping malls, the subsequent sale of 60% of the equity investment and the fair value adjustment of the remaining 40%.

- ✓ **Net working capital**, up by €4,285 thousand compared with 31 December 2023, mainly as a result of:
  - a decrease in trade payables of €9,762 thousand due mainly to different payment schedules compared to the prior year;
  - a decrease in net trade receivables and related party receivables of €1,200 thousand due to an improvement in average collection time;
  - a decrease in other current assets of €1,389 thousand due mainly to a decrease in IGD SIIQ's VAT credit which was only partially offset by higher prepaid expenses relating to insurance and other costs pertaining to the year, but paid in first quarter 2024;
  - an increase in tax liabilities of around €513 thousand.

(in thousands of Euros)	6/30/2024	12/31/2023	▲	%
Work in progress inventory and advances	23,959	24,027	(68)	-0.28%
ST trade receivables	8,475	9,676	(1,201)	-14.17%
Related party trade and other receivables	1,067	1,066	1	0.09%
Other current assets	6,945	8,334	(1,389)	-20.00%
Trade and other payables	(14,045)	(22,405)	8,360	-59.52%
Related parties trade and other payables	(801)	(2,203)	1,402	-175.03%
Current tax liabilities	(1,866)	(1,353)	(513)	27.49%
Other current liabilities	(15,327)	(13,020)	(2,307)	15.05%
Net working capital	**8,407**	**4,122**	**4,285**	**50.97%**

- ✓ **Provisions for risks and charges** which showed an increase of €302 thousand explained by: (i) the provisions made for 2024 employee bonuses, (ii) provisions made for a few IMU disputes underway relative to the ESP (Ravenna), La Torre (Palermo), and Tiburtino (Guidonia) shopping centers, (iii) IGD's share of work to be done at the Centro Lame and Clodì shopping centers which were sold during the period, iv) adjustments to employee severance (*TFR*), and (v) the release of provisions for 2023 variable compensation paid in June 2024.

- ✓ **Sundry payables and other non-current liabilities**, which were €6,640 thousand lower, explained chiefly by the refund of security deposits under rental and business lease agreements concerning the properties transferred to Food Fund.

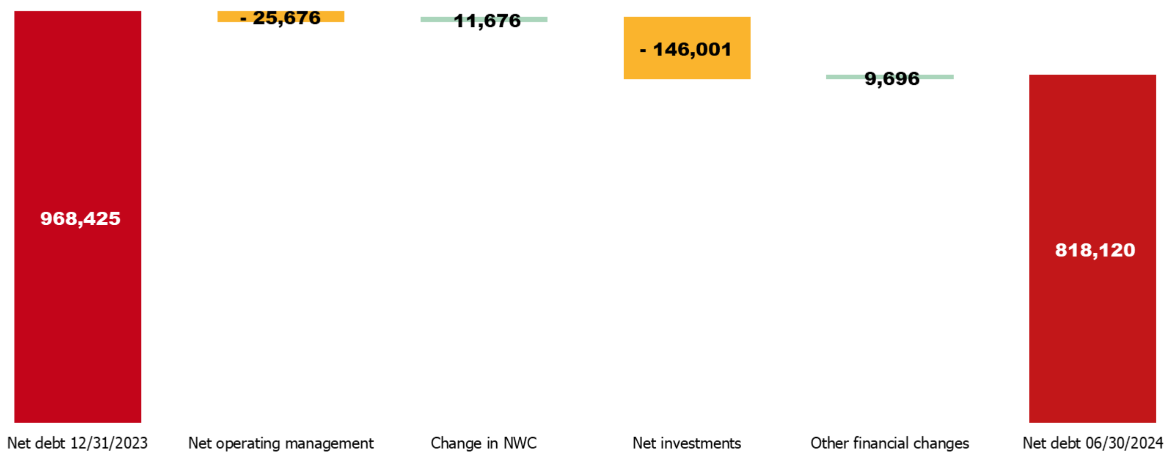
- ✓ **Net deferred tax assets and liabilities,** which went from €11,090 thousand to €11,799 thousand.

- ✓ The **Group's net equity** amounted to €970,081 thousand at 30 June 2024. The decrease of €30,452 thousand is explained by:
  - for +€2,364 thousand an adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method;

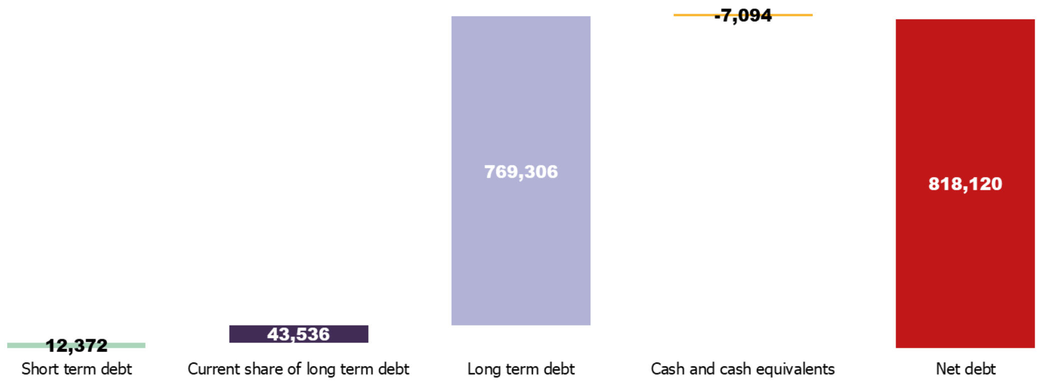
- for -€272 thousand, movements in the reserve for the translation of foreign currency financial statements;
- for €32,544 thousand, the Group's share of the loss posted in the reporting period.

✓ **Net (assets) liabilities for derivatives** which were higher than in the prior year. The fair value measurement of the hedging instruments at 30 June 2024 was higher than in the prior year by €3,098 thousand.

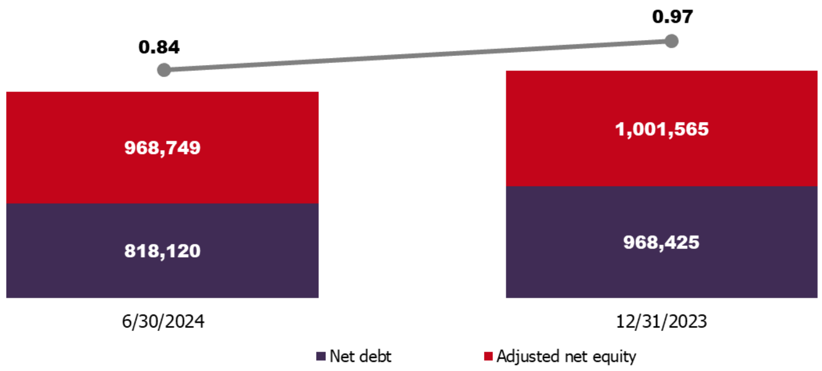
Net debt showed improvement at 30 June 2024 and was about €150.3 million lower than at 31 December 2023. The changes are shown below:



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.



The **gearing ratio** reflects the debt-to-equity ratio, including non-controlling interests but excluding the CFH reserves. The ratio came to 0.84 at 30 June 2024, lower than the 0.97 recorded at 31 December 2023.


0.84
0.97
968,749
818,120
1,001,565
968,425
6/30/2024
12/31/2023
Net debt
Adjusted net equity

1.6. // EPRA Performance Indicators

IGD Group 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. In October 2019 EPRA Best Practices Recommendations introduced three new indicators relative to net asset value: **EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets Value (NTA) and EPRA Net Disposal Value (NDV)**.

NET REINSTATEMENT VALUE (NRV): the value of net assets on a long-term basis. It represents the Group's repurchase value, assuming that the latter 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 of hedging instruments and deferred taxes on property valuation surpluses and hedging instruments.

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 2024 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 the Group'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

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	6/30/2024	12/31/2023
EPRA NRV (€'000)	983,942	1,016,875
EPRA NRV per share	€ 8.92	€ 9.22
EPRA NTA	976,451	1,009,216
EPRA NTA per share	€ 8.85	€ 9.15
EPRA NDV	966,737	993,138
EPRA NDV per share	€ 8.76	€ 9.00
EPRA Net Initial Yield (NIY)	6.1%	6.1%
EPRA 'topped-up' NIY	6.4%	6.4%
EPRA Vacancy Rate Malls Italy	5.6%	5.8%
EPRA Vacancy Rate Hypermarkets Italy	0.0%	0.0%
EPRA Vacancy Rate Total Italy	5.0%	4.7%
EPRA Vacancy Rate Romania	4.4%	3.8%
EPRA LTV	46.9%	50.9%

EPRA Performance Measure	6/30/2024	6/30/2023
EPRA Cost Ratios (including direct vacancy costs)	21.7%	22.7%
EPRA Cost Ratios (excluding direct vacancy costs)	17.8%	18.0%
EPRA Earnings (€'000)	€ 16,306	€ 33,294
EPRA Earnings per share	€ 0.15	€ 0.30

The NAV calculations at 30 June 2024 are shown below, taking into account the three indicators referred to above:

EPRA Net Asset Value	6/30/2024 EPRA NRV	6/30/2024 EPRA NTA	6/30/2024 EPRA NDV	12/31/2023 EPRA NRV	12/31/2023 EPRA NTA	12/31/2023 EPRA NDV
IFRS Equity attributable to shareholders	**970,081**	**970,081**	**970,081**	**1,000,533**	**1,000,533**	**1,000,533**
Exclude:						
v) Deferred tax in relation to fair value gains of IP	15,754	15,754		15,137	15,137	
vi) Fair value of financial instruments	(1,893)	(1,893)		1,205	1,205	
viii.a) Goodwill as per the IFRS balance sheet		(6,646)	(6,646)		(6,648)	(6,648)
viii.b) Intangibles as per the IFRS balance sheet		(845)			(1,012)	
Include:						
ix) Fair value of fixed interest rate debt			3,302			(747)
NAV	**983,942**	**976,451**	**966,737**	**1,016,875**	**1,009,216**	**993,138**
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	**8.92**	**8.85**	**8.76**	**9.22**	**9.15**	**9.00**
Change % vs 31/12/2023	-3.2%	-3.2%	-2.7%			

The NRV was lower than at 31 December 2023 (-3.2%) due mainly to the changes in net equity and the fair value of financial instruments. These changes are primarily attributable to: (i) the decrease in the properties' fair value, partially offset by the (ii) FFO, and (iii) other minor changes in equity.

The NTA was lower than at 31 December 2023 (-3.2%). The difference with respect to the NRV is due to the fact 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 (-2.7%). This change, in addition to the above, also reflects the decrease 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 2024, in addition to a change in both the duration and cost of debt.

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

EPRA NIY and "topped-up" NIY disclosure		Consolidated 30-Jun-24					Consolidated 31-Dec-23				
€'000		*Italia*	*Romania*	*Totale (no IFRS16)*	*Leasehold*	*Totale*	*Italia*	*Romania*	*Totale (no IFRS16)*	*Leasehold*	*Totale*
Investment property – wholly owned		1,554,013	119,740	**1,673,753**	13,490	**1,687,243**	1,822,107	122,020	**1,944,127**	16,986	**1,961,113**
Investment property – share of JVs/Funds		0	0	**0**	0	**0**	0	0	**0**	0	**0**
Trading property (including share of JVs)		22,880	0	**22,880**	0	**22,880**	23,970	0	**23,970**	0	**23,970**
Less developments		-39,931	0	**-39,931**	0	**-39,931**	-26,029	0	**-26,029**	0	**-26,029**
Completed property portfolio		1,536,962	119,740	**1,656,702**	13,490	**1,670,192**	1,820,048	122,020	**1,942,068**	16,986	**1,959,054**
Allowance for estimated purchasers' costs		0	0	**0**	0	**0**	0	0	**0**	0	**0**
Gross up completed property portfolio valuation	***B***	***1,536,962***	***119,740***	***1,656,702***	***13,490***	***1,670,192***	***1,820,048***	***122,020***	***1,942,068***	***16,986***	***1,959,054***
Annualised cash passing rental income		107,700	10,029	**117,729**	9,150	**126,879**	126,162	10,298	**136,460**	9,283	**145,743**
Property outgoings		-14,450	-1,642	**-16,092**	-150	**-16,242**	-16,479	-2,169	**-18,648**	-169	**-18,817**
Annualised net rents	***A***	***93,250***	***8,387***	***101,637***	***9,000***	***110,637***	***109,683***	***8,129***	***117,812***	***9,114***	***126,926***
Add: notional rent expiration of rent free periods or other lease incentives		3,894	391	**4,285**	185	**4,470**	6,841	267	**7,108**	338	**7,446**
Topped-up net annualised	*C*	**97,144**	**8,778**	**105,922**	**9,185**	**115,107**	**116,524**	**8,396**	**124,920**	**9,452**	**134,372**
EPRA NIY	**A/B**	**6.1%**	**7.0%**	**6.1%**	**66.7%**	**6.6%**	**6.0%**	**6.7%**	**6.1%**	**53.7%**	**6.5%**
EPRA "topped-up" NIY	**C/B**	**6.3%**	**7.3%**	**6.4%**	**68.1%**	**6.9%**	**6.4%**	**6.9%**	**6.4%**	**55.6%**	**6.9%**

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 completed 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 vacancy rate in Italy was 5.0%, higher than in the prior year. The vacancy rate for malls came to 5.6%, higher than at 31 December 2023, while full occupancy was posted for hypermarkets, consistent with the prior year. The EPRA vacancy rate in Romania was higher than at 31 December 2023, going from 3.8% to 4.4%.

EPRA Vacancy Rate		Hypermarkets Italy	Malls Italy	Total Italy	Romania
Estimated Rental Value of vacant space	A	-	5.92	5.92	0.46
Estimated rental value of the whole portfolio	B	12.20	105.4	117.6	10.48
EPRA Vacancy Rate	**A/B**	0.00%	5.62%	5.04%	4.38%

The calculations used for the Epra Cost Ratios are shown below:

EPRA Cost Ratios	1H CONS_2024	1H CONS_2023
Include:		
(i) Administrative/operating expense line per IFRS income statement	-19,558	-20,409
(ii) Net service charge costs/fees	2,171	2,134
(iii) Management fees less actual/estimated profit element	2,876	2,771
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits	0	73
(v) Share of Joint Ventures expenses		
Exclude (if part of the above):		
(vi) Investment Property depreciation		
(vii) Ground rent costs	13	1
(viii) Service charge costs recovered through rents but not separately invoiced		
EPRA Costs (including direct vacancy costs) (A)	**-14,498**	**-15,430**
(ix) Direct vacancy costs	-2,589	-3,220
EPRA Costs (excluding direct vacancy costs) (B)	**-11,909**	**-12,210**
(x) Gross Rental Income less ground rent costs - per IFRS	69,089	70,083
(xi) Less: service fee and service charge costs components of Gross Rental Income (if relevant) (x)	-2,171	-2,134
(xii) Add: share of Joint Ventures (Gross Rental Income less ground rent costs)		
Gross Rental Income (C)	**66,918**	**67,949**
EPRA Cost Ratio (including direct vacancy costs) (A/C)	**21.7%**	**22.7%**
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**17.8%**	**18.0%**

The EPRA cost ratio (including direct vacancy costs) was lower with the respect to 30 June 2023 due to a more than proportional decrease in Gross Rental Income against costs.
The EPRA cost ratio (excluding direct vacancy costs) was lower than in the prior year.
The Epra Earnings per share calculation is shown below:

EPRA Earnings & Earnings Per Share	1H CONS_2024	1H CONS_2023
Earnings per IFRS income statement	**-32,545**	**-47,063**
EPRA Earnings Adjustments:		
(i) Changes in value of investment properties, development properties held for investment and other interests	18,800	80,277
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	29,100	0
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	-52	-173
(iv) Tax on profits or losses on disposals	15	48
(v) Negative goodwill / goodwill impairment	0	0
(vi) Changes in fair value of financial instruments and associated close-out costs	1,159	585
(vii) Acquisition costs on share deals and non-controlling joint venture interests	0	0
(viii) Deferred tax in respect of EPRA adjustments	-171	-380
(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	**16,306**	**33,294**
Company specific adjustments:		
(a) General provisions and depreciations	1,004	901
(b) Non-controlling interests in respect of the above	0	0
(c) Tax on profits or losses on disposals	-15	-48
(d) Contingent tax	3	5
(e) Other deferred tax	25	106
(f) Capitalized interests	0	0
(g) Current Tax	0	0
(h) Ground rent costs, adjustement financial results and non- recurring expenses	-3,814	-3,647
(i) Other Adjstument for no core activities	4,839	327
Company specific Adjusted Earnings	**18,348**	**30,937**
Earnings Per Share		
Numero azioni*	110,341,903	110,341,903
Earnings Per Share	**0.15**	**0.30**

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 Group's portion of 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 and the non-recurring exchange fees which includes the portion of the repayment above par. The figure posted at 30 June 2024 shows a decrease of €16,988 thousand or -51%, more than decrease in FFO due to higher amortization and depreciation compared to the prior year and non-recurring financial charges (not included in FFO).

EPRA EUROPEAN PUBLIC REAL ESTATE ASSOCIATION

€/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	541,026	541,202	27,451	568,653	27,627
Bond Loans	282,238	282,238		282,238	0
Foreign Currency Derivatives (futures, swaps, options and forwards)					
Net Payables	0	35,628		35,628	35,628
Owner-occupied property (debt)	0	1,950		1,950	1,950
Exclude:					
Cash and cash equivalents	7,094	7,094		7,094	0
Net Debt (a)	**816,170**	**853,924**	**27,451**	**881,375**	**65,205**
					0
Include:					0
Owner-occupied property	0	6,668		6,668	6,668
Investment properties at fair value	1,790,469	1,683,869	161,832	1,845,701	55,232
Properties held for sale	0	0		0	0
Properties under development	26,159	26,803		26,803	644
Intangibles	0	845		845	845
Financial assets	0	176		176	176
Total Property Value (b)	**1,816,628**	**1,718,361**	**161,832**	**1,880,193**	**63,565**
LTV (a/b)	**44.9%**	**49.7%**	**17.0%**	**46.9%**	**1.9%**

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 and Fondo Food.

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)	6/30/2024	12/31/2023
Acquisitions	**0**	**0**
Development	**160**	**5.032***
Investment properties	**6,950**	**20.132****
Incremental lettable space	*0*	*0*
No incremental lettable space	*4,413*	*10,476*
Tenant incentives	*0*	*0*
Other material non-allocated types of expenditure	*2,537*	*9,656*
Capitalised interest (if applicable)	**0**	**0**
Total CapEx	**7,110**	**25,164**

*Includes offsetting invoices for €1,878 thousand which decrease the actual investment made in Officine Storiche project.

**Includes €1,802 thousand in costs incurred to clean up Lungo Savio after the flood.

Development includes the investments made in the reporting period in the development company Porta Medicea in Livorno.

No incremental lettable space, under investment properties, includes the capex made to accommodate new retailers and property restyling.

Other material non-allocated types of expenditure includes extraordinary maintenance of properties, systems, earthquake proofing, as well as improvements to the Environmental Management System.

The Group is not party to any joint ventures.

In the first half of 2024 the Group did not capitalize any project management costs related to development projects.

Regarding 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 (Section 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 2024 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.

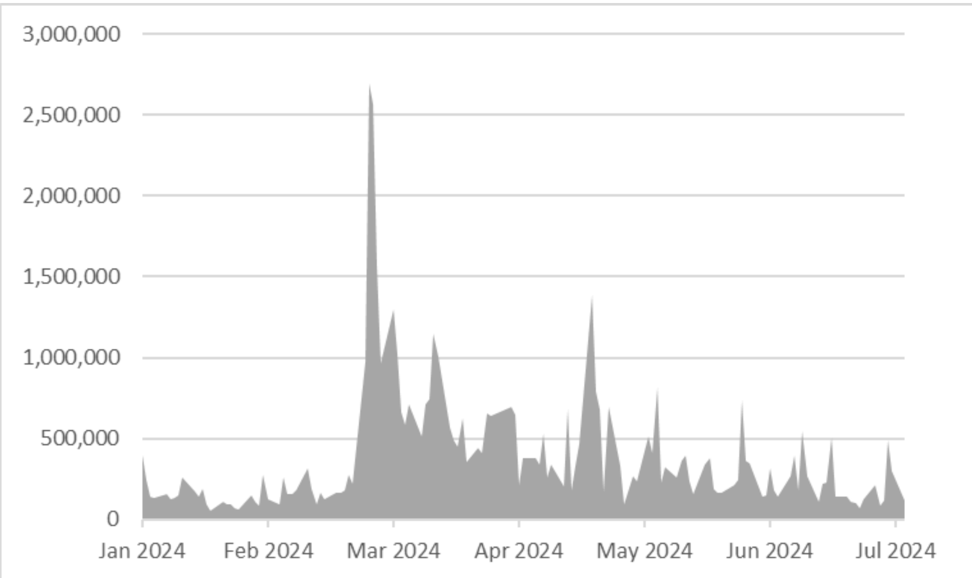
1.7. // The Stock

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 Intesa Sanpaolo – IMI Corporate & Investment Banking.
IGD's stock symbols are:
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 index families.
International indices: Bloomberg, FTSE Russel, S&P, Stoxx.
Real estate sector indices: EPRA (European Public Real Estate Association) and GPR (Global Property Research).
IGD is also included in six ESG (Environment, Social & Governance) indices, which include: Bloomberg ESG Data Index, Bloomberg ESG Score Universe, Bloomberg ESG Coverage Index, FTSE EPRA Nareit Developed Green Index, FTSE EPRA Nareit Developed Green EU CTB Index, FTSE EPRA Nareit Developed Green Target Index, GPR Eurozone ESG+ Index.
IGD has 13 independent and unsolicited ESG ratings, as well as two solicited ratings from CDP and GRESB.

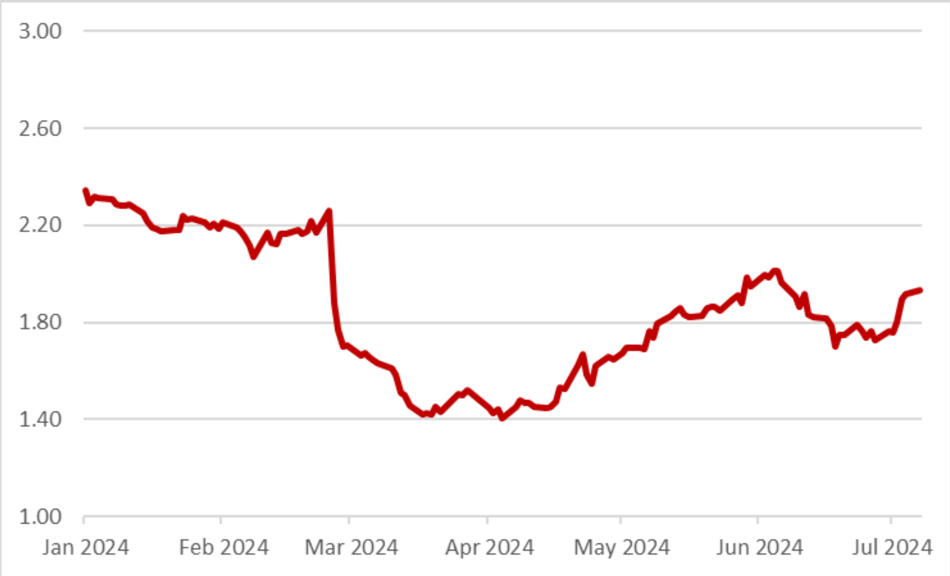
Volume of IGD shares traded since 2 January 2024



Source: Italian Stock Exchange data compiled by IGD

In the first half of 2024, an average of 393,977 IGD shares was traded each day, 25.4% higher than the 314,217 shares traded on average in the first half of 2023. The volume high for the first half of 2024 was recorded on 27 February 2024 when the results for FY 2023 were announced and 2,689,551 shares were traded.

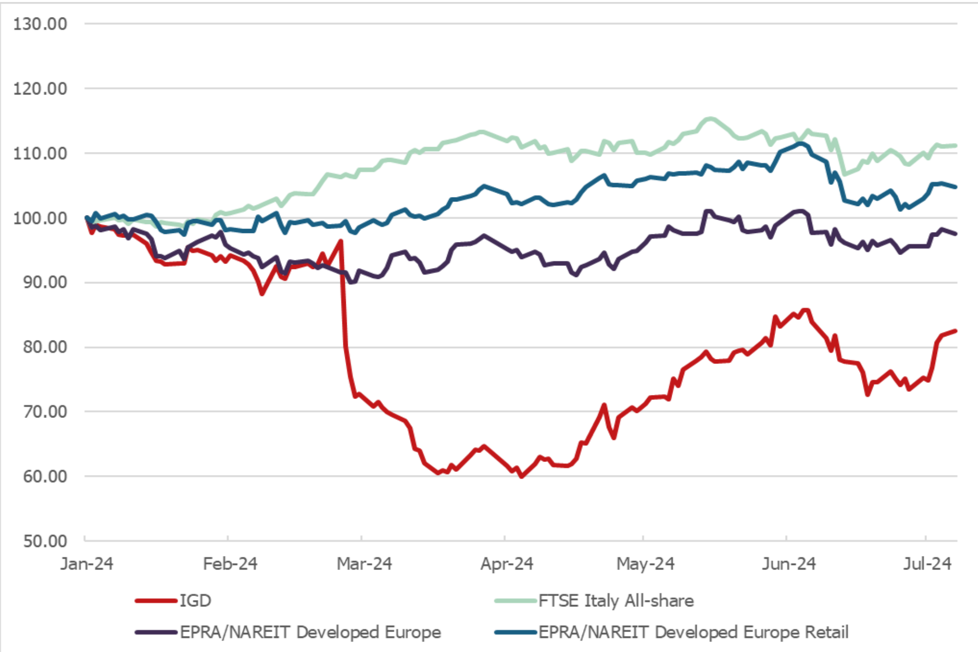
A IGD's stock price since 2 January 2024



Source: Italian Stock Exchange data compiled by IGD

IGD's stock price fell 25.2% in the first six months of 2024: from the price of €2.305 recorded at 29 December 2023, the stock, in fact, hit €1.724 on 28 June 2024. The high for the first half of 2024, of €2.345, was recorded on 2 January, while the period low of €1.406 was posted on 5 April.

IGD's stock vs. the Italian stock market index Ftse Italia All- Share, Epra/Nareit Developed Europe and Epra/Nareit Developed Europe Retail (Base 2.1.2024= 100)



Source: Italian Stock Exchange data compiled by IGD

IGD, which closed the year with the successful outcome of the complex liability management transaction carried out in November 2023, began 2024 with the stock at highs and maintained prices above €2.20 through the publication of the results for FY 2023 on 27 February 2023. The high-interest-rate environment, which continued to impact property appraisals and increase the cost of debt, as well as the failure to pay a dividend, triggered a strong sell-off of the stock which hit period lows, around €1.4, between the end of March and the beginning of April 2024. The renewal of the Board of Directors, appointed during the Annual General Meeting held on 18 April 2024, which resulted in the appointment of a new Chairman and Chief Executive Officer marked the start of a new rally in the stock, interrupted temporarily by the generalized correction of the European markets in early June in view of uncertainties in the political scenario. The positive reaction to the guidelines for the Business Plan 2025-2027, presented on 4 July 2024, seems to be supporting the stock's upward trend.

The negative performance of IGD's stock in the first half of 2024 was recorded against a backdrop of generalized increases in the stock markets: the correlation between IGD's stock performance and the main benchmarks, therefore, remains largely insignificant, as already seen in 2023. Aspects linked to the Company's situation, grappling with the need to reduce its Loan-to-Value, weighed on IGD's stock price, while the positive aspects of the scenario which sustained a generalized rise in stock market prices, were only partially reflected in its price.

In the first part of 2024 the financial markets were characterized by growing evidence that inflation was slowing to levels closer to the targets set by the central banks. The ECB did, in fact, intervene in June, cutting rates by 25 bps which marked the beginning of an easing in momentary policy which the FED has, for the moment, postponed. The prospects of lower cost of money increased investors' risk appetite who believe in a stable economic recovery, while also making company valuations more attractive.

In the first half of 2024, therefore, the Eurostoxx 600 index was, overall, up by 8.4%. The Italian index, which IGD is part of, slightly outperformed the European index: the FTSE Italy All-Share Index, in fact, posted an increase of 8.8%, driven mainly – as was the case in 2023 – by the outstanding performance of financial stocks which account for a large part of the Italian market's capitalization.

The real estate sector, despite the resilience shown by many sector companies, the lows seen in property valuations and the predictable benefits of lower interest rates, has yet to rekindle investors' interest. At 30 June 2024 the EPRA/Nareit Developed Europe index was down 5.2% against year-end 2023. The performance of the EPRA/Nareit Developed Europe Retail was decidedly better, up 1.9% compared to 31 December 2023, in the wake of a widespread recovery in the operating metrics of segment companies.

Investor Relations and Financial Communication

Broker Coverage

The target consensus price of the five brokers covering IGD was €2.23 at 30 June 2024. Most of the analysts have neutral recommendations (two "Neutral" ratings and one "Hold"), while two brokers have a buy recommendation (with one "Upside" rating and one "Outperform"). No broker has a sell recommendation on IGD's stock.

Presentations and meetings with investors

In the first half of 2024 IGD organized two conference calls:

- 27 February, to discuss the results at 31 December 2023;
- 7 May, to discuss the results at 31 March 2024.

In the first half of 2024, IGD's management participated in virtual or in-person events, meeting with 43 institutional investors. An impressive 11 asset management companies met with IGD for the first time.

The Company participated in the sixth edition of Mediobanca's Italian Mid Cap Conference, which was held on 23 January 2024 in Milan, while last March 20th IGD participated in Borsa Italiana's STAR Conference in Milan. In order to maintain a dialogue with bond portfolio managers, Company management went to London to take part in the London Real Estate Credit Investor Day, organized by Citi last May 15th.

During the half Management, together with the Investor Relations team, also organized a series of one-to-one virtual meetings with equity investors and bondholders, who expressed interest in gaining a better understanding of specific topics in order to correctly assess IGD's results and prospects.

Financial Calendar 2024

1 August - Board of Directors' meeting to approve the Half-Year Financial Report as at 30 June 2024.

7 November - Board of Directors' meeting to approve the Interim Financial Report as at 30 September 2024.

1.8. // Significant events in the half

The main events in the reporting period are described below.

Corporate events

- On 23 February 2024 the Board of Directors approved the draft separate and consolidated financial statements for FY 2023, as well as the Annual Report on Corporate Governance and Ownership Structure, included in the annual report. The Board of Directors also approved the Corporate Sustainability Report 2023 which was subject to the Limited Assurance of Deloitte & Touche which certified compliance with the most important international standards (the GRI Standards).
- On 18 March 2024 the Board of Directors examined and approved, as proposed by the Appointments and Compensation Committee, the Report on Remuneration and Compensation Paid drafted pursuant to and in accordance with Art. 123-ter of TUF.
- During the Annual General Meeting of IGD SIIQ S.p.A. held on 18 April 2024, shareholders approved IGD's separate 2023 financial statements, as presented during the Board of Directors meeting held on 23 February 2024, which closed with a net loss of €72.5 million. During the Ordinary Annual General Meeting shareholders approved the first section of the "Report on Remuneration and the Compensation Paid" in accordance with Art. 123-*ter*, paragraphs 3-*bis* and 3-*ter*, of TUF and resolved in favor of the second section of the "Report on Remuneration and the Compensation Paid" in accordance with Art. 123-*ter*, paragraph 6, of TUF. The shareholders also appointed the new members of the Board of Directors for the three-year period 2024-2026, through the approval of the financial statements at 31 December 2026, and appointed the new members of the Board of Statutory Auditors.
- On 18 April 2024, the Board of Directors, as proposed by the Nominations and Remuneration Committee, appointed Antonio Rizzi Chairman of the Board of Directors, Edy Gambetti Vice Chairman of the Board of Directors and Roberto Zoia Chief Executive Officer and General Manager. The Board of Directors granted the Chief Executive Officer powers of Company administration, with the exception of the powers granted to the Board of Directors based on applicable legislation, the corporate bylaws or the scope of its duties. In accordance with the Corporate Governance Code, the Board of Directors also instituted the Nominations and Compensation Committee, the Control and Risk Committee, and the Committee for Related Party Transactions, and appointed the committee members. Lastly, the Board also instituted a new, non-executive Strategic Committee. This committee – which was also assigned the functions currently carried out by the "Sustainability Committee" - will advise on the definition of possible strategic guidelines for the management of the Company, including with a view to defining a new business plan.
- On 23 April 2024 the definitive contract, in execution of the preliminary agreement disclosed to the market on 23 February 2024, was signed with Sixth Street and controlled affiliates of Starwood Capital and Prelios SGR S.p.A.

  The transaction involved the sale, by IGD, of a real estate portfolio for €258 million. The portfolio includes eight hypermarkets (located in Chioggia, Porto d'Ascoli, Roma, Rimini, Conegliano, Ascoli Piceno and two in Bologna), three supermarkets (located in Civita Castellana, Ravenna and Rome) and two shopping malls (located in Bologna and Chioggia).

The transaction was carried out by transferring the properties to a closed-end real estate investment fund (an Italian REIF) called "Food Fund", managed by Prelios SGR (the asset manager of Prelios Group). Subsequent to this contribution, 60% of the fund units (class A shares with preferred returns) were sold by IGD to a Luxembourg vehicle (held 50% by Sixth Street and 50% by Starwood Capital) for €155 million, while IGD maintained ownership of the remaining 40% (class B shares with subordinated returns).

IGD used the transaction proceeds to:

- partially redeem the "€310,006,000 Fixed Rate Step-up Notes due 17 May 2027" issued on 17 November 2023, for €90 million which lowered the outstanding from € 310 million to €220 million;
- make a partial early repayment of the €250 million green secured loan signed in May 2023, for an amount equal to the ALA (allocated loan amount) of each mortgaged property included in the sale perimeter or €62.5 million;
- make a partial early repayment of the €215 million green unsecured loan signed in August 2022 of €0.71 million.

IGD also signed a contract with Prelios SGR for the project, property & facility management activities across the entire portfolio with a view to further enhancing the portfolio over the next few years and selling it on the market under the best conditions possible.

- On 7 May 2024 the Board of Directors examined and approved the interim financial report as at 31 March 2024.
- On 4 July 2024, the guidelines for the new three-year Business Plan 2025-2027 were presented. The Plan will be finalized and the definitive version will be presented by year-end.

Investments

In the first half of 2024 the Group continued with the restyling of the Leonardo Shopping Center in Imola, the fit-out work at the Officine Storiche mixed-use complex, as well as extraordinary maintenance.

The investments made at 30 June 2024 are shown below:

	6/30/2024 Euro/mln
Development projects:	
Porta a Mare project (Trading) (in progress)	0.16
FIT-OUT Officine Storiche	1.54
Centro Leonardo restyling	2.16
Extrordinary maintenance	3.06
Other	0.19
IT project	0.09
Total investments carried out	**7.20**

Development projects

Porta a Mare Project

During the first half the subsidiary Porta Medicea worked on the Officine Storiche section for a total investment of around €165 thousand, relating mainly to the residential portion. In the first half of 2024, the sale of two garages closed. Out of a total of 42 residential units, the sale of 30 units at Officine Storiche have now closed and 5 binding offers have been received.

Restyling

On 30 June 2024 work was underway on the expansion of the Gran Rondò Shopping Center in Crema.

Extraordinary maintenance

In the first half of 2024, extraordinary maintenance continued for a total of €6,763 thousand, relating mainly to restyling at the Leonardo Shopping Center, fit outs at the mixed-use Officine Storiche complex and the Le Maioliche Shopping Center, as well as revamping at the ESP and Le Maioliche shopping centers.

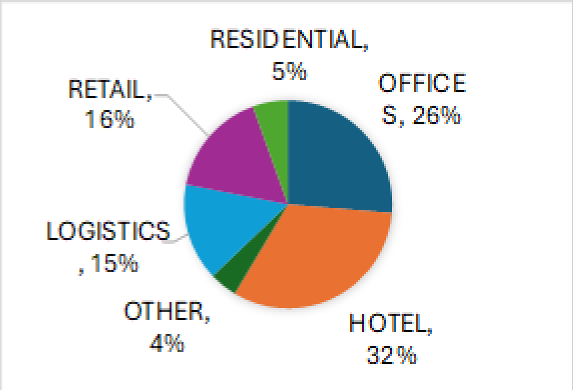
1.9.// The Real Estate Portfolio

For a better understanding of the performance of IGD Group's real estate portfolio, the main data relative to the real estate market in the first half of 2024, as well as a more in depth look at the Italian and Romanian retail segment, are provided below.

THE ITALIAN REAL ESTATE MARKET

Despite the ongoing Russian-Ukranian war and the Israeli-Palestinian conflict, the slowdown in inflation and the ECB's rate cuts gave renewed impetus to investments in the Italian retail real estate market. In the first half of 2024 commercial real estate transactions totalled €3.2 billion, an increase of 35% compared to the first half of 2023.
The breakdown of the investments made in the first half by asset class is shown below:

Commercial real estate transactions in Italy in 1H2024

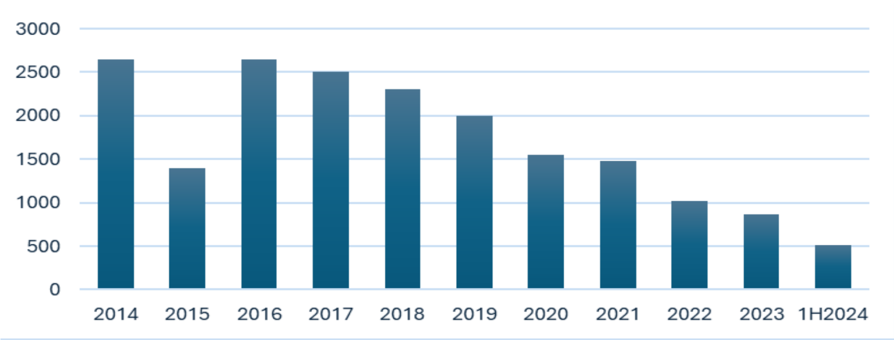


Source CBRE market 2Q2024

THE ITALIAN RETAIL REAL ESTATE SEGMENT

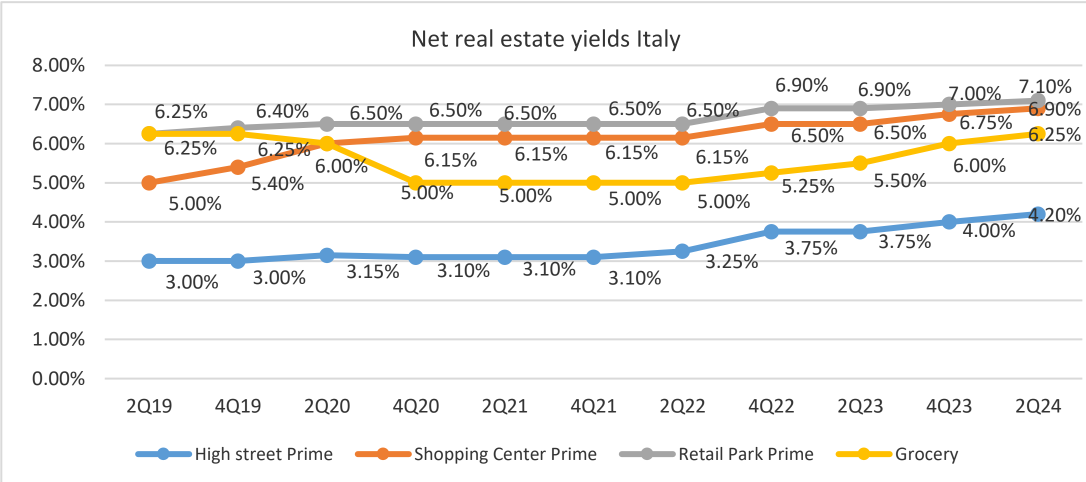
Retail real estate transactions amounted to €510 million in the first half 2024, showing an increase of 121% against the same half of the prior year. This result is largely attributable to two out-of-town segment transactions. Deals in both the out-of-town and high street segments are also expected to materialize over the coming quarters. The higher investment volumes and the noticeable increase in size mark the end of the long repricing period and the return of non-opportunistic investors.

Retail investments in Italy 2014-1H2024



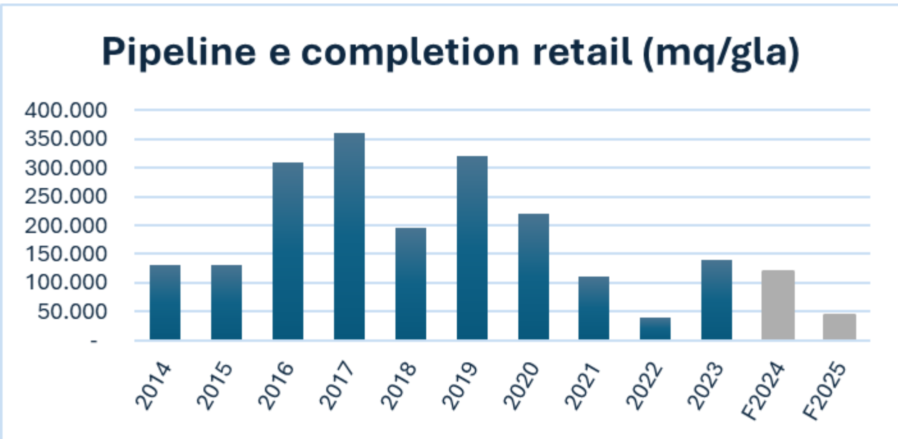
Source: CBRE figures, 2Q2024

In the first half of 2024 the net prime yield for shopping centers was 0.15% higher, coming in at 6.90% and rents/m^2 for prime shopping centers were unchanged at €1,100/year.



Source: CBRE figures, 2Q2024

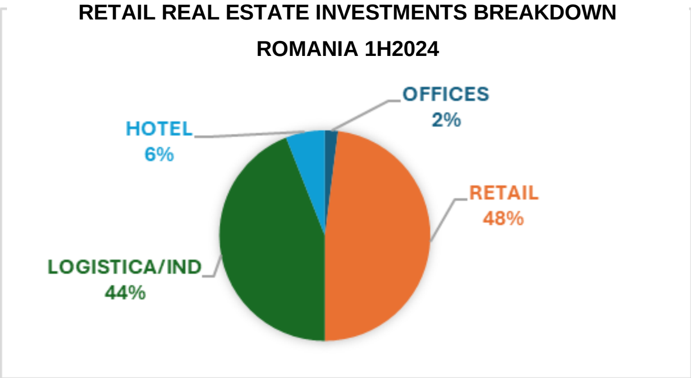
THE STOCK AND THE RETAIL SECTOR PIPELINE



Fonte elaborazione dati CBRE 2Q2024

THE ROMANIAN RETAIL REAL ESTATE MARKET

The Romanian economy has performed well and by year-end 2024 GDP is expected to be up by 2.9%. The downward trend in unemployment continued and, from the peak of 6.1% recorded during the pandemic, is expected to reach 5.3% by year-end.
Inflation is also expected to drop substantially by year-end 2024, coming in at 5.5%, thanks to adjustments to food prices and lower prices for imports.
In the wake of this economic recovery, in the first half of 2024 the Romanian real estate market recorded transactions of €422 million or 85% of the amount transacted in all of 2023.
In the first half of 2024 investors continued to prefer retail which accounted for 48% of the total transactions, followed by logistics at 44%, hotels at 6% and offices at 2%.



In the first half of 2024 approximately 107,000 square meters of new retail GLA was added in Romania. The main new opening in the first six months of 2024 was the SM Arges Mall in Pitesti, owned by Prime Kapital, with a GLA of 51,400 square meters. This new addition brought the total stock of retail GLA to 4.45 million square meters.
Contrary to the last reporting periods, the shopping mall was the preferred format of the new GLA (61%) compared to the retail park format (39%) resulting in a total retail stock comprised for 59% of traditional shopping malls and for 49% of retail parks.
The format referred to as "retail-tainment" is becoming increasingly popular in Romania. Both new and existing, expanded centers are increasing the amount of entertainment and experiential retail activities offered.
An additional 70,400 square meters of new retail GLA, comprised for 90% of retail parks, is expected to be added by year-end 2024.

"Prime" shopping center rents reached m €80/ m^2/month which corresponds to €960 m^2/year, while prime yields came to 8%.

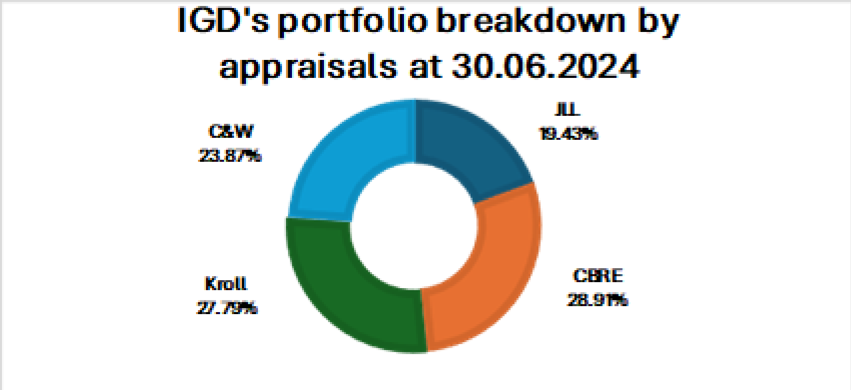
1.9.1. The Real Estate Portfolio

Based on the appraisals at 30 June 2024, IGD Group's freehold real estate portfolio had a fair value of €1,697,182,300, to which the fair value of the leasehold properties, which reached €13,480,000 at the same date, should be added.

FREEHOLD ASSETS

IGD Group's real estate portfolio is comprised of revenue generating commercial retail properties for 98.48% and assets under construction for the remaining 1.52%.

The assets generating revenue streams are found in Italy and Romania, while at 30 June 2024 the development projects were solely in Italy. The property appraisals are carried out by CBRE Valuation S.p.A. (CBRE), Kroll Advisory S.p.A. (Kroll), Cushman & Wakefield LLP (C&W) and Jones Lang LaSalle S.p.A (JLL) whose mandates were granted in May 2023 for four halves.



The breakdown of fair value by appraiser at 30 June 2024 in Italy and Romania is shown below:

Amount in € million	Fair Value 06.30.2024 Total	Fair Value 06.30.2024 Italy	Fair Value 06.30.2024 Romania
C&W	405.17	405.17	0
CBRE	490.6	440.16	50.44
KROLL	471.60	402.30	69.30
JLL	329.81	329.81	0
Total IGD's portfolio	**1,697.18**	**1,577.44**	**119.74**

The fees paid to the independent appraisers at 30 June 2024 are shown below:

Amount in € thousand	Appraisals fees	Fees from ABI complaint evaluation	Other fees	Total fees
CBRE	65	12	1,000	1,077
KROLL	62	24	0	86
J LL	54	7	0	61
C&W	27	18	0	45
Total fees	**208**	**61**	**1,000**	**1,269**

Other compensation refers to the fees paid to CBRE for advisory during the Food transaction. These costs were recognized as an increase in the value of the Food Fund stake.

The asset classes comprising the Group's real estate portfolio at 30 June 2024 are described below:

- "**Hyper and super**": this asset class comprises eight hypermarkets found in four regions in Italy with a total GLA of about 84,160 m^2, five supermarkets with a GLA of between 6,000 and three hypermarkets with a GLA of between 14,000 and 17,000 m^2. Following the closing of the Food portfolio sale, eleven hypermarkets/supermarkets with a total GLA of 86,000 m^2 exited the perimeter of this asset class;

- "**Malls and retail parks**": this asset class comprised twenty-five properties found in twelve regions in Italy for a total GLA of around 429,500 m^2. Sixteen malls have a GLA of less than 20,000 m^2, the remaining nine malls have a GLA of between 20,000 m^2 and 40,000 m^2. In April 2024, following the closing of the Food portfolio sale, two malls/RPs with a total GLA of 15,200 m^2 exited the perimeter of this asset class.

  At 30 June 2024 eleven malls had been Breeam In Use certified with scores of from Very Good to Excellent in the Asset performance and Building management categories and three other malls are waiting to receive certification. The Group's 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 most of 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.

  Twenty-four shopping malls can be reached using public transportation; seventeen malls have charging stations for electric cars, and one also 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 diverse, indigenous plants have been planted in order to optimize biodiversity;

  "**Other**": this asset class comprises two mixed-use properties which are part of freehold shopping centers, one store, two office units, and one mixed-use property used by athletes and sports associations as housing/offices, for a total of six properties with a GLA of about 9,600 m^2;

- "**Porta a Mare Project**": a mixed-use real estate complex under construction comprising residential, retail, tourist services, accommodations and temporary residences with a total residual GLA of approximately 32,470 m^2 (excluding parking). It is located near Livorno's old port and the city center. Given its size, the project is divided into five areas: Mazzini, Officine, Lips, Molo and Arsenale.

  The Mazzini section, which comprises residential units, a shopping mall, an office building and parking, was completed at 30 June 2024. Once the shopping mall was opened it was reclassified in the asset class Malls/RP; the office building was sold, as were all the residential units with relative appurtenances; there are only a few parking spaces and garages which have not been sold, as well as the portion of the private parking area that is open to the public.

  The Officine section, which comprises a retail area, residential units with relative appurtenances, private and public parking spaces, was completed in the second half of 2023. The retail area, which was reclassified in the asset class Malls/RP, was absorbed by the Mazzini Mall and now comprise a single mall called Porta a Mare Waterfront; work on the residential units and apurtnenances was completed and sales negotiations are underway. The parking areas were also completed.

  The remaining sections Lips, Molo and Arsenale, still consist of land with building permits.

  The entire 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. 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), while the construction materials are all EC branded, 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 fourteen retail properties, which cover an area of approximately 92,500 m^2 GLA and one office building with a GLA of around 3,100 m^2 for a total GLA of approximately 95,500 m^2. The properties are centrally located in thirteen of Romania's largest cities, but none are found in the capital, Bucharest. The malls have a have a GLA of less than 20,000 m^2.

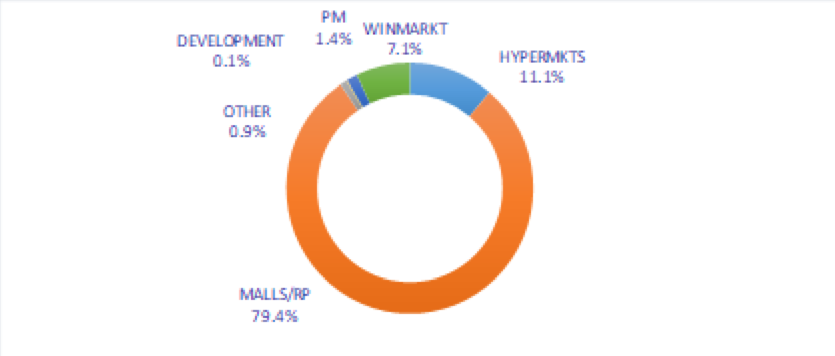
IGD Group has 41 properties in Italy which can be broken down by asset class as follows:

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

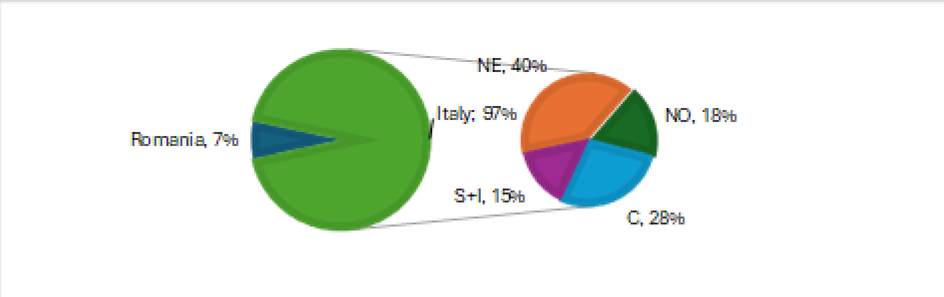
IGD Group has 15 properties in Romania (the Winmarkt portfolio), broken down as follows:

- 14 shopping malls
- 1 office building

Breakdown of IGD's real estate portfolio at 30 June 2024 by asset class



Geographic breakdown of IGD's portfolio in Italy and Romania at 30 June 2024

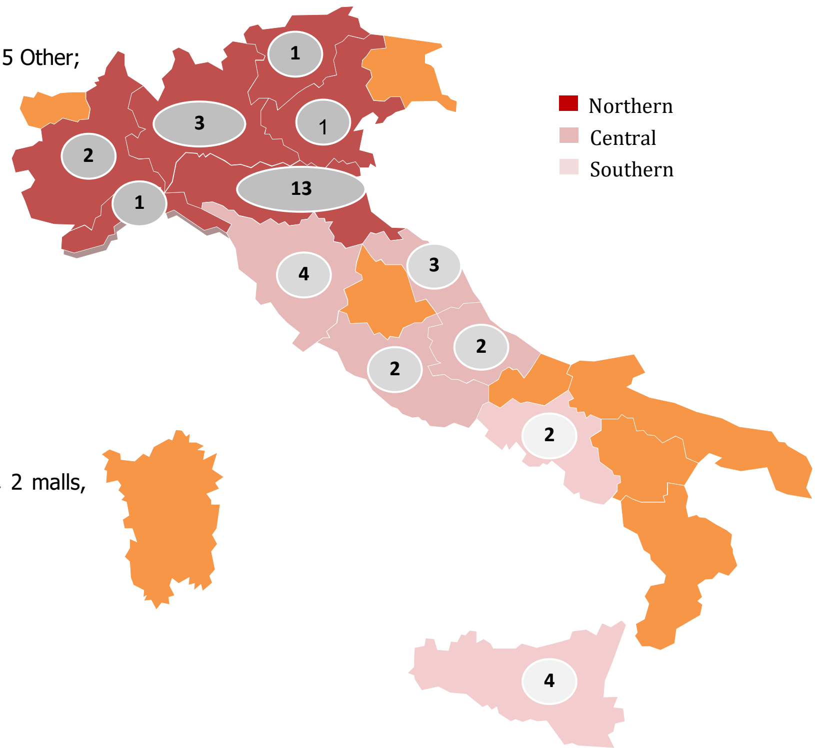


LEASEHOLD ASSETS

The leasehold assets comprise two 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 06.30.2024

E.Romagna:7 GC, 4 Hyper-Super; 5 Other;
Piedmont: 2 malls +RP;
Lombardy: 3 malls;
Liguria: 1 mall;
Trentino: 1 mall;
Veneto; 1 mall+RP;
Marche: 2 malls, 2 hyper, 1 development project;
Abruzzo: 1 mall, 1 hyper;
Campania: 1 mall, 1 hyper;
Lazio: 2 malls;
Tuscany: 1 asset held for trading, 2 malls, 1 other;
Sicily: 2 hyper, 2 malls.



Note: NE: Trentino Alto Adige, Veneto, Emilia-Romagna; NO: Piedmont, Lombardy; Liguria; C: Tuscany, Marche, Lazio, Abruzzo; S+I: Sicily, Campania

Map of Winmarkt's real estate portfolio in Romania at 06.30.2024

15 freehold assets
Muntenia: 6 malls,1 office building;
Moldova: 3 malls +RP;
Oltenia:1 mall;
Transylvania: 3 malls;
Dobrogea: 1 mall.

The following tables provide the principal data relative to the freehold and leasehold properties in Italy and Romania managed by IGD Group.

ITALY

Appraiser	Asset	Location	Mall and Retail Park GLA	Other / External areas	Ownership	Opening date	Date of last extension/restyling/ remodeling	% owned	Form of ownership	No. Of shops	No. Of medium surfaces	No. Of other external areas	Parking places	Main brands	Food anchor	Food anchor GLA
D&P	Centro Commerciale e Retail Park Conè	Conegliano (TV)	20,464	//	IGD SIIQ SPA	2010	2019 Hypermkt remodeling - 2021 mall extension	100	Freehold property (excluding hypermarket)	58	9		1,550	Maison du Monde,Conbipel, H&M, Librerie Coop, Euronics, Scarpe&Scarpe, Stradivarius, Bershka	Ipercoop	Nuova GLA ridotta 6.972 mq da dicembre 2019 -AV 4.356
D&P	Centro Commerciale Città delle Stelle	Ascoli Piceno (AP)	20,975	1,850	IGD SIIQ SPA	2002	2017	100	Freehold property (excluding hypermarket)	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	2002	2019 partial restylingand new MS GF - 2021 Hypermkt - 2022 New mall 1F	100	Freehold property (excluding hypermarket)	27	7	2	1,260	Euronics, Piazza Italia, Azzurra Sport, Pepco;	Ipercoop	5,870
D&P	Centro Commerciale La Torre	Palermo (PA)	19,561	//	IGD SIIQ SPA	2010	2022 Hypermkt remodeling and mall extension	100	Freehold property	46	8		1,700	Expert, Piazza Italia, H&M; McDonald	Ipercoop	7,203
D&P	Centro Commerciale Katanè	Gravina di Catania (CT)	21,252	//	IGD SIIQ SPA	2009	2022 Hypermkt remodeling and mall extension	100	Freehold property	69	10		1,320	Adidas, Euronics, OVS, Conbipel, Piazza Italia,	Ipercoop	7,221
D&P	Centro Commerciale Tiburtino	Guidonia Montecelio (RM)	36,062	//	IGD SIIQ SPA	2009	2021 Hypermkt remodeling and mall extension (1 new MS)	100	Freehold property (excluding hypermarket)	99	16		3,800	Desigual; Azzurra Sport, Piazza Italia, Obi, Scarpamondo, NewYorker, Euronics, Orizzonte, Moby Dick	Spazio Conad	5,262
C&W	Galleria Commerciale Millennium Center	Rovereto (TN)	7,683	//	IGD SIIQ SPA	2004	//	100	Freehold property (excluding supermarket and a portion of the shopping 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	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, Scarpe & Scarpe	Ipercoop	16,536
C&W	Galleria CC Luna	Sarzana (SP)	3,576	//	IGD SIIQ SPA	1992	//	100	Freehold property (excluding hypermarket)	38	1			Kiko, GameStop, Camaieu	Ipercoop (non di proprietà)	11,500
C&W	Galleria Commerciale Punta di Ferro	Forlì (FC)	21,218	//	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)	14,905	//	IGD SIIQ SPA	1994	2018Hypermkt remodeling and mall extension	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	1996	2022	100	Freehold property (excluding hypermarket)	33	4			Ovs, Piazza Italia, Calliope, Deichmann	Ipercoop (non di proprietà)	11,000
C&W	Retail Park CC Favorita	Mantova (MN)	6,214	//	IGD SIIQ SPA	1996	2007	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)	7,017	//	IGD SIIQ SPA	1989	2015	100	Freehold property (excluding hypermarket)	33	4		1,450	Librerie Coop, Unieuro, Scarpe&Scarpe, Pepco, Portobello	Ipercoop (non di proprietà)	11,480
JLL	Centro Commerciale d'Abruzzo	San Giovanni Teatino (CH)	12,571	3,610	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)	14,874	//	IGD SIIQ SPA	1992	2024	100	Freehold property	60	7			OVS, Mediaworld,King Sport, Terranova	Ipercoop	15,862
JLL	Galleria Commerciale Maremà	Grosseto (GR)	17,121	//	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	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	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	2001	2019 Hypermkt remodeling - 2022 mall extension - 2023 restyling	100	Freehold property (excluding hypermarket)	35	5	1	1,730	Decathlon, Deichmann, Portobello, Unieuro	Ipercoop	Nuova GLA ridotta 2019 mq 8.360 AV 4.680 mq
CBRE	Centro Commerciale Le Maioliche	Faenza (RA)	25,318	//	IGD SIIQ SPA	2009	2019 Hypermkt remodeling - 2021 mall extension	100	Freehold property	42	10		2,400	Deichmann, H&M, Trony, C&A, Decathlon, Bricofer	Ipercoop	NB nuova GLA ridotta 2019 mq 6.163 AV mq 3.906
CBRE	Centro Commerciale Le Porte di Napoli	Afragola (NA)	16,983	//	IGD SIIQ SPA	1999	2014	100	Freehold property	66	9		2,650	Euronics, H&M, Piazza Italia, Toys, Deichmann;	HP SOLE 365 da 2024	9,570
CBRE	Galleria Commerciale Sarca	Sesto S. Giovanni (MI)	22,758	//	IGD SIIQ SPA	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	2005	2018	50	Freehold property	15	2		1,320	UCI, WeArena, TEDI	Despar	3,715
CBRE	Galleria Commerciale e Retail Park Mondovicino	Mondovì (CN)	17,235	//	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	2009	//	100	Freehold property (excluding hypermarket)	24	5		1,450	Deichmann	Il Gigante (non di proprietà)	//
CBRE	Piastra Commerciale Mazzini	Livorno (LI)	6,087	//	IGD SIIQ SPA	2014	//	100	Freehold property	23	1			Unieuro/Coop	Coop	1,440
CBRE	Officine Storiche	Livorno (LI)	16,449	//	IGD SIIQ SPA	2023	//	100	Freehold property	24	4			McDonald's, JD Sports, Giochi Preziosi, Wappy		
	Centro Nova	Villanova di Castenaso (BO)	12,640	//	CSII SPA e COPAIN HOLDING SPA	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)	7,105	//	Fondo Mario Negri	2003	//	//	Master Leasing	55	2		1,600	Oviesse; Librerie Coop, Bata, Swarovski	Ipercoop	

ROMANIA

Shopping Center	Location	Shopping center GLA (sqm)	Net Salling Area	Circulation (sqm) Rented	Rentable Warehouse/office	Ownership	Opening date	Date of extension/ restyling	% owned	Form of ownership	No. Of shops	No. Of medium surfaces	Parking places	Main brands	Food anchor	Food anchor GLA (sqm)	Food anchor sales area (sqm)
Winmarkt Grand Omnia Center	Ploiesti	19,648	16,870	309	1,129	Win Magazin SA	1986	2015	100	Piena Proprietà	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	4,909	2,776	442	1,016	Win Magazin SA	1976	2013	100	Piena Proprietà	82	//		Banca Transilvania, Carrefour Market	Carrefour	882	700
Winmarkt	Galati	7,928	7,490	106	367	Win Magazin SA	1973	2005	100	Piena Proprietà	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	Piena Proprietà	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	Piena Proprietà	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	Piena Proprietà	45	//		Carrefour Market, Leonardo, Jolidon, Altex, Vodafone, Sevda, Pepco	Carrefour	673	550
Winmarkt	Buzau	5,743	4,953	32	314	Win Magazin SA	1975	2013	100	Piena Proprietà	29	//		H&M, Carrefour Market, Leonardo, Pepco	Carrefour	800	650
Winmarkt	Tulcea	3,963	3,777	5	182	Win Magazin SA	1972	2002	100	Piena Proprietà	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	Piena Proprietà	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	Piena Proprietà	33	//		Altex, Leonardo, dm drogerie, fast-food Pizzamania, Pepco			
Winmarkt	Alexandria	3,434	3,302	33	74	Win Magazin SA	1978	2013	100	Piena Proprietà	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	Piena Proprietà	22	//		Altex, Telekom, B&B	Carrefour	553	505
Winmarkt	Vaslui	3,622	3,452	23	192	Win Magazin SA	1973	2006	100	Piena Proprietà	26	//		Carrefour, Reshoes, Jolidon	Carrefour	527	527
Winmarkt	Turda	2,515	2,231	-	284	Win Magazin SA	1981	2007	100	Piena Proprietà	9	//		Pepco			
Total malls		92,218	79,099	1,607	8,388												
Winmarkt Junior	Ploiesti	3,142	2,137	544	331	Win Magazin SA			100	Piena Proprietà	2						
TOTAL		**95,360**	**81,236**	**2,151**	**8,719**												

1.9.2. Analysis by asset class of the freehold portfolio

The main changes affecting the different asset classes in the half are provided below.

Amounts in € million	IGD Group investment property						Direct development Initiatives	Porta a Mare Project	Total investment property, plots of land and development initiatives, asset held for sale	Rights to use (IFRS 16)	Total investment property, plots of land and development initiatives, asset held for sale and rights to use
	Hypermarkets and supermarkets	Shopping malls Italy	Other	Other Italy	Total Romania	Total IGD Group	Plots of land and ancillary costs	Porta a Mare Project (+)			
Book value 12.31.2023	**399.79**	**1,404.80**	**15.45**	**1,820.04**	**122.02**	**1,942.06**	**2.06**	**23.97**	**1,968.09**	**16.99**	**1,985.08**
Increases due to 2024 work	0.03	6.49	0.00	6.52	0.27	**6.79**	0.00	0.16	**6.95**	0.00	**6.95**
Asset disposal	(209.20)	(53.33)	0.00	(262.53)	0.00	**(262.53)**	0.00	(0.03)	**(262.56)**	0.00	**(262.56)**
Capital gains from asset disposal	0.00	0.00	0.00	0.00	0.00	**0.00**	0.00	0.00	**0.00**	0.00	**0.00**
Reclassification from assets under construction	0.00	0.00	0.00	0.00	0.00	**0.00**	0.00	0.00	**0.00**	0.00	**0.00**
Reclassification from spaces remodeling	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**
Net revaluation/writedowns	(1.58)	(10.58)	(0.18)	(12.34)	(2.55)	**(14.89)**	(0.22)	(0.19)	**(15.30)**	(3.50)	**(18.80)**
Book value 06.30.2024	**189.04**	**1,347.38**	**15.27**	**1,551.69**	**119.74**	**1,671.43**	**1.84**	**23.91**	**1,697.18**	**13.49**	**1,710.67**

1.9.2.1. ITALY

HYPERMARKETS AND SUPERMARKETS

Five of IGD's hypermarkets and supermarkets are leased on a long-term basis to Coop Alleanza 3.0 Group (formerly Coop Adriatica Scarl), while the remaining six are leased to domestic and local brands (Unicoop Tirreno Soc. Coop Group, Conad, Radenza Group and Superconveniente) on a long-term basis, also. 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 2024 by the appraisers CBRE, KROLL, C&W and JLL based on the following percentages of FV:

Hyper/Supermrkets	06/30/2024
JLL	52%
CBRE	16%
KROLL	10%
C&W	22%
TOTAL	**100%**

The DCF method was used by all the appraisers for this asset class.
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 €189.01 million, a decrease of -52.72% (-€210.76 million in absolute terms) compared to the prior half, before the exit of the eleven hyper/super from the perimeter as a result of the sale of the Food portfolio. Like-for-like, fair value was down 0.83% (-€1.58 million in absolute terms) due mainly to a decrease in inflation indexing compared to the previous half.
In the half the discount and cap out rates were both lower due to the lower estimated average rate of inflation used in the DCF models and the ECB's decreased discount rate.
Like-for-like, the actual yield of this asset class reached 7.14%, a slight decrease of 0.17% compared to the prior half.
Like-for-like, the gross exit yield was 6.82%, with a decrease of 0.02% compared to the prior half.
Again like-for-like, the weighted average gross initial yield was 6.56%, a slight decrease of 0.02% compared to the prior half.
The occupancy rate for this asset class was unchanged at 100%.

SHOPPING MALS AND RETAIL PARKS

Shopping malls and retail parks were valued at 30 June 2024 by the appraisers CBRE, KROLL, C&W and JLL based on the following percentages of FV:

Shopping malls/RP	06/30/2024
JLL	16%
CBRE	30%
KROLL	27%
C&W	27%
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 €1,347.40 million, a decrease of -4.09% (-€57.42 million in absolute terms). The noticeable drop in fair value recorded in the half is explained by the exit of two units from the perimeter following the disposal of the Food portfolio.
Like-for-like, the drop in fair value was more contained at -0.31% (-€4.16 million in absolute terms) concentrated in the malls with the greatest difficulties (value add).

Like-for-like the average weighted discount rate for Malls/RP was 0.04% lower than in the prior half, coming in at 8.41%.
Like-for-like, the weighted average gross cap out rate showed decompression of 0.15% compared to 31 December 2023, coming in at 8.55%. The decompression in the exit cap rate reflects the lag between the decrease in inflation and the ECB rate.
The average gross initial yield for this asset class like-for-like came to 7.63%, an increase of 0.15% against the prior half attributable mainly to the drop in fair value.
The financial occupancy rate was 94.38%, +0.32% higher like-for-like against the prior half.

DEVELOPMENT PROJECTS

At 30 June 2024 this asset class was valued by CBRE using the residual method.
The fair value of this asset class reached an estimated €1.84 million, a decrease of 10.66% (-€220 thousand) compared to 31 December 2023 due to lower estimated disposal gains.

PORTA A MARE PROJECT

The assets of Porta Medicea, owner of the Porta a Mare Project, were valued at 30 June 2024 by CBRE and Kroll. CBRE was responsible for the appraisals of the Mazzini and Officine sections and Kroll appraised the Molo, Lips and Arsenale sections. Both appraisers used the residual method.
The remainder of the Project to be developed at 30 June can be broken down into the following sections:

- Mazzini: comprised of one private enclosed parking unit, three residential parking places, thirty leased enclosed garage units and a private parking lot open to the public;
- Officine Storiche (retail, residential, parking and public parking) which has a total GLA of 1,486 m^2 relative to the unsold residential units. Work on this area began in the first half 2015 and at the end of 2023 thirty residential units, twenty-six enclosed garage units and ten parking places in the residential area were sold. The retail portion was sold to IGD Group in September 2023 and opened to the public in November;
- Lips: land with building permits covering a GLA of 15,867 m^2 to be used for retail, tourist services, accommodations and temporary residences;
- Molo Mediceo: land with building permits covering a GLA of 7,350 m^2 to be used for retail, services and temporary residences;
- Arsenale: land with building permits covering a GLA of 7,771 m^2 to be used for retail, services and temporary residences.

The fair value of this asset class was €23.91 million at 30 June 2024, a decrease of 0.25% (-€60 thousand in absolute terms) against the prior half. The decrease in fair value is explained largely by the sale of an appurtenance at Officine.
The Porta Mare project was valued at 30 June 2024 by the appraisers CBRE and KROLL based on the following percentages of fair value:

Porta a Mare project	06/30/2024
CBRE	30%
KROLL	70%
TOTAL	**100%**

OTHER

At 30 June 2024 the fair value of the asset class "Other" was €15.28 million, €0.18 million or 1.14% lower compared to the prior half.

This asset class at 31 December 2023 was valued by the appraisers CBRE, Kroll and JLL based on the following percentages of FV:

Other	06/30/2024
JLL	97%
KROLL	2%
CBRE	1%
TOTAL	**100%**

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

1.9.2.2. ROMANIA

The Winmarkt properties were valued at 30 June 2024 by the appraisers CBRE and Kroll based on the following percentages of FV:

Winmarkt	06/30/2024
CBRE	58%
KROLL	42%
TOTAL	**100%**

The DCF method was used by both appraisers. Kroll applied a standard duration of 15 years and CBRE of 10 years.

The FV of this asset class at 30 June 2024 was €119.74 million, a decrease of 1.87% or €2.28 million compared to the prior half attributable entirely to Malls which were 2% lower. The fair value of offices was up 3.45%.
The average weighted gross initial yield for the malls was 0.14% higher than in the prior half, coming at 8.72% due to the lower rents in the new lets granted in order to increase occupancy.
The average weighted discount rate posted a slight decompression of +0.03% compared to the prior half and came in at 8.95%.
The average weighted gross cap out for the malls reached 9.40%, an increase of +0.20% against the prior half.
Financial occupancy for the Winmarkt malls was 0.69% lower compared to the prior half, coming in at 95.52%.

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

Summary at 06.30.2024:

	N° of assets	GLA (sqm)	% Group portfolio	gross initial yield	gross cap out	Weighted average discount rate	Financial occupancy	Yearly rent /sqm	Erv/sqm
Hypermarkets and supermarkets	8	84,200	11.1%	6.56%	6.82%	7.14%	100%	148	145
Shopping malls Italy	25	429,500	79.4%	7.63%	8.55%	8.41%	94.38%	231	245
Total Italy Hypermarkets and shopping malls	33	513,700	90.5%	7.50%	8.33%	8.25%	94.96%	216	229
Shopping malls Romania	14	92,500	6.9%	8.72%	9.40%	8.95%	95.52%	105	111
Total hypermkts and shopping malls IGD Group	**47**	**606,200**	**97.4%**	**7.50%**	**8.32%**	**8.21%**	**95.01%**	**199**	**211**

Summary at 12.31.2023:

	N° of assets	GLA (sqm)	% Group portfolio	gross initial yield	gross cap out	Weighted average discount rate	Financial occupancy	Yearly rent /sqm	Erv/sqm
Hypermarkets and supermarkets	19	170,100	20.3%	6.82%	6.97%	7.33%	100%	148	140
Shopping malls Italy	27	447,100	71.4%	7.52%	8.42%	8.50%	94.19%	227	231
Total Italy Hypermarkets and shopping malls	46	617,200	91.7%	7.37%	8.09%	8.24%	95.29%	203	205
Shopping malls Romania	14	92,400	6.1%	8.59%	9.20%	8.92%	96.21%	107	109
Total hypermkts and shopping malls IGD Group	**60**	**709,600**	**97.7%**	**7.30%**	**7.94%**	**8.07%**	**95.36%**	**198**	**205**

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

Category	Book value 06/30/2024	Accounting method	Market value 06/30/2024	Book value 12/31/2023	Change
IGD Group Real Estate Investments					
Hypemarkets and supermarkets	189.01	fair value	189.01	399.77	(210.76)
Shopping malls Italy	1,374.39	fair value	1,374.39	1,404.82	(57.43)
Other	15.27	fair value	15.27	15.44	(0.17)
Total Italy	**1,551.67**		**1,551.67**	**1,820.03**	**(268.36)**
Shopping malls Romania	116.84	fair value	116.84	119.12	(2.28)
Other Romania	2.90	fair value	2.90	2.90	0.00
Total Romania	**119.74**		**119.74**	**122.02**	**(2.28)**
Total IGD Group	**1,671.41**		**1,671.41**	**1,942.05**	**(270.64)**

Category	Book value 06/30/2024	Accounting method	Market value 06/30/2024	Book value 12/31/2023	Change
Plots of lands and ancillary costs	1.84	adjusted cost / fair value	1.84	2.06	(0.22)
Direct development initiatives	**1.84**		**1.84**	**2.06**	**(0.22)**

Category	Book value 06/30/2024	Accounting method	Market value 06/30/2024	Book value 12/31/2023	Change
Porta a Mare Project	23.93	adjusted cost / fair value	23.93	23.99	(0.06)

Category	Book value 06/30/2024	Accounting method	Market value 06/30/2024	Book value 12/31/2023	Change
Rights to use (IFRS 16)	13.48	fair value	13.48	16.98	(3.50)
Total rights to use	**13.48**		**13.48**	**16.98**	**(3.50)**

Investimenti Immobiliari, terreni e iniziative di sviluppo, immobili per trading e diritti d'uso	Book value 06/30/2024		Market value 06/30/2024	Book value 12/31/2023	Variazione
Total	**1,710.67**		**1,710.66**	**1,985.08**	**(274.42)**

The details of the main development projects are shown below:

PROJECT	TYPE	LOCATION	GLA	COMPLETION DATE	EXPECTED INVESTMENT	BOOK VALUE AT 06.30.2024 (Mln/€)	% HELD	STATUS
PORTO GRANDE	Extension	Porto d'Ascoli (AP)	5,000 sqm	Jun-25	approx. 9.9 Mln/€	1.84	100%	Planning stage completed. All the building permits and authorisations for preletting activities have been issued
					Total	**1.84**		

1.10. // Real estate appraisals

CUSHMAN & WAKEFIELD

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PEC: finance@pec.cwllp.it
cushmanwakefield.it

IGD-GRUPPOIGD-VALCERTPERBILANCIO-240630-01-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:	**15 JULY 2024**
VALUATION DATE:	**30 JUNE 2024**
OUR REFERENCE:	*VAL/CLM/IGD-GRUPPOIGD-VALCERTPERBILANCIO-240630-01-ENG*

1. INSTRUCTIONS

1.1 APPOINTMENT

2. 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 and the following Perimeter Update Letter dated 9 May 2024, 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-240630-01-ITA*.

Detailed reports relating to the Properties are enclosed under Section A of *Ref: IGD-GruppoIGD-CertVal-240630-01-ITA*.

2.1 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	Rovereto	TN	Shopping Gallery Millenium
2	Forlì	FC	Shopping Gallery Punta di Ferro
3	Ravenna	RA	Shopping Gallery ESP
4	Sarzana	SP	Shopping Gallery Luna
5	Mantova	MN	Retail Gallery and Retail Park La Favorita
6	Crema	CR	Shopping Gallery Gran Rondò
7	Ravenna	RA	Ipercoop ESP

2.2 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.

2.3 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 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. The entire portfolio has been valued on 30/06/2023 in relationship with the engagement letter. 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.

2.4 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.

2.5 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".

2.6 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.

2.7 DEPARTURES

We have made no Departures from the RICS Red Book.

2.8 RESERVATIONS

The valuation is not subject to any reservation.

2.9 INSPECTION

Details of our inspection of the Property are included in the Individual Report section of *Ref: IGD-GruppoIGD-CertVal-240630-01-ITA.*

2.10 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-240630-01-ITA*.

2.11 ACCOMMODATION

Source of Floor Areas

We adopted floor areas provided by Gruppo IGD.

2.12 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.

2.13 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-240630-01-ITA*.

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.

2.14 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.

2.15 CURRENCY

The Properties have been valued in local currency.

3. 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-240630-01-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.

Unless otherwise stated in the Full Valuation Reports *Ref. IGD-GruppoIGD-CertVal-240630-01-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.

4. 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-240630-01-ITA*.

4.1 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 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.

5. VALUATION

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:

€399,100,000
(Threehundredninetyninemillionandonehundredthousand 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-240630-01-ITA.*

As per your request we report in the following table the Values gross of purchaser's costs, which is equal to €405,173,900.

6. 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.

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.

7. 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.

8. 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

Valuation Report

Report Date 12 July 2024

Valuation Date 30 June 2024

Current Market Volatility

We draw your attention to current heightened geopolitical tensions, which combined with low economic growth in many major countries and a "higher for longer" interest rate sentiment, has increased the potential for constrained credit markets and more caution from investors. This has resulted in negative capital value movements and continued volatility in some property markets which in turn is impacting on transactional activity.

Experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect any heightened level of volatility and potential for changing 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 is traditionally volatile and can be subject to rapid changes of value in short timeframes. Assets in the course of development appeal to a specific type of purchasers and can be significantly impacted by many factors such as broader economic conditions, fluctuating levels of supply and demand for the product, changes in building costs and the availability and cost of development finance. All these (and more) factors could have a significant impact on the value and demand for the subject properties.

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 ongoing monitoring and governance of banking systems 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 remain volatile with the market experiencing price increases in some, or all these areas during 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.

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].

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:

Portfolio in Italy

PROPERTY	ASSET TYPE	ASSET NAME	ADDRESS	TOWN
IGD SIIQ	Gallery	CENTRO SARCA	Via Milanese 10,	Sesto San Giovanni
IGD SIIQ	Gallery	PORTE DI NAPOLI	Via Santa Maria la Nova 1	Afragola
IGD SIIQ	Hyper	PORTE DI NAPOLI	Via Santa Maria la Nova 1	Afragola
IGD SIIQ	Gallery	LE MAIOLICHE	1/3 Via Bisaura	Faenza
IGD SIIQ	Hyper	LE MAIOLICHE	1/3 Via Bisaura	Faenza
IGD SIIQ	Gallery + Retail Park	MONDOVICO	15 Piazza Cerea	Mondovì
IGD SIIQ	Gallery	I BRICCHI	2 Strada Pratoboschiero	Isola d'Asti
IGD SIIQ	Gallery	PORTO GRANDE	Via Pasubio 144	Porto Grande
IGD SIIQ	Gallery	NUOVA DARSENA	Via Darsena, 73 - 81	Ferrara
IGD SIIQ	Gallery + Hyper	PIAZZA MAZZINI	Via Gaetano D'Alesio 2	Livorno
IGD SIIQ	Gallery	OFFICINE STORICHE	Via Edda Fagni 15	Livorno
IGD SIIQ	Shop	AQUILEIA	112 Via Aquileia	Ravenna
IGD SIIQ	Investment	PORTA A MARE - Livorno	Porta a Mare	Livorno

Portafoglio Romania

PROPERTY	ASSET TYPE	ASSET NAME	TOWN
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

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 **€ 490,050,500 (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 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 [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, Valuation and Professional services on behalf of the addressee for 15 years and over.

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

Davide Cattarin

Managing Director

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

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

Yours faithfully

Elena Gramaglia MRICS

Director

MRICS Registered Valuer

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

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Project Reference 23-64VAL-0110

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RICS Regulated by RICS

KROLL
REAL ESTATE ADVISORY GROUP

Agrate Brianza, 23th July 2024

Ref. n° 26953R02 – 26955R02

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, 2024 of a real estate portfolio consisting of n. 9 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. (hereinafter KROLL)** 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, 2024.

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

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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

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).

"Special Assumption" 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.

"Gross Area" is expressed in square metres, measured from the external edge of the building's perimeter walls and from the mid-point of boundary walls shared with third parties.

"Commercial/cadastral Area" expressed in square metres, shall mean the gross area net of technical rooms, technical shafts, stairwells and lift shafts.

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 2024.

For the valuation of the shopping centers having both the part called "Hyper" and the part called "Mall", KROLL, 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.

During the appraisal, KROLL 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;
– 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.

KROLL moreover:

- Carried out site inspections on the Properties located in Guidonia Montecelio (RM) 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 (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)) and n. 6 Properties located in Romania, KROLL 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 KROLL, 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 KROLL 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.

Given the above considerations

It is our opinion that, as of June 30th, 2024, the **Market Value** of the full ownership of the subject Properties can reasonably be expressed as follows:

Euro 471.600.000,00

(Euro Four Hundred Seventy One Millions Six Hundred Thousands/00)

Global Market conditions explanatory note

The ongoing Russian-Ukrainian conflict, as well as the Middle East conflict, continue to fuel the already high volatility of global markets. Negative consequences persist on energy availability of natural resources, leading the International Community to foster the diversification of energy supply sources.

On 6th June 2024, the Governing Council of the European Central Bank (ECB) decided to cut interest rates by 25 basis points. The main refinancing operations rate will decrease from 4.50 % to 4.25 %. Furthermore, the inflation target rate of 2% has been confirmed.

The real estate market, characterized by a persistent situation of uncertainty, continues to be challenging to interpret. The outlook remains marked by a high degree of uncertainty and tension, however, there are signs of improvement in the short term in terms of capital market operations; therefore, it is necessary to monitor the trend of transactions.

This explanatory note is included in order to guarantee transparency and elements of in-depth analysis on the market context in which the valuation was drawn up. We emphasize the importance of the valuation date, reflecting the possibility that market conditions may change rapidly as ongoing conflicts and monetary policies evolve.

Agrate Brianza, 23th July 2024

Ref. n° 26953R02 – 26955R02

KROLL Advisory S.p.A.

Performed by:

Gianluca Molli
Associate Director,
Retail, Special Divisions & Feasibility Dept.

Supervised and coordinated by:

Cinzia Previtali
Director,
Retail, Special Divisions & Feasibility Dept.

Simone Spreafico
Managing Director,
Advisory & Valuation Dept.

Savino Natalicchio
Managing Director,
Special Divisions & Feasibility Dept.

Property: IGD Portfolio

July 2024
Confidential

Valuation Certificate

Milan, 18/07/2024

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 2024 of a Portfolio held by IGD SiiQ S.p.A. comprising 3 Hypermarkets, 4 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.

1. Valuation Certificate

1.1. Subject properties

The portfolio under-analysis consists of 3 Hypermarkets, 4 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'	17,121
2	Imola, Via G. Amendola ,129	Hypermarket	LEONARDO	15,862
3	Imola, Via G. Amendola ,129	Shopping centre	LEONARDO	14,872
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	5,835
7	Bologna, Via dell'Arcoveggio	Guest house	Arco campus	1,297
8	San Giovanni Teatino, Via Po	Hypermarket	CENTRO D'ABRUZZO	14,127
9	Cesena, Via Arturo Carlo Jemolo, 110	Hypermarket	LUNGO SAVIO	7,476
10	Bologna, Via M.E. Lepido 184-186,	Shopping centre	BORGO	7,017
11	Cesena, Via Arturo Carlo Jemolo, 110	Shopping centre	LUNGO SAVIO	3,176
12	San Giovanni Teatino, Via Po	Shopping centre	CENTRO D'ABRUZZO	16,181

1.2. Purpose of Valuation

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 2024.

- 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".

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 per your request, for the purpose of this evaluation, the following Special Assumption regarding the shopping mall and hypermarket at the commercial structure Lungo Savio (Ref: 9 and 11) has been considered:

Following the flood and overflowing of the Savio River that occurred in Emilia-Romagna on May 17, 2023, the evaluated shopping center has suffered significant damages, resulting in the interruption of operations of circa four months.

The Client has informed that the insurance policy has provided coverage for the lost rental revenues during this period, as well as the restoration of the functionality of the evaluated property.

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

Global Economy and Market Activity

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.

Demonstrating how geopolitical events impact global and local real estate markets can be difficult when transaction volumes are low. It can be especially difficult when wars are happening, such as in the Middle East and Ukraine, and the list of factors compounding the challenged market conditions is growing longer. Whilst not relevant to every market, the ongoing challenges include economic volatility, inflation, cost and availability of debt, supply chain issues, developer / contractor insolvencies, non-performing loans, seller motivations (funds withdrawals) and consumer confidence. Anything from this list can impact investor appetite and therefore value, which can change rapidly.

<u>Market Conditions</u>

Transactions across markets and sectors remain low, for a variety of reasons. The full implications of wars in the Middle East and Ukraine are unknown. Instability in these regions and beyond may compound already difficult real

estate market conditions. This is likely to be exacerbated when coupled with inflationary pressures and other factors impacting the global economy, including the cost and availability of debt. The combination heightens the potential for volatility and quick changes in consumer and investor behaviours.
In recognition of the potential for market conditions to change rapidly, we highlight the critical importance of the valuation date and confirm the conclusions in our report are valid at that date only, and advise you to keep the valuation under regular review.

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 Standard.

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.

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 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 Francesco Marchetti, 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, 2023 and for the first 4 months of 2024;
- Non- recoverable Landlord costs and additional incomes;
- ESG schedules (provided in occasion of the previous valuation of 31/12/2023);
- BREEAM Certification (if available) (provided in occasion of previous valuation of 30/06/2023).

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 € 321,190,000, while the sum of the rounded Gross Market Values is equal to € 329,808,000 rounded. Please note that the valuation of Lungo Savio Hypermarket (ref 9) 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.

Francesco Marchetti

Francesco Marchetti

Valuer - Value and Risk Advisory

Jones Lang LaSalle S.p.A.

Firmato digitalmente da:
Riccardo Bianchi
Data: 22/07/2024 10:47:39

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

Objective requirements

- freehold rental properties or other properties, interests in other SIIQ/SIINQ, in SICAF and in "qualified" real estate funds must make up at least 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 2024, similar to year-end 2023, 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 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**).

Given the net loss recorded by IGD SIIQ S.p.A. in 2023 the obligation to distribute dividends lapsed. In order to safeguard financial balance, on 23 February 2024 IGD's Board of Directors proposed to not distribute dividends for 2023.

1.12. // Subsequent events

There are no significant subsequent events to report on.

1.13. // Outlook

In light of the operating and financial results achieved in the half, and assuming no significant negative changes in macroeconomic factors, the Company is confirming the FFO guidance disclosed to the market on 27 February 2024 (FFO 2024[13] expected to reach approximately €34 million).

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 2024 are provided in a section of the notes to the financial statements.

1.15. // Treasury shares

IGD owned no treasury shares at 30 June 2024.

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 2024, 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.

[13] This estimate does not take into account the early refinancing of any existing debt.

2. IGD GROUP CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2024

2.1 // Consolidated income statement

(in thousands of Euros)	Note	6/30/2024 (A)	6/30/2023 (B)	Change (A)-(B)
Revenue	**1**	**69,102**	**70,085**	**(983)**
Revenues from third parties		58,499	57,363	1,136
Revenues from related parties		10,603	12,722	(2,119)
Other revenue	**2.1**	**4,074**	**4,141**	**(67)**
Other revenues from third parties		2,163	2,413	(250)
Other revenues from related parties		1,911	1,728	183
Revenues from property sales	**2.2**	**84**	**5,572**	**(5,488)**
Operating revenues		**73,260**	**79,798**	**(6,538)**
Change in inventory	**6**	162	(4,840)	5,002
Revenues and change in inventory		**73,422**	**74,958**	**(1,536)**
Construction costs for the period	**6**	(193)	(559)	366
Service costs	**3**	(8,920)	(9,874)	954
Service costs from third parties		(6,310)	(7,741)	1,431
Service costs from related parties		(2,610)	(2,133)	(477)
Cost of labour	**4**	(5,655)	(5,550)	(105)
Other operating costs	**5**	(4,634)	(4,813)	179
Total operating costs		**(19,402)**	**(20,796)**	**1,394**
Depreciations, amortization and provisions		(1,004)	(1,264)	260
(Impairment losses)/Reversals on work in progress and inventories		(414)	(399)	(15)
Provisions for doubtful accounts		(348)	(169)	(179)
Change in fair value		(18,386)	(79,878)	61,492
Depreciation, amortization, provisions, impairment and change in fair value	**7**	**(20,152)**	**(81,710)**	**61,558**
EBIT		**33,868**	**(27,548)**	**61,416**
Income/ (loss) from equity investments and asset disposal	**8**	**(29,100)**	0	**(29,100)**
Financial Income		**287**	**79**	**208**
Financial income from third parties		287	79	208
Financial charges		**(37,151)**	**(19,278)**	**(17,873)**
Financial charges from third parties		(37,069)	(19,031)	(18,038)
Financial charges from related parties		(82)	(247)	165
Net financial income (expense)	**9**	**(36,864)**	**(19,199)**	**(17,665)**
Pre-tax profit		**(32,096)**	**(46,747)**	**14,651**
Income taxes	**10**	(448)	(316)	(132)
NET PROFIT FOR THE PERIOD		**(32,544)**	**(47,063)**	**14,519**
Non-controlling interests in (profit)/loss for the period		0	0	0
Profit/(loss) for the period attributable to the Parent Company		**(32,544)**	**(47,063)**	**14,519**
- Basic earnings per share	**11**	(0.295)	(0.427)	0.132
- Diluted earnings per share	**11**	(0.295)	(0.427)	0.132

2.2 // Consolidated statement of comprehensive income

(amount in thousands of Euro)	6/30/2024	6/30/2023
NET RESULT FOR THE PERIOD	**(32,544)**	**(47,063)**
Total components of comprehensive income that will not be reclassified to profit/(loss) of the period, net of tax effect	**0**	**0**
Other components of comprehensive income that will be reclassified to profit/(loss) of the period:		
Effects of hedge derivatives	3,111	(741)
Tax effect of hedge derivatives	(747)	178
Conversion reserve	(272)	(273)
Total components of comprehensive income that will be reclassified to profit/(loss) of the period:	**2,092**	**(836)**
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	**(30,452)**	**(47,899)**
Non-controlling interest profit/(loss) for the period	0	0
TOTAL PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE PARENT COMPANY	**(30,452)**	**(47,899)**

2.3 // Consolidated statement of financial position

(in thousands of Euros)	Note	6/30/2024 (A)	6/30/2023 (B)	Change (A)-(B)
NON CURRENT ASSETS:				
Intangible assets				
Intangible assets with finite useful lives	12	845	1,012	(167)
Goodwill	13	6,646	6,648	(2)
		7,491	**7,660**	**(169)**
Property, plant, and equipment				
Investment property	14	1,684,925	1,959,053	(274,128)
Buildings	15	6,668	6,790	(122)
Plant and machinery	16	115	110	5
Equipment and other goods	16	2,372	2,474	(102)
Assets under construction and advance payments	17	2,200	2,364	(164)
		1,696,280	**1,970,791**	**(274,511)**
Other non-current assets				
Deferred tax assets	18	3,547	4,469	(922)
Sundry receivables and other non-current assets	19	129	112	17
Equity investments	20	106,005	25,715	80,290
Non-current financial assets	21	176	174	2
Derivative assets	40	3,027	2,649	378
		112,884	**33,119**	**79,765**
TOTAL NON-CURRENT ASSETS (A)		**1,816,655**	**2,011,570**	**(194,915)**
CURRENT ASSETS:				
Work in progress inventory and advances	22	23,959	24,027	(68)
Trade and other receivables	23	8,475	9,676	(1,201)
Related party trade and other receivables	24	1,067	1,066	1
Other current assets	25	6,945	8,334	(1,389)
Cash and cash equivalents	26	7,094	6,069	1,025
TOTAL CURRENT ASSETS (B)		**47,540**	**49,172**	**(1,632)**
TOTAL ASSETS (A + B)		**1,864,195**	**2,060,742**	**(196,547)**
NET EQUITY:				
Share capital		650,000	650,000	0
Other reserves		382,656	453,079	(70,423)
Group profit (loss) carried forward		(30,031)	(20,814)	(9,217)
Group profit		(32,544)	(81,732)	49,188
Total Group net equity		**970,081**	**1,000,533**	**(30,452)**
Capital and reserves of non-controlling interests		0	0	0
TOTAL NET EQUITY (D)	27	**970,081**	**1,000,533**	**(30,452)**
NON-CURRENT LIABILITIES:				
Derivatives - liabilities	40	1,134	3,854	(2,720)
Non-current financial liabilities	28	769,482	937,297	(167,815)
Provisions for employee severance indemnities	29	3,000	2,863	137
Deferred tax liabilities	18	15,346	15,559	(213)
Provisions for risks and future charges	30	5,933	6,372	(439)
Sundry payables and other non-current liabilities	31	6,781	7,140	(359)
Related parties sundry payables and other non-current liabilities	31	4,491	10,460	(5,969)
TOTAL NON-CURRENT LIABILITIES (E)		**806,167**	**983,545**	**(177,378)**
CURRENT LIABILITIES:				
Current financial liabilities	32	55,908	37,371	18,537
Trade and other payables	34	14,045	22,405	(8,360)
Related parties trade and other payables	35	801	2,203	(1,402)
Current tax liabilities	36	1,866	1,353	513
Other current liabilities	37	15,327	13,332	1,995
TOTAL CURRENT LIABILITIES (F)		**87,947**	**76,664**	**11,283**
TOTAL LIABILITIES (H=E+F)		**894,114**	**1,060,209**	**(166,095)**
TOTAL NET EQUITY AND LIABILITIES (D+H)		**1,864,195**	**2,060,742**	**(196,547)**

2.4 // Consolidated statement of changes in equity

(amount in thousands of Euro)	Share capital	Other reserves	Profit (loss) from previous years	Profit (loss) of the period	Group Net Equity	Non-controlling interest capital and reserves	Total net equity
Balance at 01/01/2024	**650,000**	**453,079**	**(20,814)**	**(81,732)**	**1,000,533**	**0**	**1,000,533**
Profit (loss) for the period	0	0	0	(32,544)	(32,544)	0	(32,544)
Cash flow hedge derivative assessment	0	2,364	0	0	2,364	0	2,364
Other comprehensive profit (loss)	0	(272)	0	0	(272)	0	(272)
Total comprehensive profit (loss)	**0**	**2,092**	**0**	**(32,544)**	**(30,452)**	**0**	**(30,452)**
Cover of 2023 loss							
Reclassification to Fair Value reserve	0	0	0	0	0	0	0
Cover of 2023 loss	0	(72,515)	(9,217)	81,732	0	0	0
Balance at 06/30/2024	**650,000**	**382,656**	**(30,031)**	**(32,544)**	**970,081**	**0**	**970,081**

(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**

2.5 // Consolidated statement of cash flows

(In thousands of Euros)	Note	6/30/2024	6/30/2023
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit (loss) of the year		**(32,544)**	**(47,063)**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities			
Taxes of the year	10	448	316
Financial charges / (income)	9	36,865	19,199
Depreciation and amortization	7	1,004	1,264
Writedown of receivables	7	348	169
(Impairment losses) / reversal on work in progress	7	414	399
Changes in fair value - increases / (decreases)	7	18,386	79,878
Gains/losses from disposal - equity investments	8	29,100	0
Changes in provisions for employees and end of mandate treatment		635	707
CASH FLOW FROM OPERATING ACTIVITIES:		**54,656**	**54,869**
Financial charge paid		(27,358)	(11,283)
Provisions for employees, end of mandate treatment		(1,170)	(909)
Income tax		(452)	(497)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX:		**25,676**	**42,180**
Change in inventory		(126)	4,840
Change in trade receivables		1,087	4,255
Net change in other assets		2,294	(819)
Change in trade payables		(9,997)	(9,007)
Net change in other liabilities		(4,934)	2,884
CASH FLOW FROM OPERATING ACTIVITIES (A)		**14,000**	**44,333**
(Investments) in intangible assets	12	(93)	(237)
Disposals of intangible assets		0	0
(Investments) in tangible assets		(7,071)	(9,011)
Disposals of tangible assets		0	0
(Investments) in equity interests		153,165	0
CASH FLOW FROM INVESTING ACTIVITIES (B)		**146,001**	**(9,248)**
Change in non-current financial assets		(2)	0
Distribution of dividends	27	0	(33,103)
Rents paid for financial leases		(4,531)	(4,301)
Collections for new loans and other financing activities		12,372	131,851
Loans repayments and other financing activities		(166,545)	(140,267)
CASH FLOW FROM FINANCING ACTIVITIES (C)		**(158,706)**	**(45,820)**
Exchange rate differences on cash and cash equivalents (D)	27	(270)	(23)
NET INCREASE (DECREASE) IN CASH BALANCE (A+B+C+D)		**1,025**	**(10,758)**
CASH BALANCE AT BEGINNING OF THE PERIOD	33	**6,069**	**27,069**
CASH BALANCE AT END OF THE PERIOD	33	**7,094**	**16,311**

2.6 // Notes to the condensed interim consolidated financial statements

2.6.1. General information

The condensed interim consolidated financial statements of IGD Group at 30 June 2024 were approved and authorized for publication by the Board of Directors on 1 August 2024.

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 2024 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 2023.

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.

Changes in accounting standards

a) IFRS accounting standards, amendments and interpretations applied from 1 January 2024

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group as from 1 January 2024:

- 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 amendments clarify how to classify payables and other liabilities as current or non-current. They also improve the required disclosures when an entity's right to defer the settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants). The adoption of these amendments has not affected the Group's consolidated financial statements;
- on 22 September 2022, the IASB published "Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback." The amendments require the seller-lessee to determine the lease liability arising from a sale & leaseback transaction in a way that does not recognize a gain or loss relating to the retained right of use. The 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 completed the endorsement process necessary for the adoption of the following amendments and standards.

- On 30 May 2024 the IASB published "Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). " The amendments clarify certain matters identified during the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary according to the achievement of ESG targets ("green bonds"). Specifically, they aim to:
    - clarify the classification of financial assets with features linked to environmental, social and governance (ESG) targets and the assessment criteria for the SPPI test;
    - determine that the settlement date of a liability using an electronic payment system is the date the liability is extinguished. However, an entity is permitted to adopt an accounting policy that allows the derecognition of a financial liability before making the cash transfer on the settlement date, under specific conditions.

  With these amendments the IASB has also introduced new disclosure requirements, in particular for equity instruments measured at FVOCI.
  The amendments will apply to financial years beginning on or after 1 January 2026. The directors do not expect them to have a significant impact on the consolidated financial statements.
- On 9 May 2024 the IASB published the new standard "IFRS 19 Subsidiaries without Public Accountability: Disclosures. " The new standard simplifies some of the disclosures required by other IFRS accounting standards. An entity may elect to apply IFRS 19 if it meets the following criteria:
    - it is a subsidiary;

  - it has not issued and is not in the process of issuing debt or equity instruments for trading in a public market;
  - it has an ultimate or intermediate parent that produces IFRS-compliant consolidated financial statements.

  The new standard is effective for financial years beginning on or after 1 January 2027; early adoption is permitted. The directors do not expect it to have a significant impact on the consolidated financial statements.

- On 9 April 2024 the IASB published the new standard "IFRS 18 Presentation and Disclosure in Financial Statements," which will replace IAS 1 Presentation of Financial Statements. The new standard aims to improve the presentation of financial statements and introduces important changes to the income statement. It requires entities to:
  - classify income and expenses into three new categories (operating, investing, and financing), in addition to the existing categories of taxes and discontinued operations;
  - present two new subtotals: operating profit or loss, and profit or loss before financing and income tax (i.e. EBIT).

  The new standard also:
  - requires additional disclosures on management-defined performance measures;
  - introduces new criteria for aggregating and disaggregating information; and
  - makes changes to the statement of cash flows, such as requiring that operating profit or loss be used as the starting point for cash flow statements prepared using the indirect method and eliminating certain classification options for existing items (e.g. interest paid, interest received, dividends paid and dividends received).

  The new standard is effective for financial years beginning on or after 1 January 2027; early adoption is permitted. The directors are currently assessing the potential effects of this new standard 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 2024, prepared by the boards of directors of the consolidated companies and adjusted, where necessary, to align them with the Group's IFRS-compliant accounting and classification policies. The scope of consolidation has not changed since 31 December 2023. Pursuant to Consob Circular DEM/6064293 of 28 July 2006, below is a list of Group companies showing the location of their registered office, share capital in the local currency and consolidation method. The interests held directly or indirectly by IGD SIIQ S.p.A. and each of its subsidiaries are also specified. Below are the exchange rates used to convert foreign subsidiaries' accounts into euros:

Exchange rate	Euro/Ron
Spot rate at 06.30.2024	4.9771
Average rate 1st half 2024	4.9743
Spot rate at 12.31.2023	4.9746
Average rate 2023	4.9465
Spot rate at 06.30.2023	4.9634
Average rate 1st half 2023	4.9335

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	Italia	650,000,000.00	Euro				Shopping center management
Subsidiaries fully consolidated								
IGD Service S.r.l	Bologna via trattati comunitari Europei 1957- 2007	Italia	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	Italia	7,227,679.23	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	Italia	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	Italia	64,165,000.00	Euro	40%*	IGD SIIQ S.p.A.	40%	Hypermarkets/supermarkets property
Fondo FOOD	Milano, via San Paolo 7	Italia	258,000,000.00	Euro	40%**	IGD SIIQ S.p.A.	40%	Hypermarkets/supermarkets/shopping malls property

* IGD SIIQ holds 25,224 class B shares equal to 40% of the fund capital
** IGD SIIQ holds 5,162 class B shares 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 2023 Annual Report, these consortiums are not consolidated as they are considered to be immaterial.

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 2024. 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 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 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.
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 rules for selecting independent appraisers and handling the information flows used in the process of assessing the properties' fair value.

To appraise the real estate portfolio at 30 June 2024, the following independent firms were selected: (i) CBRE Valuation S.p.A., (ii) Kroll Advisory 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 based on 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 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 General Manager, who is 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 the inputs of the valuation techniques used to measure it into three levels. 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). 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 independent appraisers have considered the ESG indicators of every property and included a cost component in their base cash flow analysis. This component includes extraordinary maintenance costs for which the owner is responsible, including energy upgrades associated with business plan targets and the company's ambitions, which may not represent a realistic estimate of such costs considering that companies are not yet legally required to incur them.
In their reports, the independent appraisers emphasize that currently there are no objective parameters or specific databases allowing them to accurately reflect the impact of ESG in property valuations.
They did point out that properties with good to excellent levels of energy efficiency are viewed favorably by the real estate market as the property is capable of attracting tenants of high standing. Therefore, energy efficiency aspects are reflected indirectly in the property appraisal and expressed implicitly in market value.

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 IGD Group's investment property by type, measured at fair value at 30 June 2024. It does not include construction in progress (Porto Grande expansion, listed with assets under construction), which is 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.

FAIR VALUE MEASUREMENTS 06/30/2024 Amount in thousands of Euro	QUOTED PRICES (UNADJUSTED) IN ACTIVE MARKETS FOR IDENTICAL ASSETS OR LIABILIIES (LEVEL 1)	SIGNIFICANT INPUTS OBSERVABLE IN THE MARKET (LEVEL 2)	SIGNIFICANT INPUTS NOT OBSERVABLE IN THE MARKET (LEVEL 3)
Investment property in Italy:			
Shopping malls and retail parks	0	0	1,347,382
Hypermarkets and supermarkets	0	0	189,042
Other	0	0	15,271
Total investment property in Italy	**0**	**0**	**1,551,695**
Investment property in Romania:			
Shopping malls	0	0	116,840
Office Building	0	0	2,900
Total investment property in Romania	**0**	**0**	**119,740**
IGD Group investment property	**0**	**0**	**1,671,435**
Rights to use (IFRS 16)			
Rights to use (IFRS 16)	0	0	13,490
Total rights to use (IFRS 16)	**0**	**0**	**13,490**
Total IGD Group investment property measured at fair value	**0**	**0**	**1,684,925**

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 2024, 31 December 2023, and 30 June 2023:

Portfolio	**Appraisal method**	**Discount rate 06/30/2024**		**GROSS CAP OUT 06/30/2024**		**Yearly rent €/sqm 6/30/2024**	
		min	**max**	**min**	**max**	**min**	**max**
Total Malls/Rp	Income based (DCF)	7.00%	11.90%	6.70%	13.98%	6	523
Total Hyper/supermarkets	Income based (DCF)	6.47%	8.01%	6.69%	7.48%	93	195
Total Winmarket	Income based (DCF)	6.36%	10.60%	7.32%	26.08%	41	214

Portfolio	**Appraisal method**	**Discount rate 12/31/2023**		**GROSS CAP OUT 12/31/2023**		**Yearly rent €/sqm 12/31/2023**	
		min	**max**	**min**	**max**	**min**	**max**
Total Malls/Rp	Income based (DCF)	7.05%	11.90%	6.69%	12.37%	8	533
Total Hyper/supermarkets	Income based (DCF)	6.00%	8.30%	6.59%	12.26%	86	220
Total Winmarket	Income based (DCF)	6.30%	10.50%	7.31%	23.22%	44	213

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 Winmarket	Income based (DCF)	6.00%	10.50%	7.26%	11.74%	41	196

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 2024 is reported below.

Sensitivity analysis at 30 June 2024

Asset class	Hypermarkets and supermarkets	Shopping malls and retail parks	Other	Romania investment property	Total
Market value at 06/30/2024 +0.5 discount rate	(5,817)	(47,438)	(606)	(4,690)	(58,551)
Market value at 06/30/2024 -0.5 discount rate	6,105	49,379	589	4,450	60,523
Market value at 06/30/2024 +0.5 Gross cap out	(6,487)	(40,721)	(384)	(3,480)	(51,072)
Market value at 06/30/2024 -0.5 Gross cap out	7,385	46,491	379	3,920	58,175
Market value at 06/30/2024 +0.5 discount rate, +0.5 Gross cap out	(11,795)	(85,736)	(936)	(7,920)	(106,387)
Market value at 06/30/2024 -0.5 discount rate, -0.5 Gross cap out	13,848	98,854	1,015	8,740	122,457
Market value at 06/30/2024 +0.5 discount rate, -0.5 Gross cap out	1,322	(3,033)	(212)	(910)	(2,833)
Market value at 06/30/2024 -0.5 discount rate, +0.5 Gross cap out	(502)	7,044	220	720	7,482

Regarding the sensitivity of fair value measurements to changes in the main unobservable inputs, fair value would decrease with 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.

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 complex issues that present varying degrees of uncertainty due to the facts and circumstances of each case, matters of jurisdiction, and different applicable laws. Therefore, it is challenging to predict the amount of any consequent outlays, and the provisions set aside for such risks and expenses may vary depending on future developments.
The Group periodically monitors the status of such litigation and consults with its own advisors and with experts in law and taxation.

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-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	CORE BUSINESS PROPERTY		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
Total revenues and operating income	**69,102**	**70,085**	**4,074**	**3,777**	**84**	**5,572**	**0**	**0**	**73,260**	**79,434**
Change in work in progress inventories	**0**	**0**	**0**	**0**	**162**	**(4,840)**	**0**	**0**	**162**	**(4,840)**
Direct costs (a)	(10,119)	(11,044)	(2,876)	(2,844)	(447)	(891)	0	0	(13,442)	(14,779)
G&A expenses (b)	0	0	0	0	0	0	(6,308)	(6,185)	(6,308)	(6,185)
Total operating costs (a)+(b)	**(10,119)**	**(11,044)**	**(2,876)**	**(2,844)**	**(447)**	**(891)**	**(6,308)**	**(6,185)**	**(19,750)**	**(20,964)**
(Depreciation and provisions)	(707)	(945)	(37)	343	0	0	(260)	(299)	(1,004)	(901)
(Impairment)/Reversals on work in progress inventories	(220)	(279)	0	0	(194)	(120)	0	0	(414)	(399)
Fair value changes - increases/(decreases)	(18,386)	(79,878)	0	0	0	0	0	0	(18,386)	(79,878)
Total depreciation, provisions, impairment and fair value changes	**(19,313)**	**(81,102)**	**(37)**	**343**	**(194)**	**(120)**	**(260)**	**(299)**	**(19,804)**	**(81,178)**
OPERATING RESULT	**39,670**	**(22,061)**	**1,161**	**1,276**	**(395)**	**(279)**	**(6,568)**	**(6,484)**	**33,868**	**(27,548)**

REVENUES FROM FREEHOLD PROPERTIES	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	NORTH		CENTER-SOUTH-ISLANDS		ABROAD		TOTAL	
LEASE AND RENTAL INCOME	34,644	36,745	22,840	21,925	4,820	4,823	62,304	63,493
ONE-OFF REVENUES	18	10	0	0	0	0	18	10
TEMPORARY REVENUES	1,233	1,244	672	673	0	0	1,905	1,917
OTHER RENTAL INCOME	76	36	37	106	2	15	115	157
TOTAL	**35,971**	**38,035**	**23,549**	**22,704**	**4,822**	**4,838**	**64,342**	**65,577**

BALANCE SHEET	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		UNSHARED		TOTAL	
- Investment property	1,684,925	1,969,733	0	0	0	0	0	0	1,684,925	1,969,733
- Assets under construction	2,200	35,223	0	0	0	0	0	0	2,200	35,223
Intangible assets	5,639	5,828	1,007	1,007	0	0	845	857	7,491	7,692
Other tangible assets	2,294	2,167	78	34	0	0	6,783	6,881	9,155	9,082
- Sundry receivables and other non current assets	0	0	0	0	0	0	129	109	129	109
- Equity investments	105,983	25,693	0	0	0	0	22	72	106,005	25,765
NWC	(14,042)	(14,456)	1,012	1,318	21,437	22,787	0	0	8,407	9,649
Funds	(6,679)	(6,612)	(1,504)	(1,351)	0	(42)	(750)	0	(8,933)	(8,005)
Sundry payables and other non current liabilities	(7,232)	(14,279)	0	0	(4,040)	(4,039)	0	0	(11,272)	(18,318)
Net deferred tax (assets)/liabilities	(14,361)	(16,220)	0	0	2,562	2,561	0	0	(11,799)	(13,659)
Net assets (liabilities) for derivative instruments	1,893	0	0	0	0	0	0	0	1,893	0
Net invested capital	**1,760,620**	**1,987,077**	**593**	**1,008**	**19,959**	**21,267**	**7,029**	**7,919**	**1,788,201**	**2,017,271**

2.6.5. Notes to the consolidated financial statements

Note 1) Revenue and other income

	Note	6/30/2024	6/30/2023	Change
Revenue	1	**69,102**	**70,085**	**(983)**
Revenues from third parties		58,499	57,363	1,136
Revenues from related parties		10,603	12,722	(2,119)
Other revenue	2.1	**4,074**	**4,141**	**(67)**
Other revenues from third parties		2,163	2,413	(250)
Other revenues from related parties		1,911	1,728	183
Revenues from property sales	2.2	**84**	**5,572**	**(5,488)**
Operating revenues		**73,260**	**79,798**	**(6,538)**

In the first half of 2024 IGD Group earned total revenue of €73,260K, including €84K in property sales revenue for the sale of two enclosed garage units in the residential Officine Storiche section of Porta a Mare.
The decrease of €6,538K with respect to the first half of 2023 is due to the transfer to the Food real estate fund of eight hypermarkets, three supermarkets and two malls and to a reduction in revenue from property sales that was only partially offset by an increase in revenue from third parties and other revenue.

Note 1.1) Revenue

	Note	6/30/2024	6/30/2023	Change
Freehold hypermarkets - Rents and business leases from related parties	a.1	9,692	11,885	(2,193)
Freehold hypermarkets - Rents and business leases from third parties	a.2	908	1,004	(96)
Freehold supermarkets - Rents and business leases from related parties	a.3	102	117	(15)
Freehold supermarkets - Rents and business leases from third parties	a.3	73	0	73
TOTAL HYPERMARKETS/SUPERMARKETS	a	**10,775**	**13,006**	**(2,231)**
Freehold malls, offices and city center	b.1	**51,559**	**50,456**	**1,103**
Rents		**10,229**	**9,594**	**635**
To related parties		239	230	9
To third parties		9,990	9,364	626
Business leases		**41,330**	**40,862**	**468**
To related parties		385	408	(23)
To third parties		40,945	40,454	491
Leasehold malls	b.2	**4,424**	**4,290**	**134**
Rents		**253**	**210**	**43**
To related parties		18	48	(30)
To third parties		235	162	73
Business leases		**4,171**	**4,080**	**91**
To related parties		102	101	1
To third parties		4,069	3,979	90
Other contracts and temporary rents	b.3	**2,344**	**2,333**	**11**
Other contracts and temporary rents		2,279	2,283	(4)
Other contracts and temporary rents - related parties		65	50	15
TOTAL MALLS	b	**58,327**	**57,079**	**1,248**
GRAND TOTAL	a+b	**69,102**	**70,085**	**(983)**
of which related parties		10,603	12,722	(2,119)
of which third parties		58,499	57,363	1,136

Total revenue decreased by €983K compared with the same period last year.
Rent from hypermarkets and supermarkets was down by 2,231K, due mainly to the transfer of eight hypermarkets and three supermarkets to the Food real estate fund.
Rent and business lease revenue from freehold malls, offices, and city center properties rose by €1,248K as a result of the ISTAT adjustment for inflation, lower discounts granted, the opening of Officine Storiche in September 2023, and the effects of remapping at Katanè and Lungo Savio malls. These positive effects were partially offset by the transfer operation described above.

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

Note 2.1) Other income

	6/30/2024	6/30/2023	Change
Out-of-period income/charges	27	430	(403)
Facility management revenues	1,557	1,668	(111)
Portfolio and rent management revenues	406	80	326
Pilotage and construction revenues	142	199	(57)
Marketing revenues	31	0	31
Other income	0	36	(36)
Other revenues from third parties	**2,163**	**2,413**	**(250)**
Facility management revenues from related parties	1,743	1,636	107
Pilotage and construction revenues from related parties	0	4	(4)
Marketing revenues vs related parties	67	4	63
Portfolio and rent management revenues from related parties	101	8	93
Other income from related party	0	76	(76)
Other revenues from related parties	**1,911**	**1,728**	**183**
Other revenue	**4,074**	**4,141**	**(67)**

Other income from third parties decreased by €250K compared with the first half of the previous year, due mainly to a reduction in out-of-period income that was only partially offset by a rise in income from portfolio management.
Other income from related parties grew by €183K, chiefly as a result of higher portfolio and rent management income under the property and facility management contracts signed with the Food real estate fund as part of the transfer operation described above.

Note 2.2) Income from the sale of trading properties

This refers to the Porta a Mare project and came to €84K in the first half of 2024, from the sale of two enclosed garage units in the Officine section.

Note 3) Service costs

	6/30/2024	6/30/2023	Change
Service costs from third parties	**6,321**	**7,741**	**(1,420)**
Paid rents	138	147	(9)
Promotional and advertising expenses	81	73	8
Centers management expenses for vacancies	1,041	2,209	(1,168)
Centers management expenses for ceiling to tenants' costs	1,077	1,443	(366)
Facility management administration costs	281	378	(97)
Insurances	604	567	37
Professional fees	131	71	60
Directors' and statutory auditors' fees	447	460	(13)
External auditing fees	84	50	34
Investor relations, Consob, Monte Titoli costs	253	224	29
Consulting	621	548	73
Real estate appraisals fees	266	229	37
Maintenance and repair expenses	69	86	(17)
Other costs of services	1,228	1,256	(28)
Service costs from related parties	**2,599**	**2,133**	**466**
Centers management expenses for vacancies	1,078	630	448
Centers management expenses for ceiling to tenants' costs	1,092	691	401
Insurances	0	4	(4)
Directors' and statutory auditors' fees	31	32	(1)
Consulting	9	0	9
Promotional and advertising expenses	357	700	(343)
Other costs of services	32	76	(44)
Service costs	**8,920**	**9,874**	**(954)**

Service costs decreased by €954K compared with the previous year.
Most of the decrease in service costs from third parties (€1,420K) relates to facility management expenses for both vacancies and cost caps, as partially offset by an increase in consulting fees, professional fees, real estate appraisal fees and insurance.
Related party service costs increased by €466K due to higher facility management expenses, partially offset by a decrease in co-marketing costs.

Note 4) Cost of labour

	6/30/2024	6/30/2023	Change
Wages and salaries	4,267	4,168	99
Social security	1,125	1,026	99
Severance pay	213	203	10
Other costs	50	153	(103)
Cost of labour	**5,655**	**5,550**	**105**

The cost of labor was slightly higher than in the first half of 2023, rising by €105K due mainly to the renewal of the national collective bargaining agreement for workers in the cooperative distribution sector.

Note 5) Other operating costs

	6/30/2024	6/30/2023	Change
IMU/TASI/Property tax	3,932	4,128	(196)
Other taxes	35	6	29
Contract registrations	142	181	(39)
Out-of-period income/charges	37	28	9
Membership fees	45	31	14
Losses on receivables	213	127	86
Fuel and tolls	154	134	20
Other costs	76	178	(102)
Other operating costs	**4,634**	**4,813**	**(179)**

Other operating costs decreased slightly on the previous year, mostly reflecting a reduction in IMU (municipal property tax) because of the transfer to the Food Fund of a real estate portfolio made up of eight hypermarkets, three supermarkets and two shopping malls.

Note 6) Change in work in progress inventory

	6/30/2024	6/30/2023	Change
Construction costs for the period	193	559	(366)
Change in inventories for disposal	(31)	(5,399)	5,368
Change in inventory	**162**	**(4,840)**	**5,002**

The change in work in progress inventory relating to the land, buildings, and urban infrastructure works of the multifunctional complex in Livorno came to €162K in the first half of 2024, reflecting the sale of two enclosed garage units in the Officine section. See note 22) for details.

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

	6/30/2024	6/30/2023	Change
Amortization of intangible assets	(260)	(177)	(83)
Amortization of tangible assets	(393)	(331)	(62)
Provisions for risks	(351)	(756)	405
Depreciations, amortization and provisions	**(1,004)**	**(1,264)**	**260**
Provisions for doubtful accounts	**(348)**	**(169)**	**(179)**
(Impairment losses)/Reversals on work in progress and inventories	**(414)**	**(399)**	**(15)**
Change in fair value of investment property and assets under construction	**(18,386)**	**(79,878)**	**61,492**
Depreciation, amortization, provisions, impairment and change in fair value	**(20,152)**	**(81,710)**	**61,558**

Amortization increased by €83K, mainly in relation to costs for the implementation of the integrated accounting, management and treasury system as well as HR management software.
Depreciation increased due to the equipment purchased the previous year for the new Officine Storiche mixed-use complex.

Allocations for doubtful accounts rose from €169K in the first half of 2023 to €348K this year.

All allocations were determined by evaluating the individual positions of clients to adjust them to estimated realizable value.
See note 23) for changes in the provision for doubtful accounts.

Other provisions refer to the estimated outcome of three IMU (municipal property tax) disputes regarding La Torre shopping center in Palermo (€38K), Esp shopping center in Ravenna (€26K), and Tiburtino shopping center in Guidonia (€250K). In addition, €37K was allocated during the half-year for IGD's share of work to be done at Centro Lame and Clodì shopping centers that were sold during the period.

Adjustments to fair value and net impairment losses/reversals for the first half of 2024 amounted to a negative €18,800K, down from €80,277K the previous year.
Fair value changes (-€18,386K) were made up as follows:

- an impairment loss of €3,496K on right-of-use assets from the application of IFRS 16, including increases for the year;
- an impairment loss of €6,438K for extraordinary maintenance on freehold and leasehold properties of IGD Group's Italian companies;
- an impairment loss of €274K for extraordinary maintenance on freehold properties of the Romanian subsidiary Win Magazin S.A.;
- an impairment loss of €5,898K for the adjustment to fair value of the investment property of IGD Group's Italian companies, based on independent appraisals as of 30 June 2024;
- an impairment loss of €2,280K for the adjustment to fair value of the investment property of the Romania subsidiary Win Magazin S.A., based on independent appraisals as of 30 June 2024.

Net impairment losses on work in progress and inventory (€414K) reflect (i) an impairment loss of €220K on the Portogrande expansion and (ii) an impairment loss of €194K on the Officine (residential), Molo, Lips, and Arsenale sections of Porta a Mare based on independent appraisals as of 30 June 2024.

Note 8) Income/(loss) from equity investments and property sales

	6/30/2024	6/30/2023	Change
Result of asset contribution in Food Fund	(4,689)	0	(4,689)
Result of Food Fund deconsolidation	(24,411)	0	(24,411)
Income/ (loss) from equity investments and asset disposal	**(29,100)**	0	**(29,100)**

As described in detail in section 1.8 of the Interim Management Statement ("Significant events in the half-year"), on 23 April 2024 IGD signed the definitive contract with Sixth Street and subsidiaries of Starwood Capital and Prelios SGR S.p.A. in execution of the preliminary agreement announced to the market on 23 February.
The deal concerns the sale by IGD of a real estate portfolio made up of eight hypermarkets, three supermarkets and two shopping malls.
It took place through a closed-end Italian real estate investment fund (REIF) called Food Fund, managed by Prelios SGR S.p.A. (the asset management arm of the Prelios Group), to which IGD transferred the properties. The difference between the book value of the properties and the transfer value of €258 million was negative for €4.7 million.
Following the transfer, IGD sold 60% of the fund (class A preferred shares) to a Luxembourg vehicle company (50% Sixth Street and 50% Starwood Capital) for €155 million and retained

ownership of the remaining 40% (class B subordinate shares). IGD's share of the Food Fund (now an associate, further to the sale of 60%) was measured at fair value as of the date of loss of control, using the discounted cash flow method. As a result of this valuation, it was necessary to charge a writedown of €24.4 million.

Note 9) Financial income and charges

	6/30/2024	6/30/2023	Change
Bank interest income	287	24	263
Other interests income and equivalents	0	55	(55)
Financial income from third parties	287	79	208
Financial income from related parties	0	0	0
Financial Income	**287**	**79**	**208**

Most of the increase in financial income reflects a rise of €263K in interest from banks.

	6/30/2024	6/30/2023	Change
Interest expenses on security deposits	82	247	(165)
Financial charges from related parties	**82**	**247**	**(165)**
Interest expenses to banks	17	34	(17)
Amortized mortgage loan costs	18,959	11,440	7,519
Loans amortized costs	2,170	1,014	1,156
IRS spread	(1,412)	(1,355)	(57)
Bond financial charges	9,765	5,375	4,390
Bond amortized costs	6,206	1,172	5,034
IFRS 16 financial charges	667	715	(48)
Financial charges on leasing	56	53	3
Other interests and charges	641	583	58
Financial charges from third parties	**37,069**	**19,031**	**18,038**
Financial charges	**37,151**	**19,278**	**17,873**

Financial charges went from €19,278K in the first half of 2023 to €37,151K this year. The increase of €17,873K is mostly explained by:

- higher interest on mortgage loans, due to a new €250 million loan taken out in May 2023;
- higher financial charges on bonds reflecting the issue of a new €400 million bond and partial exchange with the bond notes maturing in November 2024, concluded in November 2023;
- an increase in the amortized cost of bonds as a result of the partial repayment described in section 1.8, "Significant events in the half";
- lower IRS charges, due in part to a decrease in notional amounts.

At 30 June 2024, the average cost of debt (without considering recurring and non-recurring transaction costs) was 6.05%, up from 3.86% at 31 December 2023, while the weighted average effective cost of debt rose from 4.71% to 7.91% over the same period.
The interest coverage ratio (ICR) calculated as the ratio of EBITDA to net financial charges is 1.7x, down from 2.22x at 31 December 2023.

Note 10) Income taxes

	6/30/2024	6/30/2023	Change
Current taxes	591	586	5
Deferred tax liabilities	(146)	(275)	129
Out-of-period income/charges - Provisions	3	5	(2)
Income taxes	**448**	**316**	**132**

Current and deferred taxes came to €448K for the period, an increase of €132K with respect to the first half of 2023.

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

Most of the change in deferred taxes (€129K) 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 2024 and 30 June 2023.

Reconciliation of income taxes applicable to pre-tax profit	6/30/2024	6/30/2023
Pre-tax profit	**(32,096)**	**(46,746)**
Theoretical tax charge (rate 24%)	0	0
Profit resulting in the income statement	(32,096)	(46,746)
Increases:		
IMU - Property tax	3,635	3,637
Impairment on work in progress and inventories	553	399
Other increases	5,828	5,719
Decreases:		
Change in tax-exempt income	21,166	(26,666)
Deductible depreciation	(215)	(164)
Negative fair value	14,391	77,676
Other changes	(9,961)	(10,781)
Tax income	**3,302**	**3,075**
Use of past losses	**0**	**0**
Use of Ace benefit	**266**	**3,841**
Tax income net of losses and Ace benefit	**3,036**	**(766)**
Current taxes for the year	**640**	**450**
Income from tax consolidation	**(183)**	**(36)**
Current IRES for the year (a)	**458**	**414**
Difference between value and cost of production	**51,740**	**54,480**
Theoretical IRAP (3.9%)	2,018	2,125
Difference between value and cost of production	**51,740**	**54,480**
Changes:		
Increases	4,462	5,722
Decreases	(5,365)	(9,977)
Change in tax-exempt income	(43,755)	(42,620)
Other deductions	(3,871)	(3,415)
Taxable IRAP income	**3,211**	**4,190**
Current IRAP for the year (b)	**133**	**172**
Total current taxes (a + b)	**591**	**586**

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.

	6/30/2024	12/31/2023
Net profit attributable to IGD SIIQ S.p.A. shareholders	(32,544)	(47,063)
Diluted net profit attributable to IGD SIIQ S.p.A. shareholders	(32,544)	(47,063)
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	**(0.295)**	**(0.427)**
Diluted earnings per share	**(0.295)**	**(0.427)**

Note 12) Intangible assets with finite useful lives

	01/01/2023	Increase	Decrease	Amortization	12/31/2023
Intangible assets with finite useful lives	796	597	0	(381)	1,012

	01/01/2024	Increase	Decrease	Amortization	6/30/2024
Intangible assets with finite useful lives	1,012	93	0	(260)	845

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 for the year (€93K) mainly relate to the implementation of the integrated accounting and management system and payroll software.

Note 13) Goodwill

	01/01/2023	Increase	Reduction in value	12/31/2023
Goodwill	7,085	0	(437)	6,648

	01/01/2024	Increase	Reduction in value	6/30/2024
Goodwill	6,648	0	(2)	6,646

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 2024 and 31 December 2023:

Goodwill	6/30/2024	12/31/2023
Win Magazin S.A.	3,970	3,972
Winmarkt Management s.r.l.	1	1
RGD Ferrara 2013 s.r.l.	123	123
Fonti del Corallo	1,000	1,000
Centro Nova	546	546
Service	1,006	1,006
Goodwill	**6,646**	**6,648**

At 30 June 2024, goodwill for Win Magazin was reduced by €2K as a result of the exchange rate adjustment.

Goodwill for Win Magazin refers to the purchase price allocation of the difference between the price paid and the fair value of the assets and liabilities acquired with Win Magazin S.A. The recoverability of the goodwill allocated to this CGU has been analyzed based on 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 2024 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 2024 – given that the Group's stock market capitalization was again heavily discounted – to test the recoverability of consolidated net invested capital (including goodwill), in consideration of the fact that:

- the Group closed the half-year to 30 June 2024 on budget;
- impairment testing as of 31 December 2023 showed positive coverage of €156,582K;
- the WACC recalculated at 23 April 2024 to include the valuation of IGD's share of the Food Fund was consistent with that used to calculate impairment at 31 December 2023, and during the subsequent period there were no significant changes in rate trends;
- in the first half of 2024, as a result of independent appraisals, the Group's net invested capital decreased by around €18.8 million;

management has decided that for the interim report at 30 June 2024 there are no quantitative and/or qualitative indicators suggesting the need for a new second-level impairment test.

As discussed in the 2023 Annual Report, regarding the difference between recoverable amount and market capitalization, the directors considered the impact of 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.

Note 14) Investment property

	01/01/2023	Increase	Decrease	Revaluation	Devaluation	Reclassification from assets under construction	12/31/2023
Investment property	2,016,096	11,877	0	21,216	(145,679)	38,556	1,942,066
Right-of-use IFRS16	25,233	62	0	0	(8,309)	0	16,987
Investment property	**2,041,330**	**11,939**	**0**	**21,216**	**(153,988)**	**38,556**	**1,959,053**

	01/01/2024	Increase	Decrease	Revaluation	Devaluation	Reclassification from assets under construction	6/30/2024
Investment property	1,942,067	6,763	(262,505)	11,333	(26,223)	0	1,671,435
Right-of-use IFRS16	16,986	0	0	0	(3,496)	0	13,490
Investment property	**1,959,053**	**6,763**	**(262,505)**	**11,333**	**(29,719)**	**0**	**1,684,925**

Investment property decreased by €274,128K, due mainly to:

- the transfer to the Food real estate fund of eight hypermarkets, three supermarkets and two shopping malls, whose carrying amount for IGD SIIQ was €262,505K. For further details, see the section "Significant events in the half";
- ongoing extraordinary maintenance work (€6,763K), mostly for the restyling of Leonardo shopping center, fit out work at the Officine Storiche mixed-use complex, and the revamping of Esp and Le Maioliche shopping centers;
- fair value adjustments. Specifically, investment property was revalued in the amount of €11,333K and written down by €26,223K, for a net negative impact of €14,890K;
- 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 an independent appraisal (€3,496K).

For details, see Sections 1.8 (Significant events in the half) and 1.9 (The real estate portfolio) of the interim management report.

Note 15) Buildings

	01/01/2023	Increase	Decrease	Amortization	12/31/2023
Historical cost	10,201	38	0	0	10,239
Depreciation fund	(3,203)	0	0	(246)	(3,449)
Net book value	**6,998**	**38**	**0**	**(246)**	**6,790**

	01/01/2024	Increase	Decrease	Amortization	6/30/2024
Historical cost	10,239	20	0	0	10,259
Depreciation fund	(3,449)	0	0	(122)	(3,751)
Net book value	**6,790**	**20**	**0**	**(122)**	**6,688**

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 mainly to the standard depreciation process.

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

	01/01/2023	Increase	Decrease	Amortization	12/31/2023
Historical cost	3,254	51	0	0	3,305
Depreciation fund	(3,168)	0	0	(27)	(3,195)
Plant and machinery	**86**	**51**	**0**	**(27)**	**110**
Historical cost	7,846	616	0	0	8,462
Depreciation fund	(5,506)	0	0	(482)	(5,988)
Equipment and other goods	**2,340**	**616**	**0**	**(482)**	**2,474**

	01/01/2024	Increase	Decrease	Amortization	6/30/2024
Historical cost	3,305	18	0	0	3,323
Depreciation fund	(3,195)	0	0	(13)	(3,208)
Plant and machinery	**110**	**18**	**0**	**(13)**	**115**
Historical cost	8,462	156	0	0	8,618
Depreciation fund	(5,988)	0	0	(258)	(6,246)
Equipment and other goods	**2,474**	**156**	**0**	**(258)**	**2,372**

The higher depreciation with respect to the previous year is mostly explained by the purchase and installation of equipment, in 2023, at the Officine Storiche mixed-use complex. Increases for the period mainly concern the purchase of computer equipment.

Note 17) Assets under construction

	01/01/2023	Increase	Decrease	(Svautazioni)/Ripristini	Fair value changes	Reclassification to investment property	12/31/2023
Assets under construction	36,638	9,941	0	(409)	(5,250)	(38,556)	2,364
Advance payments	24	0	(24)	0	0	0	0
Assets under construction and advance payments	**36,662**	**9,941**	**(24)**	**(409)**	**(5,250)**	**(38,556)**	**2,364**

	01/01/2024	Increase	Decrease	(Svautazioni)/Ripristini	Fair value changes	Reclassification to assets under construction	6/30/2024
Assets under construction	2,364	5	0	(219)	0	0	2,150
Advance payments	0	109	(59)	0	0	0	50
Assets under construction and advance payments	**2,364**	**114**	**(59)**	**(219)**	**0**	**0**	**2,200**

Assets under construction and advances decreased by a net €164K, mostly as a result of:

- the writedown of the Portogrande expansion (€219K);
- a net increase in advances (€50K).

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:

	6/30/2024	12/31/2023	Change
Taxed funds	392	483	(91)
Impairment losses on inventories	2,559	2,559	0
Impairment losses on equity investments and finar	289	289	0
Loss from tax consolidation	741	741	0
IRS transactions	0	327	(327)
IFRS 16	2,303	2,330	(27)
Total deferred tax assets	**6,284**	**6,729**	**(445)**

	6/30/2024	12/31/2023	Change
Investment property	(2,290)	(2,235)	(55)
IRS transactions	(421)	0	(421)
Other effects	(26)	(25)	(1)
Total deferred tax liabilities	**(2,737)**	**(2,260)**	**(477)**

	6/30/2024	12/31/2023	Change
Deferred tax assets	6,284	6,729	(445)
Deferred tax liabilities	(2,737)	(2,260)	(477)
Total net deferred tax assets	**3,547**	**4,469**	**(922)**

Deferred tax assets and liabilities 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.

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 2024 the balance of deferred tax assets of €6,284K and deferred tax liabilities of €2,737K was a net asset of €3,547K.

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.

	6/30/2024	12/31/2023	Change
Investment property Romania	15,346	15,559	(213)
Net deferred tax assets Italian company	3,547	4,469	(922)

Note 19) Sundry receivables and other non-current assets

	6/30/2024	12/31/2023	Change
Security deposits	106	102	4
Due to other	23	10	13
Sundry receivables and other non-current assets	**129**	**112**	**17**

This item was essentially unchanged with respect to 31 December 2023.

Note 20) Equity investments

	01/01/2024	Increase	Decrease	Revaluations/(Write-downs)	06/30/2024
Cons. propr. del compendio com. del Commendone (GR)	6	0	0	0	6
Consorzio prop. Fonti del Corallo	7	0	0	0	7
Consorzio I Bricchi	4	0	0	0	4
Consorzio Punta di Ferro	6	0	0	0	6
Equity investment in subsidiaries	**23**	**0**	**0**	**0**	**23**
Millennium Gallery s.r.l.	4	0	0	0	4
Juice Fund	25,666	0	0	0	25,666
FOOD Fund	0	259,701	(155,000)	(24,411)	80,290
SPV Fund	0	10	(10)	0	0
Equity investments in associates	**25,670**	**259,711**	**(155,010)**	**(24,411)**	**105,960**
Equity investments in other companies	**22**	**0**	**0**	**0**	**22**
Equity investments	**25,715**	**259,711**	**(155,010)**	**(24,411)**	**106,005**

On 23 April 2024 IGD signed the definitive contract with Sixth Street and subsidiaries of Starwood Capital and Prelios SGR S.p.A. in execution of the preliminary agreement announced to the market on 23 February.
The deal concerns the sale by IGD of a real estate portfolio valued at €258 million.
The portfolio comprises eight hypermarkets (one each in Chioggia, Porto d'Ascoli, Rome, Rimini, Conegliano, Ascoli Piceno and two in Bologna), three supermarkets (in Civita Castellana, Ravenna and Rome) and two shopping malls (in Bologna and Chioggia).
The sale took place through a closed-end Italian real estate investment fund (REIF) called Food Fund, managed by Prelios SGR S.p.A. (the asset management arm of the Prelios Group), to which IGD transferred the properties. Following the transfer, IGD sold 60% of the fund (class A preferred shares) to a Luxembourg vehicle company (50% Sixth Street and 50% Starwood Capital) for €155 million, and retained ownership of the remaining 40% (class B subordinate shares).
With the proceeds of the sale, IGD has:

- partially redeemed the "€310,006,000 Fixed Rate Step-up Notes due 17 May 2027" issued on 17 November 2023, for a total of €90 million, reducing the outstanding nominal value from €310 million to €220 million;
- made a partial early repayment on the €250 million green secured loan contracted in May 2023, for an amount equal to the ALA (allocated loan amount) of each mortgage property included in the sale perimeter and, therefore, for a total amount of €62.5 million;
- made a partial early repayment on the €215 million green unsecured loan contracted in August 2022, in the amount of €0.71 million.

In addition, IGD Service has signed a contract with Prelios SGR to continue the project, property & facility management activities across the entire portfolio with a view to further increasing its value over the next few years and selling it on the market under the best conditions possible.
The fund was set up by a resolution approved on 22 February 2024 by the management company's Board of Directors, which at the same time approved the fund regulations.

To decide on the proper accounting treatment of IGD's share of the Food Fund, considering the objectives, governance structure and decision-making processes as stated in the fund regulations as well as applicable laws, the relevant assets and the nature of the parties' rights were examined to determine whether they are substantive or protective. The variability of returns to which the parties are exposed as a function of their decision-making power was then analyzed.
As a result, IGD's remaining interest in the Food Fund (now an associate, further to the sale of 60% in the form of Class A preferred shares) was measured at fair value as of the date of loss of control, as required by IFRS 10.25.b, using the discounted cash flow method.
The main assumptions used to calculate fair value are set out below:

- discount rate (WACC) of 6.88%;

- future cash flows estimated based on the cash flows represented in the business plan assumed by the fund's owners during the underwriting phase on 23 February 2024.

Below is a summary of the fair value measurement:

	Fair Value	Carring Amount (*)	Cover Impairment
Food Fund equity investment	80,290	104,701	(24,411)
Total	**80,290**	**104,701**	**(24,411)**

(*) Including directly attributable transaction costs

Finally, based on the valuations made and on the assumption that IGD's powers are limited and aimed above all at protecting its investment, IGD's share of the Food Fund was accounted for in the consolidated financial statements using the equity method for associates, as required by IAS 28.10.

Fondo Juice, of which IGD SIIQ owns 40%, was formed in 2021 with IGD's transfer 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 2024 was in line with the previous year.

Note 21) Non-current financial assets

	6/30/2024	12/31/2023	Change
Non-current financial assets	**176**	**174**	**2**

These consist of the interest-free loan due from Iniziative Bologna Nord S.r.l (in liquidation) in the amount of €176K, net of the €430K writedown charged in previous years.

Note 22) Work in progress inventory

	01/01/2024	Increase	Decrease	Revaluations/ (Write-downs)	6/30/2024
"Porta a Mare" project	23,970	165	(32)	(194)	23,909
Advances	57	0	(7)	0	50
Work in progress inventory	**24,027**	**165**	**(39)**	**(194)**	**23,959**

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 done mainly on the Officine Storiche residential section, totaling €165K; *(ii)* a decrease for the sale of two enclosed garage units in the Officine Storiche residential section; and *(iii)* a writedown of €194K to adjust the carrying amount to the lower of cost and appraised fair value.

Note 23) Trade and other receivables

	6/30/2024	12/31/2023	Change
Trade and other receivables	24,286	26,012	(1,726)
Provision for doubtful accounts	(15,811)	(16,336)	525
Trade and other receivables	**8,475**	**9,676**	**(1,201)**

Trade receivables, net of the provision for doubtful accounts, decreased by €1,201K with respect to 31 December 2023. The allocation to the provision for doubtful accounts (net of utilizations) came to €348K, determined on the basis of problems encountered with individual receivables.
Net allocations in Italy amounted to €355K: gross allocations of €865K less utilizations of €510K.

During the period, the Romanian companies released a net €7K in provisions for doubtful accounts, with no utilizations.

Movements in the provision for doubtful accounts are reported below:

	6/30/2024	12/31/2023	Change
Provision for doubtful account at the beginning of the period	**16,336**	**17,988**	**(1,652)**
Foreign exchange effect	0	(3)	3
Uses	(1,370)	(2,132)	762
Impairment /(uses) default interest	(25)	440	(465)
Provision	870	43	827
Provision for doubtful account at the end of the period	**15,811**	**16,336**	**(525)**

The following table shows receivables by geographical area:

	6/30/2024	12/31/2023	Change
Receivables Italy	23,308	24,761	(1,453)
Provision for doubtful accounts	(15,438)	(15,957)	519
Net receivables Italy	**7,870**	**8,804**	**(934)**
Receivables Romania	978	1,251	(273)
Provision for doubtful accounts	(373)	(379)	6
Net receivables Romania	**605**	**872**	**(267)**
Total Net Receivables	**8,475**	**9,676**	**(1,201)**

Note 24) Related party trade and other receivables

	6/30/2024	12/31/2023	Change
Coop Alleanza 3.0	0	149	(149)
Librerie Coop s.p.a.	16	26	(10)
Alleanza Luce e Gas	15	32	(17)
Unicoop Tirreno s.c.a.r.l.	29	45	(16)
Cons. propr. del compendio com. del Commendone (GR)	0	7	(7)
Consorzio Cone'	4	2	2
Consorzio Clodì	21	2	19
Consorzio Crema (Gran Rondò)	23	2	21
Consorzio I Bricchi	127	227	(100)
Consorzio Lame	2	2	0
Consorzio Katané	2	3	(1)
Consorzio Leonardo	17	2	15
Consorzio La Torre	2	7	(5)
Consorzio Porta a Mare	1	10	(9)
Consorzio Sarca	2	2	0
Consorzio Punta di Ferro	4	2	2
Millennium Center	14	14	0
Fondo Juice	46	46	0
Consorzio La Favorita	11	22	(11)
Consorzio Le Porte di Napoli	640	423	217
Consorzio Casilino	85	38	47
Consorzio del centro commerciale Nuova Darsena	0	3	(3)
Food SPV	6	0	6
Related party trade and other receivables	**1,067**	**1,066**	**1**

Related party trade and other receivables amounted to €1,067K at 30 June 2024, in line with the previous year.
See note 38) for details.

Note 25) Other current assets

	6/30/2024	12/31/2023	Change
Tax credits			
VAT credits	264	2,558	(2,294)
IRES credits	542	470	72
IRAP credits	421	434	(13)
Due from others			
Advances paid to suppliers	1	0	1
Insurance credits	0	69	(69)
Accrued income and prepayments	2,653	2,143	510
Deferred costs	2,752	1,849	903
Other costs of services	312	811	(499)
Other current assets	**6,945**	**8,334**	**(1,389)**

Other current assets decreased by €1,389K, due mainly to a reduction in IGD SIIQ's VAT credit, partially offset by an increase in prepayments for insurance and other costs pertaining to the year but paid in the first quarter of 2024.

Note 26) Cash and cash equivalents

	6/30/2024	12/31/2023	Change
Cash and cash equivalents	7,075	6,046	1,029
Cash on hand	19	23	(4)
Cash and cash equivalents	**7,094**	**6,069**	**1,025**

Cash and cash equivalents at 30 June 2024 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

	6/30/2024	12/31/2023	Change
Share capital	650,000	650,000	0
Other reserves	**382,656**	**453,079**	**(70,423)**
Legal reserve	130,000	130,000	0
FTA IFRS 9 reserve	1,886	1,886	0
Translation reserve	(6,594)	(6,322)	(272)
Restatement of defined benefit plans	349	349	0
Cash flow hedge reserve	1,333	(1,031)	2,364
Fair value reserve	187,407	212,586	(25,179)
Recalculation of defined benefit plans subsidiaries	238	238	0
Available reserves (from capital reduction)	38,992	53,584	(14,592)
Other available reserves	29,045	61,789	(32,744)
Net profit (loss) of the year	**(62,575)**	**(102,546)**	**39,971**
Group profit (loss) carried forward	(30,031)	(20,814)	(9,217)
Group profit	(32,544)	(81,732)	49,188
Total Group net equity	**970,081**	**1,000,533**	**(30,452)**
Capital and reserves of non-controlling interests	**0**	**0**	**0**
Net Equity	**970,081**	**1,000,533**	**(30,452)**

The Group's share of net equity amounted to €970,081K at 30 June 2024. The decrease of €30,452K is explained by:

- the positive adjustment of the reserve for outstanding derivatives accounted for using the cash flow hedge method (€2,364K);
- movements in the reserve for the translation of foreign currency financial statements, for a negative €272K;
- the Group's share of net loss for the period (€32,544K).

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	6/30/2024	12/31/2023	Change
Mortgage loans		**477,957**	**556,521**	**(78,564)**
01 Unipol Sarca	04/10/2007 - 04/06/2027	45,960	47,451	(1,491)
10 Mediocredito Faenza IGD	10/05/2009 - 06/30/2029	3,710	4,177	(467)
17 Carige Palermo IGD (hypermarket)	07/12/2011 - 06/30/2027	3,826	4,756	(930)
15 CentroBanca Cone (mall)	12/22/2010 - 12/31/2025	11,185	12,501	(1,316)
Mps - SACE 2020	10/16/2020 - 09/30/2026	11,050	15,450	(4,400)
BNL 215 Millions	08/04/2022 - 08/01/2027	212,647	213,041	(394)
Mps - SACE 2022	12/15/2022 - 09/30/2028	16,472	18,977	(2,505)
Mutuo Intesa 250 Millions	05/15/2023 - 08/09/2028	173,107	240,168	(67,061)
Due to bonds		**280,140**	**365,284**	**(85,144)**
Bond 400 Millions	11/28/2019 - 05/17/2027	58,748	57,966	782
Bondi 310 Millions	11/17/2023 - 05/17/2027	221,392	307,318	(85,926)
Due to other sources of finance		**11,385**	**15,492**	**(4,107)**
Sardaleasing for Bologna HQ	04/30/2009 - 04/30/2027	1,551	1,752	(201)
Pass IFRS 16 Livorno	01/01/2019 - 03/31/2026	2,294	4,008	(1,714)
Pass IFRS 16 Nova	01/01/2019 - 02/28/2027	7,540	9,732	(2,192)
Non current financial liabilities		**769,482**	**937,297**	**(167,815)**
Total financial liabilities vs related parties		**0**	**0**	**0**

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

NON CURRENT FINANCIAL LIABILITIES	12/31/2023	REPAYMENTS/ RENEGOTIATIONS	AMORTIZED COST	RECLASSIFICATION	6/30/2024
Payables due to mortgage loans	556,521	(63,238)	2,172	(17,498)	477,957
Payables due to bonds	365,284	(91,350)	6,206	0	280,140
Payables due to IFRS16	13,740	0	0	(3,906)	9,834
Payables due other sources of finance	1,752	0	0	(201)	1,551
TOTAL	**937,297**	**(154,588)**	**8,378**	**(21,605)**	**769,482**

Mortgage loans

Mortgage loans due beyond 12 months increased by €78,564K with respect to 31 December 2023. The change is due to:

- the partial early repayment of the €250 million green secured loan contracted in May 2023, for an amount equal to the ALA (allocated loan amount) of each mortgage property included in the perimeter of the sale to the Food Fund, hence for a total of €62.5 million;
- the partial early repayment of the €215 million green unsecured loan contracted in August 2022, in the amount of €0.71 million;
- the reclassification to current financial liabilities of the principal falling due in the next 12 months.

Bonds

The change in bonds during the period is due to the partial redemption of the "€310,006,000 Fixed Rate Step-up Notes due 17 May 2027" issued on 17 November 2023, for a total of €90 million, which reduced the outstanding nominal value from €310 million to €220 million.

Details of outstanding bonds are presented in the table below:

	NON CURRENT PORTION	CURRENT PORTION				NON CURRENT PORTION	CURRENT PORTION		
Payables due to bonds	**12/31/2023**	**12/31/2023**	**Bond issue / repayment**	**Ancillary costs amortization at 06/30/2024**	**Financial charges at 06/30/2024**	**6/30/2024**	**6/30/2024**	**Nominal interest rate**	**Actual interest rate**
Bond 400 ML	61,285					61,285			
Ancillary costs	(3,319)			782		(2,537)			
Coupon rate 12.31.2023		283			(283)		0		
Paid interests					7,519				
Coupon rate 06.30.2024					439		439		
Total Bond 400 ML	**57,966**	**283**	**0**	**782**	**7,675**	**58,748**	**439**	**7.000%**	**8.50%**
Bond 310 ML	328,606		(91,350)	(4,050)		233,206			
Ancillary costs	(21,288)			9,474		(11,814)			
Coupon rate 12.31.2023		2,036			(2,036)		0		
Paid interests					2,468				
Coupon rate 06.30.2024					1,658		1,658		
Total Bond 310 ML	**307,318**	**2,036**	**(91,350)**	**5,424**	**2,090**	**221,392**	**1,658**	**7.000%**	**8.50%**
Total bonds	**365,284**	**2,319**	**0**	**6,206**	**9,765**	**280,140**	**2,097**		
Total financial charges				**6,206**	**9,765**				

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.

Covenants

The following table presents covenants on outstanding loans. All of the covenants were satisfied at 30 June 2024.

	Name	Guarantees given	Type of product	End date	Financial "covenant"	Indicator i)	Indicator ii)	Indicator iii)	Indicator iv)	Indicator v)
327	Bper Banca	Sarca shopping mall	Secured loan	4/6/2027	Certified consolidated financial statement: ratio of net debt (including derivative assets and liabilities) to net equity must not exceed 2.3	0.82				
49	Banca Intesa Sanpaolo	Le Maioliche Shopping Center (Hypermarket)	Secured loan	6/30/2029	IGD SIIQ SpA Financial Statement: ratio of external net financial debts to equity + intercompany loan must not exceed 2.70	0.85				
35	Banca Intesa Sanpaolo	Conè Shopping Center (Mall)	Secured loan	12/31/2025	Consolidated financial statement: ration of net debt (including derivative assets and liabilities) to net equity must not exceed 2	0.82				
119	Bper Banca	La Torre Shopping Center (Hypermarket)	Secured loan	6/30/2027						
263, 332	Secured loan in pool	Punta di Ferro Shopping Mall Tiburtino Shopping Center (mall) Porto Grande Shopping Center (mall) Centro Luna Shopping Mall Gran Rondò Shopping Mall Mondovicino Shopping Mall and Retail Park Città delle Stelle Shopping Center (mall)	Secured loan in pool	5/9/2028	i)Ratio Total Asset - Intangible Asset to Total Debt (excluding derivative liabilities and cahs and cash equivalents) at 60%; ii) Interest Cover Ratio (recurring items on cash basis) > = 1.7; iii) Ratio of Secured Debt to Total Asset - Intangible Asset equal or under 45%;; iv) Ratio of unencumbered assets to Unsecured debt (net of cash and cash equivalents) > = 1.25 - [excluding effect of IFRS16 accounting standards] v) Loan To Value ratio for mortaged property must not exceed 50% (*)	43.50%	2.13	14.13%	2.04	45.01%
357	New Fixed Rate Step-Up Notes, 17/05/2027	unsecured	Bond	5/17/2027	i)Ratio Total Asset - Intangible Asset to Total Debt (excluding derivative liabilities and cahs and cash equivalents) at 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) > 1.25 - [excluding effect of IFRS16 accounting standards]	43.50%	2.13	14.13%	2.04	
329	Fixed Rate Step-Up Notes, 17/05/2027	unsecured	Bond	5/17/2027	i)Ratio Total Asset - Intangible Asset to Total Debt (excluding derivative liabilities and cahs and cash equivalents) at 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) > 1.25 - [excluding effect of IFRS16 accounting standards]	43.50%	2.13	14.13%	2.04	
152	Unsecured loan in pool	unsecured	Unsecured loan in pool	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]	43.50%	2.13	14.13%	2.04	
57	Fin.to MPS Garanzia Italia	unsecured	Unsecured loan	9/30/2026	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]	43.50%	2.13	14.13%	2.04	
208	Fin.to MPS Garanzia Italia 2022	unsecured	Unsecured loan	9/30/2028						

Note 29) Provision for employee severance indemnities

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

	01/01/2024	Actuarial (Gain)/ Losses	Reverse	Provision	Financial charges IAS 19	6/30/2024
Provisions for employee severance indemnities	**2,863**	0	**(39)**	**132**	**44**	**3,000**

	01/01/2023	Actuarial (Gain)/ Losses	Reverse	Provision	Financial charges IAS 19	12/31/2023
Provisions for employee severance indemnities	**2,756**	**97**	**(328)**	**242**	**96**	**2,863**

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	*2024*
Cost of living increase	2.00%
Discount rate	3.17%
Increase in total compensation	Executives 2.5% White collar/Middle managers 1.0% Blue collar 1.0%
Increase in severance indemnity provision	3.0000%

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 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) Provisions for risks and charges

	01/01/2024	Accantonamento	Income Statement Use	Balance Sheet Use	Reclassification	6/30/2024
Provision for taxation	2,585	314	(45)	0	31	2,885
Consolidated Fund risks and future charges	2,397	37	0	0	(31)	2,403
Bonus provisions	1,390	503	(117)	(1,131)	0	645
Provisions for risks and future charges	**6,372**	**854**	**(162)**	**(1,131)**	**0**	**5,933**

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 2025 on the basis of the Group's 2024 estimated results. The utilization refers to the bonus for 2023, paid to employees in June 2024.

Other provisions for risks and charges

During the half-year, €37K was allocated to these provisions to cover IGD's share of work to be done at Centro Lame and Clodì shopping centers which were sold during the period.

Note 31) Sundry payables and other non-current liabilities

	6/30/2024	12/31/2023	Change
Livorno municipality obligation	4,039	4,039	0
Down payments due over year	800	800	0
Extention fees BNL	313	313	0
Extention fees INTESA	347	408	(61)
SACE guarantee debts	533	533	0
SIINQ entry tax debts	267	516	(249)
Other liabilities	482	531	(49)
Sundry payables and other non-current liabilities	**6,781**	**7,140**	**(359)**

Commitments to the City of Livorno concern the additional secondary urban infrastructure works as provided for by contract (€587K) and works to be delivered to Porta a Mare S.p.A. (€3,452K).

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.

Intesa extension fees refer to the €408K in total fees that IGD SIIQ S.p.A. will have to pay to Intesa SanPaolo in connection with the five-year, €250 million green secured facility contracted in May 2023.

BNL extension fees refer to the €312.5K extension fee that the Company will have to pay to BNP Paribas in order to extend the duration of the €215 million loan to 2026. As of this writing, the Company believes an extension to 2026 is likely.

The amount due for SACE guarantees is payable in future years as consideration for the guarantees backing the *(i)* 5-year loan of €36,300K obtained in 2020 and the *(ii)* 6-year loan of €20,946K obtained in 2022.

During the period, sundry payables and other non-current liabilities underwent the following changes:

- a decrease of €249K in SIINQ entry tax payable, which covers the non-current portion of the tax due for the adoption of SIINQ status by IGD Management;
- a decrease in INTESA extension fees due to the reclassification to current liabilities of €61K out of the fees that the Company will have to pay annually to Intesa SanPaolo in connection with the five-year, €250 million green secured facility contracted in May 2023.

Related party payables are shown below:

	6/30/2024	12/31/2023	Change
Coop Alleanza 3.0	4,410	9,911	(5,500)
Librerie Coop s.p.a.	0	19	(19)
Alleanza Luce e Gas	55	55	0
Vignale Comunicazioni s.r.l.	25	25	0
Distribuzione Centro Sud s.r.l.	0	450	(450)
Related parties sundry payables and other non-current liabilities	**4,490**	**10,459**	**(5,969)**

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. Most of the change is due to the refund of security deposits under rental and business lease agreements concerning the properties transferred to Food Fund.

Note 32) Current financial liabilities

	Duration	6/30/2024	12/31/2023	Change
Due to banks		**12,372**	**0**	**12,372**
MPS c/c		2,372	0	2,372
Bper intesa - Hot money	06/03/2024 - 07/06/2024	10,000	0	10,000
Due to mortgage loans		**33,391**	**27,173**	**6,218**
01 Unipol Sarca	04/10/2007 - 04/06/2027	3,513	3,551	(38)
10 Mediocredito Faenza IGD	10/05/2009 - 06/30/2029	935	935	0
17 Carige Palermo IGD (hypermarket)	07/12//2011 - 06/30/2027	1,851	1,831	20
15 CentroBanca Cone (mall)	12/22/2010 - 12/31/2025	2,644	2,645	(1)
Mps sace 36,3 ML	10/16/2020 - 09/30/2026	9,091	10,384	(1,293)
Mps sace 20,9 ML	12/13/2022 - 06/27/2028	3,939	0	3,939
Fin BNP 215 ML	08/04/2022 - 08/01/2027	80	83	(3)
Fin Intesa 250 ML	05/15/2023 - 08/09/2028	11,338	7,744	3,594
Due to other sources of finance		**8,048**	**7,879**	**169**
Leasing IGD HQ	04/30/2009 - 04/30/2027	399	393	6
Pass IFRS 16 Livorno	01/01/2019 - 03/31/2026	3,358	3,288	70
Pass IFRS 16 Nova	01/01/2019 - 02/28/2027	4,291	4,198	93
Due to bonds		**2,097**	**2,319**	**(222)**
Bond 400 ML	11/28/2019 - 05/17/2027	439	283	156
Bond 310 ML	11/17/2023 - 05/17/2027	1,658	2,036	(378)
Current financial liabilities		**55,908**	**37,371**	**18,537**
Total current financial liabilities vs related parties		**0**	**0**	**0**

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

CURRENT FINANCIAL LIABILITIES	12/31/2023	INCREASES	REPAYMENTS	INTEREST ACCRUAL	RECLASSIFICATION	6/30/2024
Payables due to banks	0	12,372	0	0	0	12,372
Payables due to mortgage loans	27,173	0	(10,354)	(926)	17,498	33,391
Payables due to bonds	2,319	0	0	(222)	0	2,097
Payables due to IFRS16	7,486	0	(3,743)	0	3,906	7,649
Payables due other sources of finance	393	0	(195)	0	201	399
TOTAL	**37,371**	**12,372**	**(14,292)**	**(1,148)**	**21,605**	**55,908**

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:

- a new ultra-short-term facility in the amount of €10 million;
- the repayment of principal falling due during the period on mortgage loans existing at the close of the previous year, and the reclassification of payments due within 12 months from non-current financial liabilities.

Note 33) Net debt

The table below presents net debt at 30 June 2024 and 31 December 2023, 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.

	6/30/2024	12/31/2023	Change
Cash and cash equivalents	(7,094)	(6,069)	(1,025)
LIQUIDITY	**(7,094)**	**(6,069)**	**(1,025)**
Short term loans	12,372	0	12,372
Mortgage loans - current portion	33,391	27,173	6,218
Leasing - current portion	8,048	7,879	169
Bond loans - current portion	2,097	2,319	(222)
CURRENT DEBT	**55,908**	**37,371**	**18,537**
CURRENT NET DEBT	**48,814**	**31,302**	**17,512**
Non-current financial assets	(176)	(174)	(2)
Leasing - non-current portion	11,385	15,492	(4,107)
Non-current financial liabilities	477,957	556,521	(78,564)
Bond loans	280,140	365,284	(85,144)
NON-CURRENT NET DEBT	**769,306**	**937,123**	**(167,817)**
NET DEBT	**818,120**	**968,425**	**(150,305)**

Net debt improved by around €150.3 million with respect to 31 December 2023 because of the sale of IGD's interest in the Food Fund and a decrease in payables as a result of applying IFRS 16, which were only partially offset by the absorption of cash during the first half of 2024 as a result of new investing, payments on mortgage loans, and the refund of various security deposits under rental and business lease agreements for the properties transferred to the Food Fund.

As described in greater detail in note 28), with the proceeds of the sale of IGD's interest in the Food Fund, during the second quarter of 2024 IGD:

- partially redeemed the "€310,006,000 Fixed Rate Step-up Notes due 17 May 2027" issued on 17 November 2023, for a total of €90 million, reducing the outstanding nominal value from €310 million to €220 million;
- made a partial early repayment on the €250 million green secured loan contracted in May 2023, for an amount equal to the ALA (allocated loan amount) of each mortgage property included in the sale perimeter, hence for a total amount of €62.5 million;
- made a partial early repayment on the €215 million green unsecured loan contracted in August 2022, in the amount of €0.71 million.

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 0.84 at 30 June 2024 showed an improvement compared with 31 December 2023 (0.97).

Uncommitted credit facilities amount to €101.6 million: €51.6 million from banks and €50 million from the holding company, Coop Alleanza 3.0. At 31 December 2023 they were drawn down by a total of €12.4 million.

Committed revolving credit facilities with banks, unutilized at 30 June 2024, amount to €60 million.

As in previous years, net debt does not include other non-current liabilities described in note 31), consisting mainly of security deposits received from third parties and related parties for the rental of hypermarkets and malls, guarantee deposits, extension fees payable, and tax liabilities, given the lack of a significant implicit or explicit financial component. In addition, as in previous years, it does not include assets and liabilities for derivative financial instruments which amounted to €3,027K and €1,134K, respectively.

Note 34) Trade and other payables

	6/30/2024	12/31/2023	Change
Trade payables within	14,045	22,405	(8,360)
Trade and other payables	**14,045**	**22,405**	**(8,360)**

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

Note 35) Related party trade and other payables

	6/30/2024	12/31/2023	Change
Coop Alleanza 3.0	439	759	(320)
Alleanza Luce e Gas	3	3	0
Unicoop Tirreno s.c.a.r.l.	12	0	12
Cons. propr. del compendio com. del Commendone (GR)	48	44	4
Consorzio prop. Fonti del Corallo	26	26	0
Consorzio Cone'	11	144	(133)
Consorzio Clodì	0	104	(104)
Consorzio Crema (Gran Rondò)	2	102	(100)
Consorzio Katané	8	4	4
Consorzio Lame	16	143	(127)
Consorzio Leonardo	0	72	(72)
Consorzio La Torre	11	15	(4)
Consorzio Porta a Mare	13	0	13
Consorzio Sarca	18	307	(289)
Distribuzione Centro Sud s.r.l.	25	23	2
Consorzio Punta di Ferro	0	105	(105)
Millennium Center	39	100	(61)
Fondo Juice	14	14	0
Consorzio La Favorita	108	102	6
Consorzio Le Porte di Napoli	0	17	(17)
Consorzio Casilino	8	119	(111)
Related parties trade and other payables	**801**	**2,203**	**(1,402)**

Related party trade and other payables decreased by €1,402K due to the different timing of payments.

See note 38) for additional information.

Note 36) Current tax liabilities

	6/30/2024	12/31/2023	Change
Due to tax authorities for withholdings	841	709	132
Irap	137	33	104
Ires	227	230	(3)
VAT	131	123	8
Other taxes	(4)	0	(4)
Substitute tax	534	258	276
Current tax liabilities	**1,866**	**1,353**	**513**

Most of the increase of €513K in current tax liabilities is explained by the accrued withholding tax on dividends to be paid, the amount due for IRAP (regional business tax), and the current portion of the SIINQ entry tax payable by IGD Management. At 30 June 2024 the SIINQ entry tax liability included the 2024 installment, paid on the due date of 1 July 2024, and the amount due in the first half of 2025.

Note 37) Other current liabilities

	6/30/2024	12/31/2023	Change
Social security	398	337	61
Accrued liabilities and deferred income	3,578	1,294	2,284
Insurance	8	8	0
Due to employees	1,084	1,016	68
Security deposits	8,623	8,915	(292)
Unclaimed dividends	2	1	1
Advances received due within the year	240	30	210
SACE guarantee debts	436	436	0
Extention fee INTESA	101	101	0
Extention fee BNL	312	312	0
Amounts due to director for emoluments	50	168	(118)
Other liabilities	495	714	(219)
Other current liabilities	**15,327**	**13,332**	**1,995**

These consist mainly of security deposits received from tenants.

The increase of €1,995K relates chiefly to the advances received from the subsidiary Porta Medicea against the sale of residential units in the Officine Storiche section of Porta a Mare, as well as a rise in accrued liabilities and deferred income.

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	0	0	439	4,410	0	0	2	0
Viaggia con noi s.r.l.	0	0	0	0	0	0	0	0
Librerie Coop s.p.a.	16	0	0	0	0	0	0	0
Alleanza Luce e Gas	15	0	3	55	0	0	0	0
Campania Distribuzione Moderna	0	0	0	0	0	0	0	0
Unicoop Tirreno s.c.a.r.l.	29	0	12	0	0	0	0	0
Cons. propr. del compendio com. del Commendone (GR)	0	0	48	0	0	0	0	0
Vignale Comunicazioni s.r.l.	0	0	0	25	0	0	0	0
Consorzio prop. Fonti del Corallo	0	0	26	0	0	0	0	0
Consorzio Cone'	4	0	11	0	0	0	0	0
Consorzio Clodì	21	0	0	0	0	0	0	0
Consorzio Crema (Gran Rondò)	23	0	2	0	0	0	0	0
Consorzio I Bricchi	127	0	0	0	0	0	0	0
Consorzio Katané	2	0	8	0	0	0	0	0
Consorzio Lame	2	0	16	0	0	0	0	0
Consorzio Leonardo	17	0	0	0	0	0	0	0
Consorzio La Torre	2	0	11	0	0	0	0	0
Consorzio Porta a Mare	1	0	13	0	0	0	0	0
Consorzio Sarca	2	0	18	0	0	0	0	0
Distribuzione Centro Sud s.r.l.	0	0	25	0	0	0	15	0
Iniziative Bo Nord	0	0	0	0	0	0	0	0
Coop Sicilia	0	0	0	0	0	0	0	0
Rgd Ferrara 2013	0	0	0	0	0	0	0	0
IGD Property SIINQ s.p.a.	0	0	0	0	0	0	0	0
Consorzio Le Maioliche	0	0	0	0	0	0	0	0
Consorzio Punta di Ferro	4	0	0	0	0	0	0	0
Punta di Ferro	0	0	0	0	0	0	0	0
Distribuzione Lazio Umbria s.r.l.	0	0	0	0	0	0	0	0
Millennium Center	14	0	39	0	0	0	0	0
Consorzio Proprietari Centro Luna	0	0	0	0	0	0	4	0
Consorzio Esp	0	0	0	0	0	0	0	0
Fondo Juice	46	0	14	0	0	0	0	0
Consorzio La Favorita	11	0	108	0	0	0	0	0
Consorzio Le Porte di Napoli	640	0	0	0	0	0	0	0
Consorzio Casilino	85	0	8	0	0	0	0	0
Mercato Coperto Ravenna	0	0	0	0	0	0	0	0
Consorzio del centro commerciale Nuova Darsena	0	0	0	0	0	0	0	0
Fondo FOOD	0	0	0	0	0	0	0	0
Food SPV	6	0	0	0	0	0	0	0
Total	**1,067**	**0**	**801**	**4,490**	**0**	**0**	**21**	**0**
Total reported	**40,446**	**176**	**30,173**	**11,272**	**825,390**	**129**		
Total increase/decrease of the period							**7,169**	**(61)**
Weight %	**2.64%**	**0.00%**	**2.66%**	**39.84%**	**0.00%**	**0.00%**	**0.29%**	

	Operating revenues	Financial Income	Total operating costs	Financial charges
Coop Alleanza 3.0	8877	0	411	74
Librerie Coop s.p.a.	475	0	0	0
Alleanza Luce e Gas	122	0	0	1
Unicoop Tirreno s.c.a.r.l.	558	0	18	0
Cons. propr. del compendio com. del Commendone (GR)	87	0	28	0
Consorzio prop. Fonti del Corallo	0	0	(95)	0
Consorzio Cone'	99	0	127	0
Consorzio Clodì *	33	0	24	0
Consorzio Crema (Gran Rondò)	36	0	61	0
Consorzio I Bricchi	68	0	262	0
Consorzio Katané	122	0	128	0
Consorzio Lame (*)	108	0	36	0
Consorzio Leonardo	116	0	24	0
Consorzio La Torre	118	0	170	0
Consorzio Porta a Mare	72	0	356	0
Consorzio Sarca	104	0	241	0
Distribuzione Centro Sud s.r.l.(**)	515	0	0	7
Consorzio Le Maioliche	101	0	184	0
Consorzio Punta di Ferro	97	0	101	0
Millennium Center	59	0	8	0
Consorzio Proprietari Centro Luna	84	0	(15)	0
Consorzio Esp	122	0	139	0
Fondo Juice	46	0	0	0
Consorzio La Favorita	77	0	27	0
Consorzio Le Porte di Napoli	147	0	81	0
Consorzio Casilino	94	0	283	0
Fondo FOOD	73	0	0	0
Food SPV	104	0	0	0
Total	**12,514**	**-**	**2,599**	**82**
Total reported	**73,260**	**287**	**(19,402)**	**(37,151)**
Weight %	**17.08%**	**0.00%**	**-13.40%**	**-0.22%**

(*) As a result of the transfer described in section 1.8 of the interim management statement, these companies are no longer related parties. The table shows the amounts of transactions that took place prior to the transfer.

(**) Absorbed by Coop Alleanza starting on 1 June 2024

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.

Related party transactions are conducted at arm's length and are recognized at face value.

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 2024, including for retail premises, amounted to €8.9 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 €475K 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 €122K under this arrangement.

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 €558K 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 77.28% 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 through banks and/or the capital markets.

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 overall credit position and uses an ad hoc program to assess its tenants' track record, risk level and solvency, an analysis that is formally conducted every quarter but monitored daily 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 on a gross basis, that is, before any mitigation using 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).
The Finance department uses a financial forecasting tool to monitor expected cash flows over a rolling horizon of at least 12 months 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 bonds involve covenants; this aspect is monitored constantly, including by coordinating with management to gauge the likelihood of violating the covenants because 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 the Group's 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 0.97x at 31 December 2023 and 0.84x at 30 June 2024);
2. keeping the loan-to-value ratio (net of leasing installments due for the purchase of company premises) under 50% (it was 44.92% at the close of the half-year, compared with 48.02% at the end of 2023).

Note 40) Derivative instruments

IGD Group has engaged in derivative contracts for the use of interest rate swaps. The fair value of derivatives 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	6/30/2024	12/31/2023	Change	Level
Derivative assets	3,027	2,649	378	2
Derivative liabilities	(1,134)	(3,854)	2,720	2
IRS net effect	**1,893**	**(1,205)**	**3,098**	

Contracts in detail	IRS 35_67 Intesa Sanpaolo 2.429%	IRS 35_81 BPM 2.427%	IRS 35_84 Intesa Sanpaolo 2.429%	IRS 327_325 BNL 0,5925%	IRS 327_326 Bintesa 0.5925%
Nominal amount	23,430,000	14,058,000	9,372,000	34,625,000	34,625,000
Inception date	12/30/2011	12/31/2011	12/30/2011	7/6/2017	6/8/2017
Maturity	12/31/2025	12/31/2025	12/31/2025	4/6/2027	4/6/2027
Irs frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Bank rate	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months
Customer rate	2.429%	2.427%	2.429%	0.5925%	0.5925%

Contracts in detail	IRS 263_270 partial coverage 130 mln - MPS Euribor 3m + 0,215% | Floor 2,365% | Cap 3,715%	IRS 263_269 partial coverage 130 mln - Unicredit Euribor 3m + 0,215% | Floor 2,365% | Cap 3,715%	IRS 263_268 partial coverage 130 mln - BPER Euribor 3m + 0,215% | Floor 2,365% | Cap 3,715%	IRS 263_267 partial coverage 130 mln - Intesa Euribor 3m + 0,215% | Floor 2,365% | Cap 3,715%	IRS 263_266 partial coverage 130 mln - BMP Euribor 3m + 0,215% | Floor 2,365% | Cap 3,715%	IRS 263_265 partial coverage 130 mln - BNL Gruppo BNP Paribas Euribor 3m + 0,215% | Floor 2,365% | Cap 3,715%
Nominal amount	28,260,870	22,608,696	5,652,174	33,913,043	14,130,435	2,826,087
Inception date	5/15/2023	5/15/2023	5/15/2023	5/15/2023	5/15/2023	5/9/2023
Maturity	5/10/2027	5/10/2027	5/10/2027	5/10/2027	5/10/2027	5/10/2027
Irs frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Bank rate	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months
Customer rate	Euribor 3m + 0,215% | Floor 2,365% | Cap 3,715%	Euribor 3m + 0,215% | Floor 2,365% | Cap 3,715%	Euribor 3m + 0,215% | Floor 2,365% | Cap 3,715%	Euribor 3m + 0,215% | Floor 2,365% | Cap 3,715%	Euribor 3m + 0,215% | Floor 2,365% | Cap 3,715%	Euribor 3m + 0,215% | Floor 2,365% | Cap 3,715%

Contracts in detail	IRS 263_264 partial coverage 130 mln - Deutsche Bank Euribor 3m + 0,215% | Floor 2,365% | Cap 3,715%	IRS 152_209 partial coverage 215 mln - BNL 3.18%	IRS 152_210 partial coverage 215 mln - MPS 3.18%	IRS 152_211 partial coverage 215 mln - Intesa Sanpaolo 3.18%	IRS 152_212 partial coverage 215 mln - DB 3.18%	IRS 152_213 partial coverage 215 mln - BPM 3.18%
Nominal amount	22,608,696	18,428,571	18,428,571	18,428,571	4,095,240	12,285,714
Inception date	5/15/2023	12/30/2022	12/30/2022	12/30/2022	12/30/2022	12/30/2022
Maturity	5/10/2027	8/2/2026	8/2/2026	8/3/2026	8/3/2026	8/2/2026
Irs frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Bank rate	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months
Customer rate	Euribor 3m + 0,215% | Floor 2,365% | Cap 3,715%	3.18%	3.18%	3,18%.	3.18%	3.18%

Contracts in detail	IRS 152_260 partial coverage 215 mln - MPS Euribor 3m + 0,34% | Floor 1,84% | Cap 3,84%	IRS 152_258 partial coverage 215 mln - Deutsche Bank Euribor 3m + 0,34% | Floor 1,84% | Cap 3,84%	IRS 152_256 partial coverage 215 mln - BNL Gruppo BNP Paribas Euribor 3m + 0,34% | Floor 1,84% | Cap 3,84%	IRS 152_254 partial coverage 215 mln - BPM Euribor 3m + 0,34% | Floor 1,84% | Cap 3,84%	IRS 152_251 partial coverage 215 mln - Intesa Euribor 3m + 0,34% | Floor 1,84% | Cap 3,84%	IRS 332_267 partial coverage 120 mln -Intesa Sanpaolo Euribor 3m + 0,215% | Floor 2,365% | Cap 3,715%
Nominal amount	18,428,571	4,095,240	18,428,571	12,285,714	18,428,571	33,913,043
Inception date	3/31/2023	3/31/2023	3/31/2023	3/31/2023	3/31/2023	5/15/2023
Maturity	8/3/2026	8/2/2026	8/2/2026	8/2/2026	8/3/2026	5/10/2027
Irs frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Bank rate	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months
Customer rate	Euribor 3m + 0,34% | Floor 1,84% | Cap 3,84%	Euribor 3m + 0,34% | Floor 1,84% | Cap 3,84%	Euribor 3m + 0,34% | Floor 1,84% | Cap 3,84%	Euribor 3m + 0,34% | Floor 1,84% | Cap 3,84%	Euribor 3m + 0,34% | Floor 1,84% | Cap 3,84%	Euribor 3m + 0,215% | Floor 2,365% | Cap 3,715%

Note 41) Subsequent events

There are no significant subsequent events to report.

Nota 42) Commitments

At 30 June 2024 the Group had the following major commitments:

• contract for the development of the Officine Storiche section (Livorno), for a remaining amount of €1.2 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 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 during the last half-year).

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.

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, Roberto Zoia 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 2024.

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, 1 August 2024

Roberto Zoia
Chief Executive Officer

Carlo Barban
Financial Reporting Officer

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

Deloitte.

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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, 2024 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 the related 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.

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, 2024 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 2, 2024

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.

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.

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.

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.

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.

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 2020 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.

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.

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.