

PRESS RELEASE
RESULTS 1ST HALF 2024

NET RENTAL INCOME GROWS ON A LIKE-FOR-LIKE BASIS

Net Rental Income: €59 million; +4.5% like-for-like

GOOD RESULTS FROM THE 'SERVICES FOR THIRD PARTIES' BUSINESS UNIT

Two medium-sized stores in Clodi Shopping Center remarketed for Prelios (Food Fund)

VALUATIONS LARGELY STABLE

Market Value of Freehold Assets: €1,697.2 mn; -0.5% versus 31 December 2023 like-for-like

FINANCIAL STRUCTURE CONSOLIDATED

Loan-to-value down to 44.9% (from 48.1% at year-end 2023)

2024 FFO GUIDANCE CONFIRMED

FFO expected to reach approximately €34 million

Bologna, 1 August 2024. Today, in a meeting chaired by Antonio Rizzi, the Board of Directors of **IGD - Immobiliare Grande Distribuzione SIIQ S.p.A.** ("IGD" or the "Company") examined and approved the consolidated half-year financial report at 30 June 2024.

Message from the Chief Executive Officer, Roberto Zoia

We welcome the results achieved in the first six months of 2024. Firstly, net the one-off write-down of the Food Fund stake, the fair value of IGD's portfolio finally came in largely stable. The slight decline recorded is mainly related to lower inflation growth than estimated in December 2023. More in detail, the valuations of Officine Storiche, our redevelopment project in Livorno, were positive, supported by both the latest and future openings, like Primark which will open on September 3rd. In the second quarter, we also recorded an increase in rents for both renewals and new lets, which offset the downside posted in the last three months of the year. The results we present today form the basis we will use to define the 2025-2027 Business Plan whose guidelines we have already provided and that will be disclosed in full by year end.

OPERATING PERFORMANCE - ITALY

In the first half of 2024, footfalls in malls were 0.4% higher than in H1 2023, while tenant sales fell slightly by 0.5% as a result, specifically, of the general trend witnessed in the last couple of months and the negative performance of Electronics following the strong increases recorded as of 2019.

Looking at sales by product category, Electronics recorded the biggest drop (-9.6%) vs the same period last year, while Personal Care and Wellbeing recorded the strongest growth (+10.3% vs 2023); a positive trend was also recorded in Clothing, Restaurants and Services.

LEASING ACTIVITIES

During the first half of the year, IGD continued its marketing activities achieving effective 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.

The 103 contracts signed during the first half-year (51 renewals and 52 turnover) led to an overall downside of -0.6%. However, after a first quarter in which the downside reached -3.5%, upside on the 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 **95%** at 31 July 2024.

DIGITAL ACTIVITIES

Digital initiatives continued in the half with the launch of the first IGD App for shoppers and tenants in 7 shopping centers. This is an important customer engagement and loyalty tool which can be used by shoppers to, among other things, participate in prize winning competitions or other ad hoc initiatives while, at the same time, providing tenants with the opportunity to reach a select audience through customized offers available only to registered users.

SERVICES FOR THIRD PARTIES

The first positive results were also reported for the business unit 'Services for Third Parties': in addition to property and facility management activities – highly valued by clients - in the second quarter, two medium-sized stores were successfully re-let at the Clodì Retail Park in Chioggia, i.e. one of the assets sold in April and transferred to Food Fund which is still managed by IGD.

The client will pay a commission for this activity, in addition to the fixed compensation established in the contract.

OPERATING PERFORMANCES ROMANIA

Consistent with what was described above for Italy, the Winmarkt shopping 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%.**, thus confirming Romania's retail sector vitality. The soundness of our tenant portfolio is also confirmed by a rent collection rate at around 96% in the first six months of 2024.

ASSET MANAGEMENT

In the first half of 2024 IGD's investments and capex were 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 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. **Energy efficiency work was also completed at the ESP and Maioliche** Shopping Centers where the gas boilers were substituted with highly efficient components.

As to the Porta a Mare Project in Livorno, the sale of another residential unit at Officine Storiche - 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 divestment transaction completed by IGD on 23 April 2024** with Sixth Street and Starwood Capital. The disposal involved a real estate portfolio including 8 hypermarkets, 3 supermarkets and 2 shopping malls for a total of €258 million. The transaction was carried out by contributing the entire real estate portfolio '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**.¹

The positive outcomes seen in Italy and Romania 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.

¹ For more information on the disposal and impacts, please refer to the press release issued on April 23rd and available on the website at <https://www.gruppoigd.it/igd-perfeziona-con-sixth-street-e-starwood-capital-la-cessione-di-un-portafoglio-immobiliare/>

PORTFOLIO: VALUATIONS STABILIZED

The market value of Gruppo IGD's **freehold real estate portfolio** reached **€1,697.2 million, down -0.5% like-for-like** compared to December 2023. After two years characterized by strong writedowns, **valuations have largely stabilized**; the slight drop recorded is explained, above all, by an increase in inflation which was below the December 2023 estimates.

More in detail, the main asset classes comprising the Group's real estate portfolio recorded the following changes:

- **Shopping malls and retail parks** were down -0.31% (-€4.2 million) compared to 31 December 2023 (net exit yield 7.2%);
- **Hyper and Super** posted a decrease of -0.83% (-€1.6 million) against 31 December 2023 (net exit yield 6.2%);
- **Romania**, 1.87% lower (-€2.3 million) compared to 31 December 2023 (net exit yield 7.2%).

The Net Initial Yield, calculated using the criteria defined by EPRA, was 6.1% for the Italian portfolio (6.3% topped up) and 7.0% for the Romanian portfolio (7.3% topped up).

Including the leasehold properties and the stakes in Juice Fund and Food Fund, **the market value of IGD Group's portfolio reaches €1,816.6 million**, a drop of -0.65% compared to 31 December 2023. It should be noted that the impairment of EUR 3.5 million related to the leasehold properties will go to 0 when the lease contracts expire for the two different malls in 2026 and 2027, respectively. The Food stake had a negative one-off impact of €29 million due to the application of IFRS10 which will be offset upon expiration of the Fund².

EPRA NAV and EPRA NRV amounted to €983.9 thousand or €8.92 per share, which is 3.2% lower than at 31 December 2023 due mainly to the changes in net equity and the fair value of financial instruments.

EPRA NTA is €8.85 per share, 3.2% lower compared to 31 December 2023.

EPRA NDV is €8.76 per share, 2.7% lower compared to 31 December 2023.

ECONOMIC-FINANCIAL RESULTS:

In the first half of 2024, **rental income** stood at **€69.1 million**, with a decrease of 1.4% compared to the same period of the prior year: for a more consistent comparison, following the asset disposal completed in April 2024, the 2023 rental income was restated to reflect the change in consolidation scope (and landed at €66.9 million restated).

The increase over the 2023 restated amount is therefore +3.3%, attributable to:

- for approx. +€1.3 million, higher like-for-like revenues in Italy; both malls (+2.1%) and hypermarkets (+3.8%) showed growth.
- for approx. +0.9 million, to revenues - not like-for-like - mainly driven by the opening of Officine Storiche in September 2023.

The contribution of Romania's like-for-like revenues was unchanged (€0.0 million).

² In the event the targets of the Fund's Business Plan are not reached.

Net rental income was €59.0 million, down 0.1% compared to the same period of last year, while on a **like-for-like basis, a +4.5% increase was recorded.**

Core business Ebitda amounted to €53.9 million, (+0.1%; +5.3% against the restated figure) with a growing EBITDA margin of 73.6%. The freehold EBITDA margin (relative to freehold properties) also rose, coming in at 75.8%.

Total financial charges amounted to €36.9 million (+92.0%); net of the accounting impact of IFRS 16 and non-recurring expenses, financial charges landed at €30.5 million or 70.1% higher than at 30 June 2023 due to the higher average cost of most recent loans.

Funds from Operations (FFO) reached €18.3 million, 40.7% lower than at 30 June 2023 due solely to higher financial charges. **The delta versus the restated figure was -36.6%.**

The Group closes the first half of the year with a net loss of -€32.5 million, 30.8% lower than the loss reported in June 2023 (- €47.1 million).

FINANCIAL STRUCTURE

The above described disposal had a positive impact on the Group's financial structure with a **Loan- to-Value ratio at 30 June 2024, landing at 44.9%** compared to 48.1% at year-end 2023; this indicator also reflects a stabilization of freehold property valuations.

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 2.1X.**

During the second quarter of 2024, the Company also began consulting with banks and investors about the **early refinancing of next maturities**, so as to better spread repayments over time, with lower **concentration and higher consistency with cash flow** forecasts.

OUTLOOK 2024

In view of the operating and financial results achieved in the first half of 2024, and assuming no significant adverse changes will affect the global macroeconomic scenario, **the Company confirms the FFO guidance disclosed to the market on 27 February 2024 (2024 Funds from Operations expected to reach approx. €34 million).**³

³ This estimate does not take into account the impact of any early refinancing of existing debt instruments

OTHER RESOLUTIONS

INVESTOR RELATOR CONFIRMED

The Company, with a view to maintaining the requirements needed to be listed on Borsa Italiana's STAR segment, announces that today the Board of Directors renewed the appointment of Investor Relator granted to Claudia Contarini, through the approval of the Company's financial statements as at 31 December 2026, who will be responsible for managing the relationships with investors and the market.

Operating income statement at 30 June 2024

GROUP CONSOLIDATED	(a) Cons 2023	(c) Cons 2024	Δ (c)/(a)
Revenues from freehold rental activities	65.6	64.4	-1.7%
Revenues from leasehold rental activities	4.5	4.8	5.6%
Total income from rental activities	70.1	69.1	-1.4%
Rents and payable leases	0.0	0.0	n.a.
Direct costs from rental activities	-11.0	-10.1	-8.4%
Net rental income	59.0	59.0	-0.1%
Revenues from services	3.8	4.1	7.9%
Direct costs from services	-2.8	-2.9	1.1%
Net services income	0.9	1.2	28.3%
HQ Personnel expenses	-3.9	-3.9	-0.4%
G&A expenses	-2.3	-2.4	6.1%
CORE BUSINESS EBITDA (Operating income)	53.8	53.9	0.1%
<i>Core business Ebitda Margin</i>	<i>72.8%</i>	<i>73.6%</i>	
Revenues from trading	5.6	0.1	-98.5%
Cost of sale and other costs from trading	-5.7	-0.3	-95.0%
Operating result from trading	-0.3	-0.2	-22.4%
EBITDA	53.6	53.7	0.1%
<i>Ebitda Margin</i>	<i>67.5%</i>	<i>73.3%</i>	
Impairment and Fair Value adjustments	-80.3	-18.8	-76.6%
Depreciation and provisions	-0.9	-1.0	10.2%
EBIT	-27.5	33.9	n.a.
FINANCIAL MANAGEMENT	-19.2	-36.9	92.0%
EXTRAORDINARY MANAGEMENT	0.0	-29.1	n.a.
PRE-TAX RESULTS	-46.7	-32.1	-31.3%
Taxes	-0.3	-0.4	42.0%
NET RESULT OF THE PERIOD	-47.1	-32.5	-30.8%
(Profit/Loss) for the period related to third parties	0.0	0.0	n.a.
GROUP NET RESULT	-47.1	-32.5	-30.8%

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

IGD will present these results during a conference call which will be held on **1 August 2024 at 14.30 (Italian time)**. The presentation will be published on the company's website (<https://www.gruppoigd.it/investor-relations/presentations/>)

In order to participate, please dial the following number: **+39 028020927**



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

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



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

Immobiliare Grande Distribuzione SIIQ S.p.A. is one of the main players in Italy's retail real estate market: it develops and manages shopping centers throughout the country and has a significant presence in Romanian retail distribution. Listed on the Star Segment of the Italian Stock Exchange, IGD was the first SIIQ (Società di Investimento Immobiliare Quotata or real estate investment trust) in Italy. IGD has a real estate portfolio valued at circa €1,697.2 million at 30 June 2024, comprised of, in Italy, 8 hypermarkets and supermarkets, 25 shopping malls and retail parks, 1 plot of land for development, 1 property held for trading and 6 other real estate properties. Following the acquisition of the company Winmark Magazine SA in 2008 14 shopping centers and an office building, found in 13 different Romanian cities, were added to the portfolio. An extensive domestic presence, a solid financial structure, the ability to plan, monitor and manage all phases of a center's life cycle, leadership in the retail real estate sector: these qualities summarize IGD's strong points.

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



Please find attached the income statement, statement of financial position, statement of cash flows, and consolidated net financial position at 30 June 2024.

Consolidated income statement at 30 June 2024

<i>(in thousands of Euros)</i>	30/06/2024 (A)	30/06/2023 (B)	Change (A)-(B)
Revenue	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	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	84	5,572	(5,488)
Operating revenues	73,260	79,798	(6,538)
Change in inventory	162	(4,840)	5,002
Revenues and change in inventory	73,422	74,958	(1,536)
Construction costs for the period	(193)	(559)	366
Service costs	(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	(5,655)	(5,550)	(105)
Other operating costs	(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	(20,152)	(81,710)	61,558
EBIT	33,868	(27,548)	61,416
Income/ (loss) from equity investments and asset disposal	(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)	(36,864)	(19,199)	(17,665)
Pre-tax profit	(32,096)	(46,747)	14,651
Income taxes	(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	(0.295)	(0.427)	0.132
- Diluted earnings per share	(0.295)	(0.427)	0.132

Consolidated statement of financial position at 30 June 2024

<i>(in thousands of Euros)</i>	30/06/2024	12/31/2023	Change
	(A)	(B)	(A)-(B)
NON CURRENT ASSETS:			
Intangible assets			
Intangible assets with finite useful lives	845	1,012	(167)
Goodwill	6,646	6,648	(2)
	7,491	7,660	(169)
Property, plant, and equipment			
Investment property	1,684,925	1,959,053	(274,128)
Buildings	6,668	6,790	(122)
Plant and machinery	115	110	5
Equipment and other goods	2,372	2,474	(102)
Assets under construction and advance payments	2,200	2,364	(164)
	1,696,280	1,970,791	(274,511)
Other non-current assets			
Deferred tax assets	3,547	4,469	(922)
Sundry receivables and other non-current assets	129	112	17
Equity investments	106,005	25,715	80,290
Non-current financial assets	176	174	2
Derivative assets	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	23,959	24,027	(68)
Trade and other receivables	8,475	9,676	(1,201)
Related party trade and other receivables	1,067	1,066	1
Other current assets	6,945	8,334	(1,389)
Cash and cash equivalents	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)	970,081	1,000,533	(30,452)
NON-CURRENT LIABILITIES:			
Derivatives - liabilities	1,134	3,854	(2,720)
Non-current financial liabilities	769,482	937,297	(167,815)
Provisions for employee severance indemnities	3,000	2,863	137
Deferred tax liabilities	15,346	15,559	(213)
Provisions for risks and future charges	5,933	6,372	(439)
Sundry payables and other non-current liabilities	6,781	7,140	(359)
Related parties sundry payables and other non-current liabilities	4,491	10,460	(5,969)
TOTAL NON-CURRENT LIABILITIES (E)	806,167	983,545	(177,378)
CURRENT LIABILITIES:			
Current financial liabilities	55,908	37,371	18,537
Trade and other payables	14,045	22,405	(8,360)
Related parties trade and other payables	801	2,203	(1,402)
Current tax liabilities	1,866	1,353	513
Other current liabilities	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)

Consolidated statement of cash flows at 30 June 2024

<i>(In thousands of Euros)</i>	30/06/2024	30/06/2023
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	448	316
Financial charges / (income)	36,865	19,199
Depreciation and amortization	1,004	1,264
Writedown of receivables	348	169
(Impairment losses) / reversal on work in progress	414	399
Changes in fair value - increases / (decreases)	18,386	79,878
Gains/losses from disposal - equity investments	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	(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	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)	(270)	(23)
NET INCREASE (DECREASE) IN CASH BALANCE (A+B+C+D)	1,025	(10,758)
CASH BALANCE AT BEGINNING OF THE PERIOD	6,069	27,069
CASH BALANCE AT END OF THE PERIOD	7,094	16,311

Consolidated net financial position at 30 June 2024

	30/06/2024	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)