



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

Via Trattati Comunitari Europei 1957-2007, n.

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

comprising n. 110,341,903 ordinary shares

Bologna Companies Register and tax identification no. 00397420399

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

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

**ORDINARY AND EXTRAORDINARY ANNUAL GENERAL MEETING OF IGD SIIQ S.P.A.**

16 APRIL – 17 APRIL 2025

**EXPLANATORY REPORT FOR ITEMS 1,2,3 and 4 ON THE AGENDA FOR THE ORDINARY PART OF THE ANNUAL GENERAL MEETING OF IGD SIIQ S.P.A. PREPARED BY THE BOARD OF DIRECTORS PURSUANT TO ARTICLES 125-TER OF LEGISLATIVE DECREE NO. 58/1998 AND 84-TER OF THE REGULATION ADOPTED BY CONSOB RESOLUTION NO. 11971/1999**

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**Ordinary session**

- 1. Financial statements at 31.12.2024; Directors' report on operations; External auditors' report; Report of the Board of Statutory Auditors; Presentation of the consolidated financial statements at 31.12.2024; related and consequent resolutions.**
- 2. Allocation of the net earnings for the year and dividend distribution to the Shareholders; related and consequent resolutions.**
- 3. Report on remuneration and compensation in accordance with Article 123-ter of Legislative Decree 58/98 and Article 84-quater of CONSOB Regulation no. 11971/99: First section: report on the remuneration policy. Binding resolution.**
- 4. Report on remuneration and compensation in accordance with Article 123-ter of Legislative Decree 58/98 and Article 84-quater of CONSOB Regulation no. 11971/99: Second section: report on compensation paid. Non-binding resolution.**

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**Item 1 - Financial statements at 31.12.2024; Directors' report on operations; External auditors' report; Report of the Board of Statutory Auditors; Presentation of the consolidated financial statements at 31.12.2024; related and consequent resolutions.**

Shareholders,

The financial statements as at 31 December 2024, whose draft has been approved by the Board of Directors during the meeting held on 6 March 2025, and which are now being submitted to the Shareholders, show a net loss of 26,921 thousand euros. Total revenues and operating income amounted to €117 million, a decrease of €8.2 million, or 6.6%, compared to the previous financial year, due to the transfer of 8 hypermarkets, 3 supermarkets and 2 galleries to the Food fund, completed on 23 April 2024. Operating costs, including overheads, have decreased 1.4 million euros compared to the previous financial year, impacting on revenues by 25.2%, substantially in line with 25.0% at 31 December 2023.

Operating result, which amounted to €65.3 million, was €93.4 million lower than the previous year, mainly as a result of lower impairment in the real estate portfolio, equal to €19.2 million (impairment was €120 million at 31 December 2023).

The result of the management of shareholdings and property sales shows a loss of €29.3 million, mainly due to the first entry of the Food Fund shareholding.

Financial management showed a balance of €62.7 million at 31 December 2024, an increase of €18.6 million with respect to prior financial year.

The Net Financial Position improved compared to 2023 by approximately €154.5 million, mainly due to the effects of the sale of 60% of the shares in the Food fund.

Gruppo IGD's total operating revenue at 31 December 2024 amounted to €145.2 million, showing a decrease compared to the previous financial year (total operating revenue at 31 December 2023 amounted to €156.7 million).

Rental income reached €134.8 million, decreasing 5.3% compared to the prior year. Direct costs from rental activities amounted to €21 million, a decrease of 7.8% with respect to the prior year.

Core business overheads, including payroll costs at headquarters, amounted to €13.5 million, increasing 0.8% compared to €13.4 million posted the previous year.

The core business EBITDA in 2024 was €102 million, decreasing 5.7% from the prior year, while the overall EBITDA was €101.7 million, increasing 5.5%.

The core business EBITDA MARGIN was 71.3% (72.1% at 31 December 2023).

EBIT is positive by €66.5 million, showing a decrease of €99.5 million with respect to the previous year.

The result of the management of shareholdings and property sales shows a loss of €29.2 million, principally as a result of the first registration of the shareholding in the Food Fund.

The balance of financial management went from €48.7 million recorded at 31 December 2023 to €67.1 million at 31 December 2024.

The pre-tax income at 31 December 2024 was negative and amounted to €29.8 million, compared to a loss of €81.8 million recorded in 2023.

As a result of the above, the Group posted a net loss of €30.1 million (whereas at 31 December 2023 the loss was equal to €81.7 million). Core business Funds from Operations (FFO) amounted to €35.6 million, with a decrease of €19.8 million compared to the previous financial year.

IGD Group's net financial debt at 31 December 2024 shows an improvement compared to 31 December 2022 of approx. €162 million. Gearing ratio (0.83) and Loan to Value (44.4%) have improved compared with the prior financial year.

#### The Real Estate Portfolio at 31 December 2024

Based on CBRE Valuation S.p.A., KROLL S.p.A., Cushman & Wakefield and Jones Lang Lasalle's independent assessment, the market value at 31 December 2024 of IGD Group's real estate portfolio reached €1,685.55 million, decreasing compared to €1,698.10 million recorded at 31 December 2023.

In light of the above, the Board of Directors submits the following proposal for your approval: *"The Shareholders' Meeting of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A.,*

- *having seen the Report of the Board of Directors;*
- *having seen the Report of Board of Statutory Auditors;*
- *having examined the Company's financial statements for year ended at 31 December 2024;*
- *having acknowledged the report prepared by the external auditors Deloitte & Touche;*

*resolves*

*to approve the financial statements of IGD SIIQ S.p.A. for the financial year ended at 31 December 2024 showing a Net Loss of €26,920,946.65 and the relevant Report of the Board of Directors".*

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## **Item 2 - Allocation of net result for the year and dividend distribution to the Shareholders; related and consequent resolutions.**

Shareholders,

Following the transfer of 8 hypermarkets, 3 supermarkets and 2 shopping malls to the Food real estate fund, concluded on 23 April 2024 and the repayment of the outstanding bond loans completed on 4 March 2025, the Board of Directors proposes a unit dividend per share of Euro 0.10 (for a total distributed amount of Euro 11,034,190.30).

Subject to the approval of the financial statements for year ended 31 December 2024 and of the Report of the Board of Directors, the Board of Directors proposes as follows:

- *to reclassify the Fair Value reserve by €35,396,655.89, following partial changes to the distributable income pursuant to Art. 6 of Legislative Decree n. 38 of 28 February 2005, increasing the other available reserves by the same amount, which consists of exempt operations for €22,339,315.27 and pre-SIIQ operations for €13,057,340.62. Accordingly, the Fair Value reserve, consisting of the valuation of the real estate portfolio at fair value, will go from €187,406,359.63 to €152,009,703.73.*
- *to fully cover the net loss at 31 December 2024, amounting to €26,920,946.65 through the available reserves (from capital reduction), which are sufficiently large;*
- *- to allocate part of the increase of other available reserve from exempt operations, released as a result of the disposal of 8 hypermarkets, 3 supermarkets and 2 shopping malls during 2024 to a dividend distribution of €11,034,190.30.*

Please note that the above dividend will be paid to each outstanding ordinary share at the ex-dividend date, excluding any treasury shares held at that date.

The total dividend payable, calculated on IGD's 110,341,903 outstanding ordinary shares, amounts to €11,034,190.30 to be taken from Other available reserves from exempt operations, available as a result of the disposals carried out during the year.

Overall, the earnings distributed from exempt operations amounted to €11,034,190.30 or €0.10 per share.

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

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

resolves

1. to reclassify the Fair Value reserve by €35,396,655.89, following partial changes to the distributable income pursuant to Art. 6 of Legislative Decree n. 38 of 28 February 2005, increasing the other available reserves by the same amount, which consists of exempt operations for €22,339,315.27 and pre-SIIQ operations for €13,057,340.62. Consequently, the Fair Value reserve, relative to the fair value of the real estate portfolio, will go from €187,406,359.63 to €152,009,703.73.
2. to fully cover the net loss at 31 December 2024, amounting to €26,920,946.65 through the available reserves (from capital reduction), which are sufficiently large;
3. to allocate part of the increase of other available reserves from exempt operations, released as a result of the disposal of 8 hypermarkets, 3 supermarkets and 2 shopping malls during 2024 to a dividend distribution of €11,034,190.30.

The total dividend payable, calculated on IGD's 110,341,903 outstanding ordinary shares, amounts to €11,034,190.30 to be taken from Other available reserves from exempt operations, which have become available as a result of the disposals carried out during the year.

Overall, the earnings distributed from exempt operations amounted to €11,034,190.30 or €0.10 per share.

The dividend will be paid by detachment of coupon no. 7 starting from 14 May 2025; entitlement to the payment of the dividend will be determined with reference to the evidence of the intermediary's accounts as provided for in Art. 83-quater, paragraph 3, of Legislative Decree no. 58 of 24 February 1998, at the end of the accounting day of **13 May 2025 (the record date)**, as provided for by Art. 83-terdecies of Legislative Decree no. 58 of 24 February 1998;

4. to give the Chairman and the Chief Executive Officer, even separately, the power to ascertain in due time, in relation to the definitive number of remunerated shares, the exact amount of the dividend to be distributed.”

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**Item 3 - Report on remuneration and compensation in accordance with Article 123-ter of Legislative Decree 58/98 and Article 84-quater of CONSOB Regulation no. 11971/99: First section: report on the remuneration policy. Binding resolution.**

Shareholders,

as you are well aware, pursuant to Art. 123-ter of TUF, listed companies are required to make

available to the general public a report on the remuneration policy and compensation paid prepared by the Company itself.

This report was approved by the Board of Directors on 6 March 2025, upon proposal by the Nominations and Remuneration Committee, and is available to the public at the Company's registered office, on the Company's website <https://www.gruppoigd.it/en/>, in the section *Governance – Shareholders' Meetings – Ordinary Annual General Meeting of 16 April 2025*, and on the authorized eMarket storage system: [www.emarketstorage.com](http://www.emarketstorage.com), in accordance with the terms and conditions set forth by applicable regulations.

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

The first section describes the Company's policy with respect to the remuneration of the members of the Board of Directors, of the Board of Statutory Auditors and of key management personnel for 2025 as well as the procedures used in the adoption and implementation of the policy. This section, pursuant to Art. 123-ter, paragraphs 3-bis and 3-ter, of TUF, as introduced by Legislative Decree no. 49/2019, is subject to the binding resolution of the Shareholders' Meeting.

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

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

- *having examined the first section of the “Report on remuneration and compensation” pursuant to Art. 123-ter, para. 3, of Legislative Decree no. 58 dated 24 February 1998, prepared by the Board of Directors based on the proposal of the Nominations and Remuneration Committee, which describes the Company's policy relating to the remuneration of members of the Board of Directors, of the Board of Statutory Auditors, of key management personnel for the year 2025, as well as the procedures used to adopt and implement said policy, and made available to the public in accordance with the law;*

*resolves*

- *to approve the first section of the “Report on remuneration and compensation” approved by the Board of Directors on 6 March 2025, pursuant to Art. 123-ter, paragraphs 3-bis) and 3-ter) of the Consolidated Finance Act”*

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**Item 4 - Report on remuneration and compensation in accordance with Article 123-ter of Legislative Decree 58/98 and Article 84-quater of CONSOB Regulation no. 11971/99: Second section: report on compensation paid. Non-binding resolution.**

The second section of the Report on the remuneration policy and compensation paid contains information about the compensation paid or accrued to the members of the Board of Directors, of the Board of Statutory Auditors and to key management personnel (shown as an aggregate) in 2024. This section, pursuant to the new paragraph 6 of Art. 123-ter TUF, introduced by Legislative Decree no. 49/2019, is subject to the non-binding resolution of the Shareholders' Meeting.

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

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

- *having examined the second section of the “Report on remuneration and compensations” called for under Art. 123-ter, paragraph 4, of Legislative Decree no. 58 dated 24 February 1998, prepared by the Board of Directors based on the proposal of the Nominations and Remuneration Committee, which describes the compensation paid to the members of the Board of Directors, of the Board of Statutory Auditors, and to Key Management Personnel in 2024 or related to 2024;*

*resolves*

- *pursuant to Art. 123-ter, paragraph 6 of the Consolidated Finance Act, in favour of the proposal on the second section of the “Report on remuneration and compensation” approved by the Board of Directors on 6 March 2025.”*

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Bologna, 6 March 2025

On behalf of the Board of Directors  
The Chairman  
*Antonio Rizzi*