IMMOBILIARE GRANDE DISTRIBUZIONE

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

Registered office in Bologna, Via Trattati Comunitari Europei1957-2007 n.13,

VAT, Bologna Company Register no. 00397420399

Bologna Chamber of Commerce Registration no. 458582

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

HALF-YEAR FINANCIAL REPORT 30/06/2021

Corporate and Supervisory Bodies

Board of Directors	Office	Executive	Non Executive	Indipendent	Control and Risk Committee	Compensation and nomination Committee	Related party Transactions Committee
Rossella Saoncella	Chairman			X			
Stefano Dall'Ara	Vice Chairman		X				
Claudio Albertini	Chief Executive Officer	X					
Edy Gambetti	Director		X				
Antonio Rizzi	Director			X	X		X
Silvia Benzi	Director			X		X	X
Rossella Schiavini	Director			X	X	X	
Alessia Savino	Director		X				
Timothy Guy Michele Santini	Director			X		X	
Rosa Cipriotti	Director			X	X		
Gèry Robert-Ambroix	Director			X			X

Board of Statutory Auditors	Office	Standing	Alternate
Gian Marco Committeri	Chairman	X	
Massimo Scarafuggi	Auditor	X	
Daniela Preite	Auditor	X	
Daniela Del Frate	Auditor		X
Aldo Marco Maggi	Auditor		X
Ines Gandini	Auditor		X

Supervisory Board (Appointed by the Board of Directors on 20 April 2021)

Gilberto Coffari (Chairman), Alessandra De Martino, Paolo Maestri.

External Auditors

PricewaterhouseCoopers S.p.A.

Financial Reporting Officer

Carlo Barban

1. Gruppo IGD’s Interim Management Statement

1.1. // Introduction

The Immobiliare Grande Distribuzione Group's Consolidated Half-Year Financial Report at 30 June 2021 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 2021 of IGD Siiq S.p.A. and other Group companies described in the section on the scope of consolidation.

1.2. // Alternative performance indicators

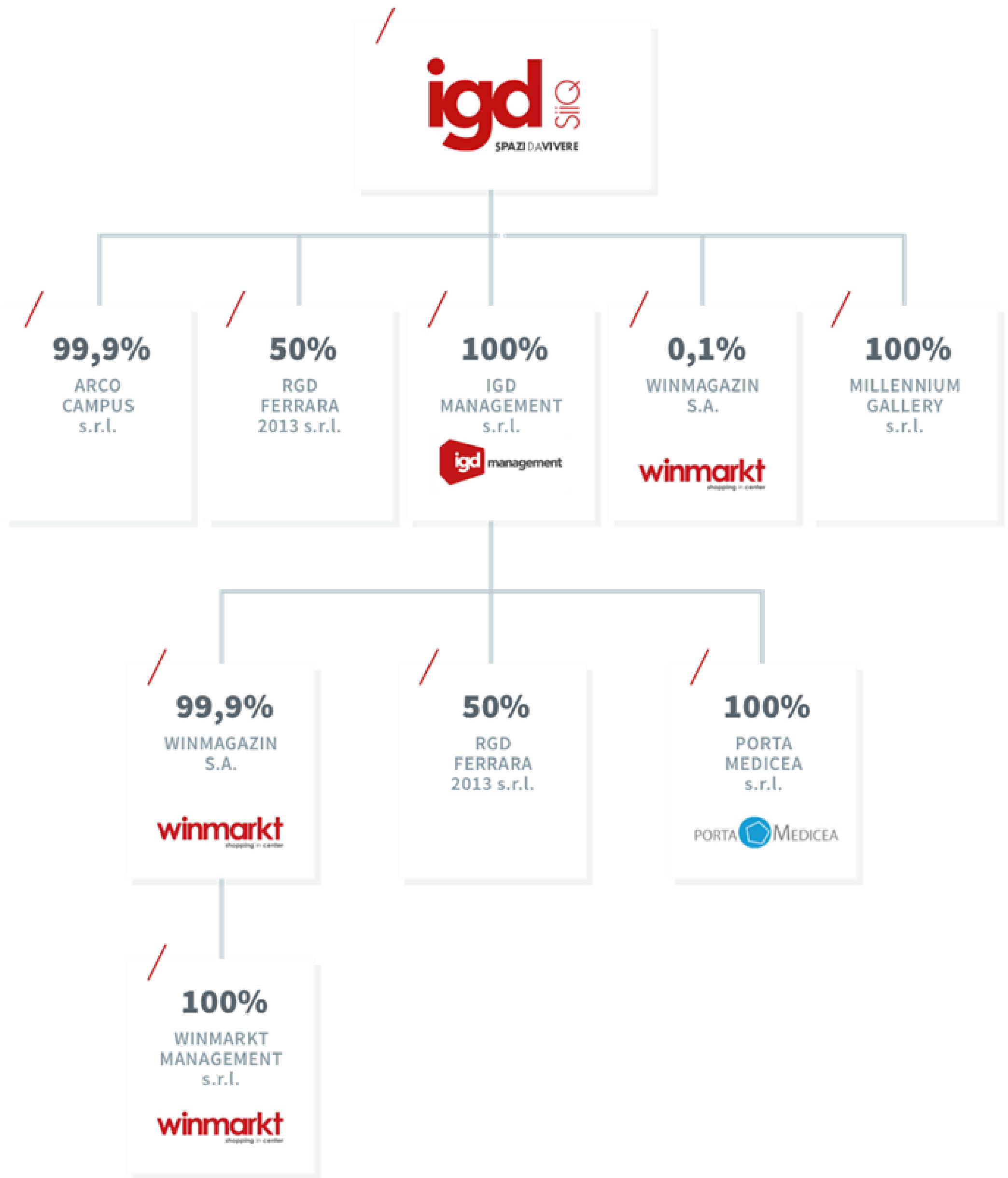
This report contains alternative performance indicators with respect to the conventional indicators required of audited financial statements which comply with IAS/IFRS.

The alternative performance indicators 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. // Gruppo IGD

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 93.9%). The remainder (around 6.1%) is in Romania where IGD owns the Winmarkt chain of shopping centers through WinMagazin SA.



IGD SIIQ's perimeter of exempt operations includes the freehold assets found in Italy.
At 30 June 2021, in addition to the parent company, Gruppo IGD comprises:

- ✓ 100% of **Millennium Gallery**, (owner of part of the Rovereto shopping mall and a business division in the shopping center in Crema);
- ✓ 100% of **RGD Ferrara 2013**, formed on 30 September 2013, to manage the Darsena City Shopping Center in Ferrara;
- ✓ 99.98% 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 dissemination of sports;
- ✓ 100% of **IGD Management S.r.l.,** which, in addition to owning the CentroSarca shopping mall in Milan, also holds the majority of the operations which are not included in the SIIQ perimeter;
    - ✓ 100% 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 and requalification of Livorno's waterfront;
    - ✓ management of the leasehold properties (Centro Nova and Centro Piave);
    - ✓ service activities which include mandates for the management of freehold and leasehold properties.

1.4. // Income statement review

During 2021 the economic recovery expected already at year-end 2020 began: if, on the one hand, this recovery is attributable to a "technical rebound" after the heavy recession in 2020, on the other hand, there was true, actual growth fueled by the vaccine rollouts and the policies to support family incomes and businesses implemented in different countries.
In the first half the expansive phase of the economy was, however, distributed unevenly across countries and manufacturing sectors: in the first few months of the year, the economic cycle strengthened in China and the United States, while the economic performance in the Euro zone was still affected by the prolonged containment measures, even if they were gradually eased.[1] In Europe also, after the slowdown seen in the first quarter, the positive signals reported by the main economies, like higher retail sales and a drop in unemployment[2], began to increase as the vaccination campaigns progressed.
The projections for the second half of the year also point to further improvement; GDP is expected to increase 5.8%, higher than pre-pandemic levels, even if risks tied to the pandemic remain and specifically to the spread of the virus's new variants, as well as delays in vaccination roll-outs in a few areas.[3]

Italy was the only country of the largest European economies to report an increase in GDP already in the first quarter of 2021 (+0.1% compared to fourth quarter 2020). Growth gained momentum in the spring, boosted by an acceleration in vaccine rollouts and the gradual easing of the restrictions.[4] In the period March-May, manufacturing was 1.2% higher than in the previous three months and there was an uptick in international trade which exceeded pre-crisis levels.[5] Family spending was down 1.2% in the first quarter but was back in positive territory in the second quarter, supported by lower infection rates and an easing of the restrictions on mobility.[6] Given this backdrop, the main research institutes expect the economic recovery to stabilize with increased momentum in the second part of the year: GDP is expected to be roughly 5% higher at year-end. The expansionary phase is expected to also be seen in 2022, even if these estimates are subject to the uncertainty as to how the pandemic will develop and how the measures called for in the Italian government's *Piano Nazionale di Ripresa e Resilienza* will be implemented.[7]

In this environment IGD's performance was inevitably still impacted by the restrictive measures adopted by the Italian government in response to the Covid-19 health crisis. Through 17 May, in fact, the operation of the Group's shopping centers was limited heavily with a ban on indoor table service in restaurants and the closure of the malls' "non-essential" retailers on Sundays and holidays (the non-essential businesses were closed approximately 36% of the possible days of operation versus approximately 39% in the first half of 2020). These limitations, along with restrictions on individual mobility, impacted footfalls and retailers' sales in the first six months of the year, which were higher than in the first six months of 2020 (footfalls +10.3%; sales +23.4%),

[1] Source: ISTAT – *Economic prospects for Italy in 2021-2022*, June 2021
[2] Source: ISTAT – *Monthy bulletin on the performance of the Italian economy* May, June, July 2021
[3] Source: Banca d'Italia – *Economic Bulletin 3/2021,* July 2021
[4] Source: Banca d'Italia – *Economic Bulletin 3/2021,* July 2021
[5] Source: ISTAT – *Monthy bulletin on the performance of the Italian economy* May, June, July 2021
[6] Source: Banca d'Italia – *Economic Bulletin 3/2021*, July 2021
[7] Source: ISTAT – *Economic prospects for Italy in 2021-2022,* June 2021

but still lower than in 2019 which was not impacted by the pandemic (footfalls -29.4%; sales -24.5%).

Beginning on 17 May, when the restrictions were eased, shopping centers became fully operative and the performances showed continuous improvement: in the week 17-23 May, the first in which all the retailers inside the shopping malls were allowed to stay open (including on Saturday and Sunday), footfalls were 32% higher than in the same week of 2020 (18-24 May 2020, which was the first week of post-lockdown reopenings in Italy) and around 10% lower than in the same period of 2019. Even more significant are the results recorded in June 2021, the first full month without restrictions, when footfalls rose 8.2% and sales posted an even higher increase of 17.4% against the same period of the prior year. The June performance is even more compelling if compared with the same period 2019: while footfalls were still down by roughly 15%, retailers' sales were back in the black (+0.3%) which confirms the trend seen already last year of much more selective shopping, but with a greater propensity to buy, and a decided increase in the average ticket (+20.3% compared to June 2019).

Looking at the different categories of merchandise, standouts include clothing, electronics, home care, culture and leisure which in June was higher than in the same month of 2019. In terms of performance by sales area (excluding restaurants), in June all sizes, from small to large, reported growth against 2019 with an average increase of 2.4%.

The performance of the Group's freehold hypermarkets and supermarkets was also positive in the first six months of the year, rising 1.3% against the first half of 2020.

All of this demonstrates that the shopping center format is still key for the consumer who is ready to react quickly once openings are allowed.

The Italian portfolio's occupancy, which reached 95.3%, was 100 bps higher than the 94.3% reported at 31 December 2020 which demonstrates that, despite the difficulties encountered in the period, the marketing and pre-letting activities never stopped, but rather continued effectively and with positive results: in the first six months of the year 131 leases (85 renewals and 46 turnover) were, in fact, signed with a slight decrease in rents (-1.0%). Tenant negotiations relative to the 2021 restrictions are underway, while those relative to 2020 are almost completed; overall no changes to existing leases have been made as a result of the negotiations, but payments have been reformulated and temporary rebates granted.

These negotiations, along with the aid provided by the Italian government to businesses affected by the mandatory closures, allowed us to achieve good results in terms of rent collection which reached more than 83% of turnover for the first half of 2021, net of the rebates granted.

In Romania, despite the extension of a few restrictions by the government, the economy also showed signs of a decided recovery: GDP was 2.8% higher at 3 March driven mainly by an uptick in consumption and investments. This growth is expected to continue and accelerate as the year progresses, with GDP rising an estimated 7.4% by year-end 2021 thanks to the gradual elimination of the restrictions which should fuel the recovery of the sectors hit the hardest by the pandemic like restaurants and entertainment.[8] All of this affected the operating performance of the Winmarkt shopping malls but occupancy reached 94.3% at 30 June 2021, higher than the 93.6% reported at 31 December 2020 and rent collection was also excellent at around 93%, net of the rebates granted. Normal pre-letting and marketing activities continued during the half resulting in the signature of 239 leases (153 renewals and 86 turnover) with an average upside of around 0.9%.

[8] Source: EUROPEAN COMMISSION – *Summer Economic Forecast*, July 2021

In light of the above, the direct impact of Covid-19 (one-off and without carry over in subsequent years) is estimated to reach roughly €7.8 million (rebates and credit losses) in the first six months of 2021, better than in 2020 when the direct impact on the first half came to approximately €9.3 million.
In the first half of the year, rental income fell -2.1% against 30 June 2020 to €73.1 million: revenues continued to be impacted by the increase in vacancies seen in the third and fourth quarters of 2020 and, above all, in the first quarter of 2021 with longer average terms to turnover, but with better prospects in the second half if the trends described above are confirmed.
In terms of asset management, in the first half of 2021 IGD continued the work on Porta a Mare in Livorno, where the development of the Officine Storiche section is underway and is expected to be completed in the second half of 2022. Non-deferrable capex also continued (for around €6.2 million) which included, in addition to extraordinary maintenance, commercial fit-outs and restyling projects.
In terms of financial transactions, on 1 March 2021 the Company exercised the option for early redemption and redeemed the residual €70 million outstanding of the "€300,000,000 2.500 per cent. Notes due 31 May 2021". With the exception of this repayment, IGD continued with normal financial management activities.
The average cost of debt was 2.22% at 30 June 2021, lower than the 2.30% reported at year-end 2020, while the interest cover ratio or ICR came to 3.2X[9] (unchanged with respect to 31 December 2020). The Loan to Value of 49.1% is lower than the 49.9% recorded at year-end 2020.
As a result of the above FFO was 6.8% lower than at 30 June 2020, coming in at €30.6 million, but with improved prospects for the second half.
Given the positive signals seen in the last few months, in a context of general economic recovery and rising consumption, as well as the estimated impact of Covid-19 in the current year (one-off and without carry over in subsequent years), the FY guidance for FFO 2021 was revised upward and calls for growth of around +7/+8% with respect to FFO 2020, a decided improvement with respect to the guidance announced in February[10].

[9] Excluding the impact of the last financial transaction
[10] This new outlook does not take into account the impact of any disposals and it is important to note that significant elements of uncertainty, including out of the Company's control, still exist including, for example, new surges in the pandemic and the introduction of new restrictions.

The consolidated operating income statement is shown below:

GROUP CONSOLIDATED	(a) 30/06/2021	(b) 30/06/2020	Δ (a)/(b)
Revenues from freehold rental activities	66,892	68,692	-2.6%
Revenues from leasehold rental activities	6,176	5,944	3.9%
Total income from rental activities	**73,068**	**74,636**	**-2.1%**
Rents and payable leases	-2	-2	-0.3%
Direct costs from rental activities	-17,582	-18,345	-4.2%
Net rental income	**55,484**	**56,289**	**-1.4%**
Revenues from services	3,275	3,139	4.4%
Direct costs from services	-2,676	-2,504	6.9%
Net services income	**599**	**635**	**-5.7%**
HQ Personnel expenses	-3,333	-3,074	8.4%
G&A Expenses	-2,120	-2,412	-12.1%
CORE BUSINESS EBITDA (Operating income)	**50,630**	**51,438**	**-1.6%**
Core business Ebitda Margin	*66.3%*	*66.1%*	
Revenues from trading	440	450	-2.2%
Cost of sale and other costs from trading	-654	-848	-22.9%
Operating result from trading	**-214**	**-398**	**-46.3%**
EBITDA	**50,416**	**51,040**	**-1.2%**
Ebitda Margin	*65.7%*	*65.2%*	
Impairment and Fair Value adjustments	-12,455	-73,577	-83.1%
Depreciation and provisions	-529	-501	5.5%
EBIT	**37,432**	**-23,038**	**n.a.**
FINANCIAL MANAGEMENT	-16,727	-17,966	-6.9%
ENTRAORDINARY MANAGEMENT	0	-72	n.a.
PRE-TAX RESULT	**20,705**	**-41,076**	**n.a.**
Taxes	-1,252	2,246	n.a.
NET RESULT OF THE PERIOD	**19,453**	**-38,830**	**n.a.**
(Profit/Loss) for the period related to third parties	0	0	n.a.
GROUP NET RESULT	**19,453**	**-38,830**	**n.a.**

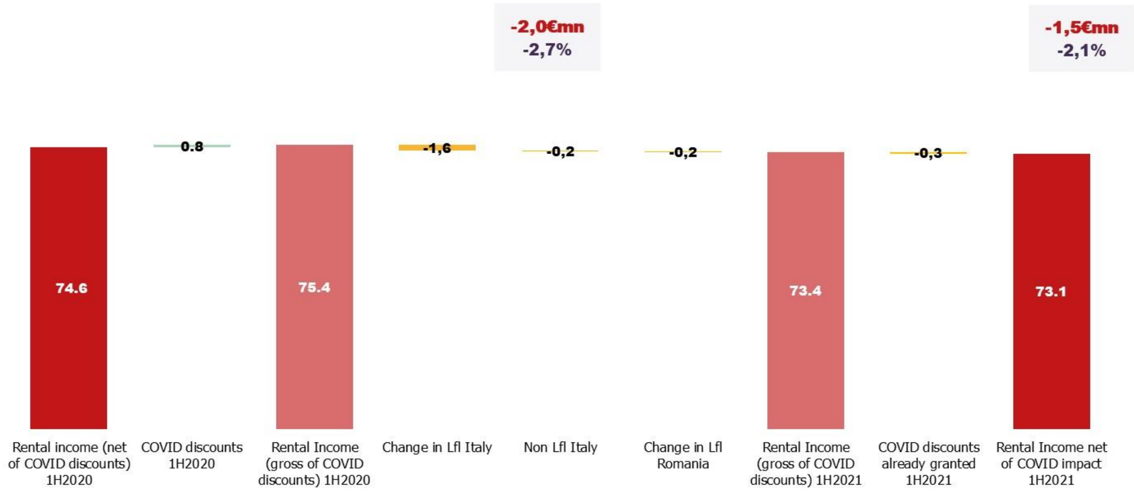
The Group recorded a net profit of €19,453 thousand at 30 June 2021, including the net direct impact of Covid-19 for €7,803 thousand which includes the €346 thousand in temporary rebates already agreed upon recognized as a decrease in revenue and €7,457 thousand relating to other net Covid-19 costs comprising €7,863 thousand in provisions for bad debt and credit losses partially offset by savings stemming from lower rents payable on leasehold properties of around €406 thousand.

In the operating income statement, 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).

Net rental income

Rental income fell 2.1% to €73,068 thousand in the first half of 2021.

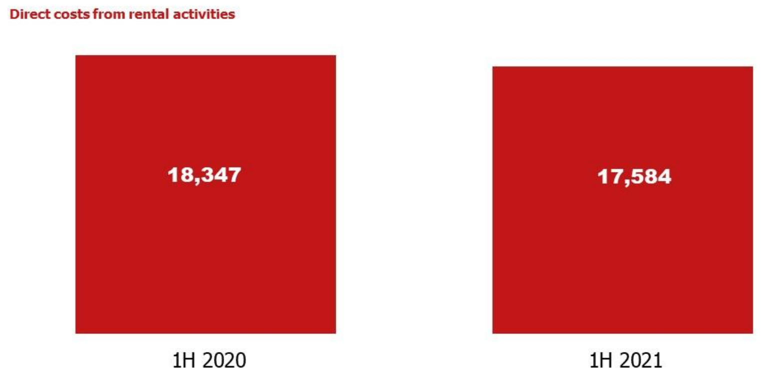
The chart below shows gross rental income of €73,414 thousand (-2.7%; - €2,020 thousand compared to the gross rental income recorded in the prior year). This amount is before the €346 thousand in Covid rebates already agreed upon.



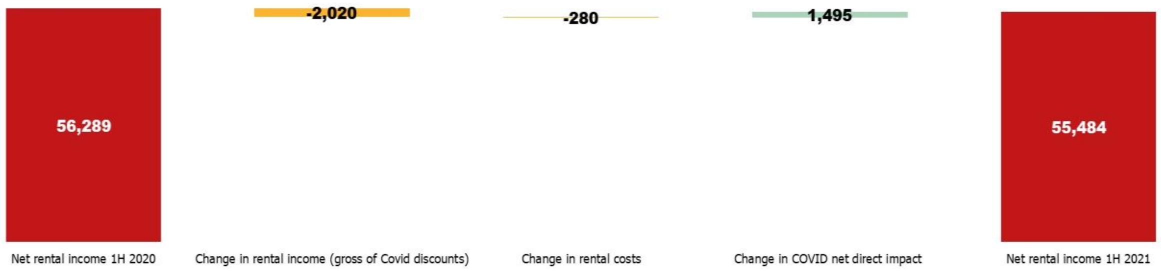
The decrease of €1,568 thousand is explained by:

- lower revenue like-for-like in Italy which was lower than in the same period of the prior year attributable to a drop in revenues generated by malls (-3.3% due to higher average vacancy in the reporting period and longer average terms to turnover) partially offset by an increase in revenue from hypermarkets (+0.6%). 131 leases were signed in the reporting period with an average downside of 1.0%;
- for €233 thousand, lower revenue not like-for-like attributable to the remodeling of Iper Maioliche, Porto Grande, Conegliano;
- for €168 thousand, lower revenue like-for-like in Romania due to the temporary rebates granted in order to manage the lockdown already agreed upon and the exit of a tenant with multiple points of sale. 239 leases were signed in the period with an average upside of 0.9% on renewals.

The direct costs for the rental business amounted to €17,584 thousand. The decrease is attributable mainly to the net direct Covid-19 costs (€7,457 thousand recognized in credit losses). Excluding these items, costs were higher for personnel, provisions and condominium fees, partially offset by lower severance contributions and indemnities, maintenance and other minor items.



Net rental income, including the net direct impact of Covid-19, amounted to €55,484 thousand or 1.4% less than in the same period of the prior year.



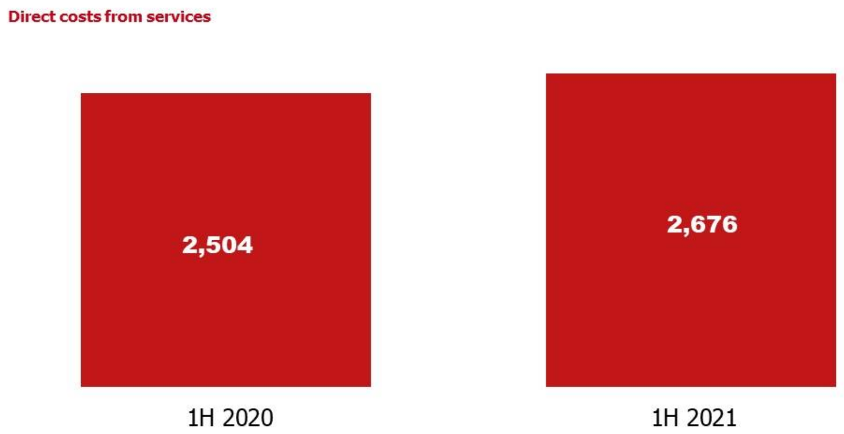
Net rental income freehold amounted to €49,268 thousand, down 3.3% with respect to the same period of the prior year. The margin is sizeable, coming in at 73.7% of revenue, but lower than in the prior year due to the drop in revenue.

Net rental income leasehold amounted to €6,216 thousand, 10.8% higher than in the same period of the prior year.

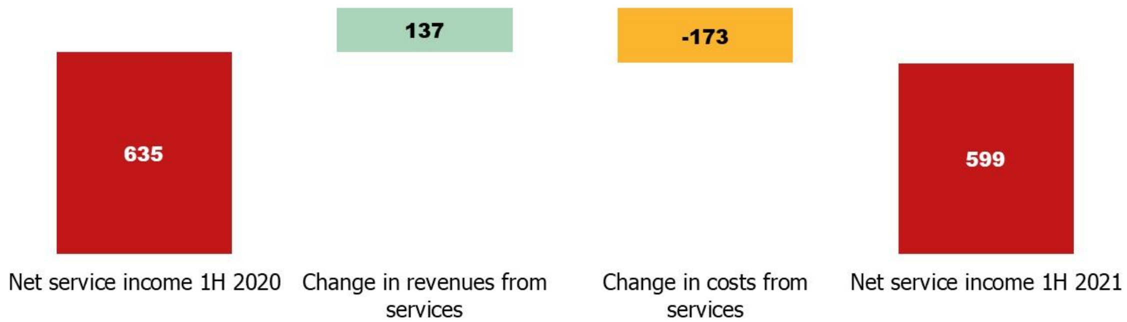
Net services income

Revenue from services was higher than in the prior year. Most of this revenue comes from the facility management business (87.1% of the total or €2,851 thousand), which was slightly lower than in the prior period (-2.4%). Revenue from agency, pilotage and other services (revenues from outsourced services) was slightly higher**.**

The direct costs for services amounted to €2,676 thousand, an increase of €172 thousand (+6.9%) compared to the same period of the prior year attributable mainly to network personnel expense.



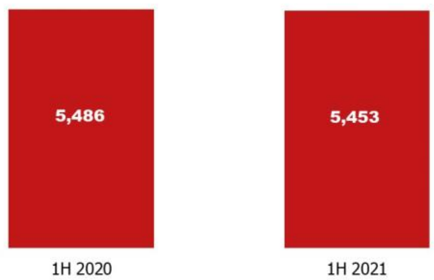
Net services income amounted to €599 thousand, a decrease of 5.7% compared to the same period of the prior year, falling as a percentage of services income from 20.2% in the prior year to 18.3%.



General expenses for the core business

General expenses for the core business, including payroll costs at headquarters, came to €5,453 thousand, in line (-0.6%) with the €5,486 thousand posted at 30 June 2020, as the increase in payroll costs at headquarters was offset by savings on consultancies, communication and other minor items.

These costs came to around 7.1% of core business revenue.

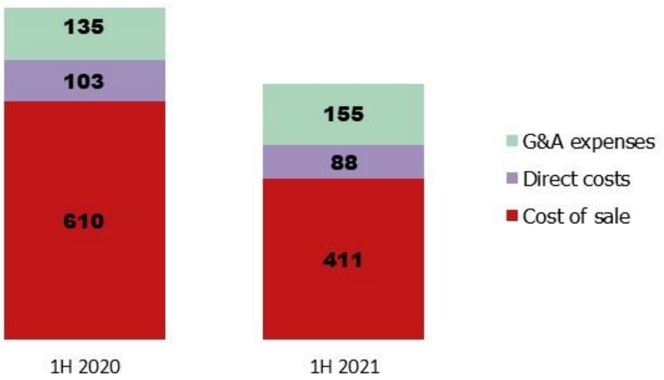


Operating results for trading

Trading posted an operating loss of €214 thousand, showing improvement with respect to the same period of the prior year.

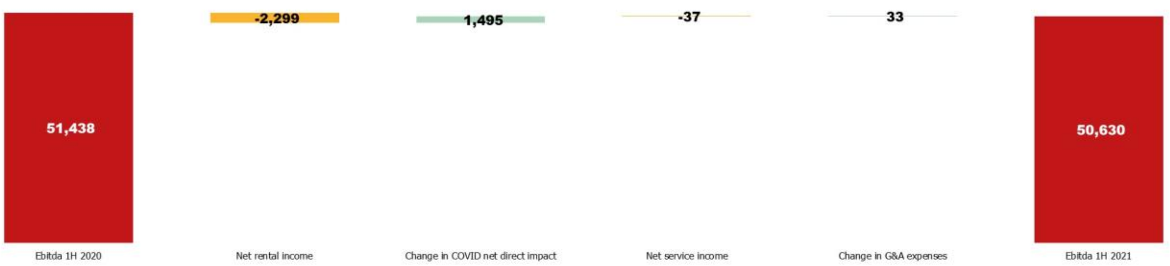
During the first half the Porta a Mare project generated revenue of €440 thousand following the sale of one residential unit and two enclosed garage units, in line with the prior year. A preliminary sales agreement was also signed for the last unit in the Mazzini section. For greater detail please refer to section 1.8.

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

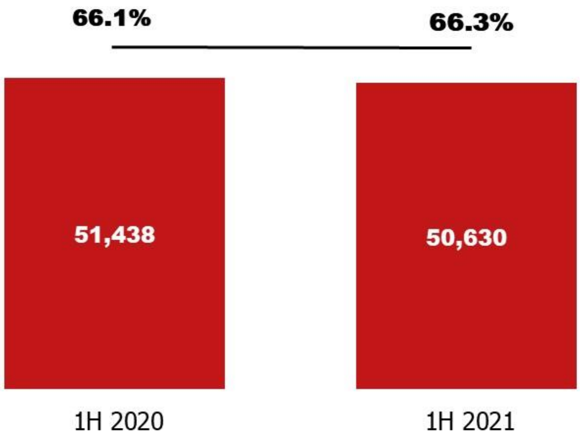


EBITDA

In the first half of 2021 core business EBITDA fell 1.6% against the same period of the prior year to €50,630 thousand, while total EBITDA fell by 1.2% to €50,416 thousand. The changes in the components of total EBITDA during first half 2021 are shown below.



The core business **EBITDA MARGIN** reached 66.3%, in line with the same period of the prior year.



Fair value adjustments and impairment of work in progress and inventory

Fair value adjustments and impairment were negative for €12,455 thousand at 30 June 2021, lower than the €73,577 thousand recorded at 30 June 2020. The difference in fair value, negative for €12,401 thousand, is explained by:

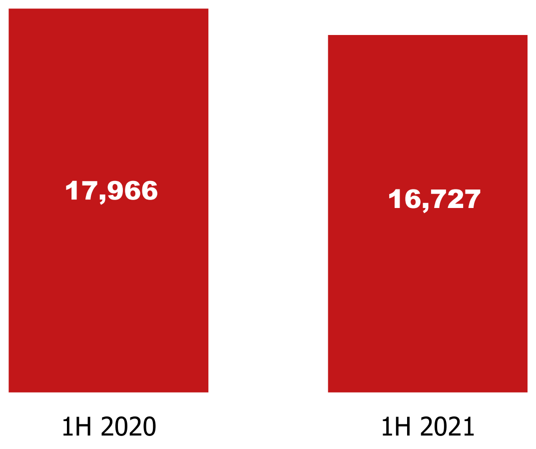
- for €5,659 thousand, impairment of the right-of-use assets stemming from IFRS 16 application;
- for €7,260 thousand, impairment of the extraordinary maintenance of properties owned and rented by Gruppo IGD's Italian companies;
- for €577 thousand, impairment of the extraordinary maintenance of properties owned by the Romanian subsidiary Win Magazin SA;
- for €2,215 thousand, a fair value adjustment made to the freehold investment property of Gruppo IGD's Italian subsidiaries based on the appraised market value at 30 June 2021;
- for €1,120 thousand, a fair value adjustment made to the freehold investment property of Gruppo IGD's Romanian subsidiary Win Magazin SA based on the appraised market value at 30 June 2021.

Impairment losses on work in progress and inventory of €54 thousand are attributable to: (i) an impairment loss of €15 thousand on the Porto Grande expansion and (ii) an impairment loss of €39 thousand on the Officine residential, Molo, Lips and Arsenale sections of the Porta a Mare project.

EBIT

EBIT amounted to €37,432 thousand, higher than in the same period of the prior year; this change is attributable to the factors described above.

Financial income and charges



Financial charges went from €17,966 thousand at 30 June 2020 to €16,727 thousand at 30 June 2021. The decrease, of around €1,239 thousand, is attributable mainly to:

- lower financial charges on mortgages due to lower outstanding principle, partially offset by an increase in charges for the MPS-SACE loan;
- lower IFRS 16 financial charges;
- lower financial charges for IRS;
- lower financial charges on bond loans due to the redemption of the remaining €70.8 million balance on the "€300,000,000 2.500 per cent. Notes due 31 May 2021" (ISIN: XS1425959316) on 1 March 2021.

The average cost of debt (without considering recurring and non-recurring transaction costs) at 30 June 2021 was 2.22%, lower than the 2.30% recorded at 31 December 2020, while the weighted average effective cost of debt went from 2.70% at 31 December 2020 to 2.66%.

The **interest cover ratio (ICR)**, the ratio of Ebitda to interest expense, came to 3.01x, higher compared to the 2.73x posted at 31 December 2020.

Taxes

	30/06/2021	30/06/2020	Change
Current taxes	597	518	79
Deferred tax liabilities	632	(2,713)	3,345
Deferred tax assets	23	40	(17)
Out-of-period income/charges - Provisions	0	(91)	91
Income taxes	**1,252**	**(2,246)**	**3,498**

The tax burden, current and deferred, reached €1,252 thousand at 30 June 2021, an increase of €3,498 thousand against 30 June 2020, due mainly to: (i) the adjustment made to deferred tax assets and liabilities in order to align the fair value with the tax assessed value of the real estate investments held by subsidiaries and (ii) the impact of the deferred tax recognized in accordance with IFRS 16.

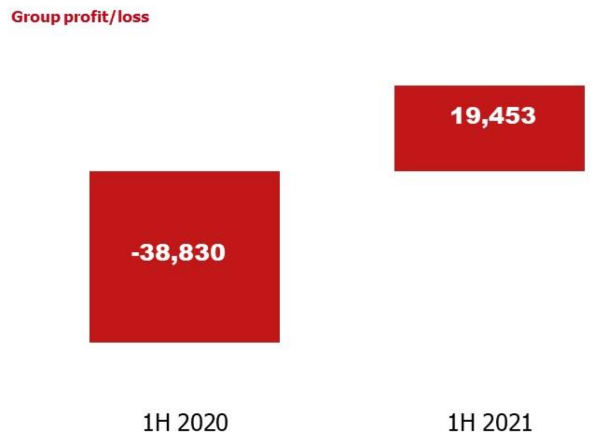
Current tax is €79 thousand higher than in the same period of the prior year mainly to the higher revenue posted by Win Magazin SA and lower rents payable for IGD Management SRL.

Contingent assets consist mainly of the effects for the various Group companies of the cancellation of the IRAP (regional business tax) balance for 2019 and first advance payment for 2020, as provided for by the "Decreto Rilancio" (Recovery Decree) published in the Gazzetta Ufficiale on 19 May 2020.

Deferred tax assets of €1.2 million were recognized on part of the losses carried forward connected to tax consolidation. Similar to at 31 December 2020, no addition deferred tax assets were recognized as it was deemed unlikely that the conditions for the recovery of these deferred taxes would materialize.

Group net profit

As a result of the above, the Group recorded a net profit of €19,453 thousand, an increase of €58,283 thousand compared to the loss of €38,830 thousand recorded at 30 June 2020.



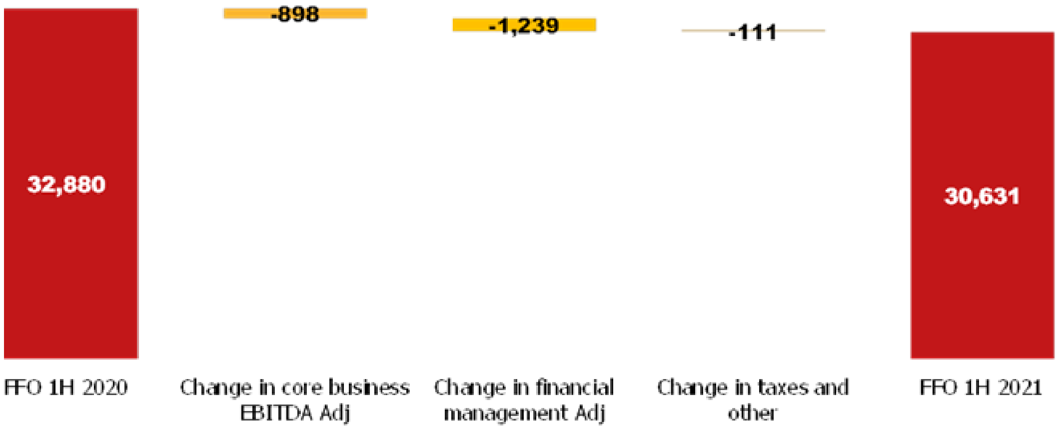
The breakdown of the change in net profit compared to the same period of the prior year is shown below.

Core business FFO

FFO (Funds from Operations), an indicator used widely in the real estate sector (REITs), which measures the cash flow generated by a company's core business, came to €30,631 thousand at 30 June 2021, lower than in same period of the prior year due to the drop in EBITDA and higher financial charges adj., which includes the negative carry recorded in 2020 stemming from the €400 million bond issue and the partial buyback of outstanding bonds in November 2019, as well as rents payable (which includes an estimate of any decreases in rents owed).

Funds from Operations	1H 2021	1H 2020	Δ	Δ%
Core business EBITDA*	**50,630**	**51,596**	**(965)**	-1.9%
IFRS16 Adjustments (payable leases)	(4,227)	(4,295)	68	-1.6%
Financial management Adj	(15,175)	(13,936)	(1,239)	8.9%
Current taxes for the period Adj	(597)	(486)	(111)	22.9%
FFO	**30,631**	**32,880**	**(2,249)**	-6.8%

* Net non-recurring costs for 2020



1.5. // Statement of financial position and financial review

The Gruppo IGD's statement of financial position at 30 June 2021 can be summarized as follows:

(in thousands of Euros)	30/06/2021	31/12/2020	Δ	%
Investment property	2,229,892	2,234,484	(4,592)	-0.21%
Assets under construction and advance payments	42,757	42,674	83	0.19%
Intangible assets	8,382	8,568	(186)	-2.22%
Other tangible assets	9,104	8,526	578	6.35%
Sundry receivables and other non-current assets	129	129	0	0.26%
Equity investments	99	151	(52)	-52.53%
Net working capital	33,435	30,421	3,014	9.01%
Funds	(7,049)	(7,060)	11	-0.16%
Sundry payables and other non-current liabilities	(22,718)	(23,311)	593	-2.61%
Net deferred tax (assets)/liabilities	(11,774)	(10,286)	(1,488)	12.64%
Total use of funds	**2,282,257**	**2,284,296**	**(2,039)**	**-0.09%**
Total shareholders' equity	1,136,234	1,114,442	21,792	1.92%
Net (assets) and liabilities for derivative instruments	11,220	14,396	(3,176)	-28.31%
Net debt	1,134,803	1,155,458	(20,655)	-1.82%
Total sources	**2,282,257**	**2,284,296**	**(2,039)**	**-0.09%**

The principal changes in the half quarter of 2021, compared to 31 December 2020, relate to:

- ✓ **Investment property,** which was €4,592 thousand lower due mainly to:
  - ✓ continuation of the extraordinary maintenance and fit outs relating primarily to reducing the size of the hypermarket at the Casilino center in Rome, earthquake proofing at the La Favorita Shopping Center in Mantua, fit-out work at the Le Maioliche Shopping Center in Faenza and the Lame center in Bologna in preparation for the opening of two Pepco brand stores, the completion of a bike path at the Clodì retail park (Chioggia) and compliance with fire safety regulations mainly at a few Romanian shopping centers for €4,997 thousand;
  - o fair value adjustments. Specifically, investment property was revalued in the amount of €13,084 thousand and written down by €17,014 thousand, for a net negative impact of €3,930 thousand;
  - o impairment loss on the right-of-use assets for the malls at Centro Nova, Centro Piave, and Fonti del Corallo shopping centers based on the independent appraisals, for €5,659 thousand.

- ✓ **Assets under construction and advances,** which showed an increase of €83 thousand attributable to:
  - o investments made in the reporting period explained by: (i) for €44 thousand, planning for restyling at La Favorita in Mantua; (ii) for €134 thousand, the remodeling of the Conè Shopping Market in Conegliano pursuant to the agreement signed between IGD SIIQ and Coop Alleanza 3.0 to reduce the size of the hypermarket and increase the size of the mall; (iii) for around €2,861 thousand, ongoing work at Officine Storiche;
  - o the writedowns (i) of the Portogrande expansion for €15 thousand and (ii) the Officine Storiche portion of the Porta a Mare project, nearing completion, for €2,811 thousand;

- for €130 thousand, the net decrease in advances.

✓ **Other plant, property and equipment** which reported an increase of €578 thousand attributable mainly to:
- the purchase of lead walls which were installed in the shopping malls;
- the depreciation recognized in the reporting period.

✓ **Intangible assets** which were €186 thousand lower due mainly to:
- the consolidation difference of the Romanian subsidiary Win Magazin due to foreign exchange adjustments for €250 thousand;
- the purchase of marketing software and long-term licenses;
- the amortization recognized in the reporting period.

✓ **Net working capital** which showed an increase of €3,014 thousand against 31 December 2020 explained primarily by *(i)* an increase in trade and related party receivables of €7,702 thousand attributable mainly to the difficulties encountered by a few tenants caused by the pandemic and the mandatory closures that continued during the year, *(*ii) an increase in inventory of €1,110 thousand linked to (a) the work done in the period for €1,560 thousand, (b) a writedown of €39 thousand and (c) the sale of a residential unit and 2 garages; (iii) the increase in other current assets of €1,365 due mainly to higher prepaid expenses relating to insurance and other costs pertaining to the year but paid in first half 2021, *(iv*) an increase in tax liabilities of around €1,258 thousand, relating mainly to higher VAT, *(v)* the increase in trade and related party payables of €5,242 thousand.

(in thousands of Euros)	30/06/2021	31/12/2020	▲	%
Work in progress inventory and advances	34,953	33,843	1,110	3.18%
ST trade receivables	25,032	18,260	6,772	27.05%
Related party trade and other receivables	1,705	775	930	54.55%
Other current assets	5,101	3,736	1,365	26.76%
Trade and other payables	(15,688)	(12,091)	(3,597)	22.93%
Related parties trade and other payables	(2,144)	(499)	(1,645)	76.73%
Current tax liabilities	(3,072)	(1,814)	(1,258)	40.95%
Other current liabilities	(12,452)	(11,789)	(663)	5.32%
Net working capital	**33,435**	**30,421**	**3,014**	**9.01%**

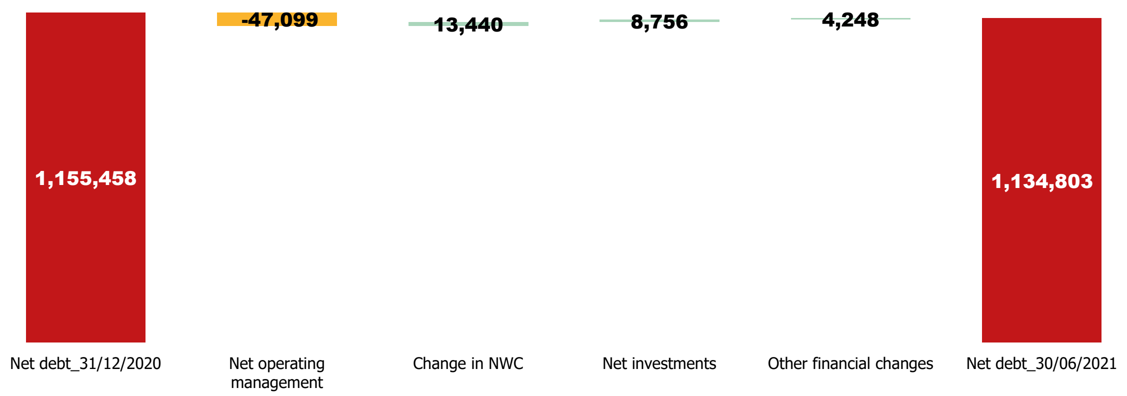
✓ **Provisions for risks and charges** which showed an decrease of €11 thousand explained by: *(i)* the provisions made for bonuses relative to 2021 payable to employees in 2022, *(ii)* provisions made for a few IMU disputes underway relative to the ESP (Ravenna) and La Torre (Palermo) shopping centers, *(iii)* adjustments to employee severance (TFR and TFM), *(iv)* the release of provisions for variable compensation for 2020 paid in June, *(v)* utilization of provisions for IMU payable in the future for the Le Maioliche center in Faenza and *(vi)* utilization of provisions for the settlement of a dispute with a retailer.

✓ **Net deferred tax assets and liabilities**, which went from €10,286 thousand to €11,774 thousand due to tax misalignments relating to (i) investment property which is not included in the SIIQ perimeter; (ii) taxed provisions, and (iii) hedges (IRS).

✓ **Payables and other non-current liabilities**, decreased €593 thousand due mainly to the reclassification under tax liabilities of the portion due in June 2022 of the substitute tax on revaluation and realignment, under the option granted by Art. 110 of Decree Law 104 of 14 August 2020 (the "August Decree," converted into Law 126 of 13 October 2020) to realign statutory amounts with those valid for tax purposes and to revalue business assets, including for tax purposes, by paying a substitute tax equal to 3% of the revalued amounts. This option was exercised in 2020 by the subsidiaries Millennium Gallery S.r.l. and IGD Management S.r.l..

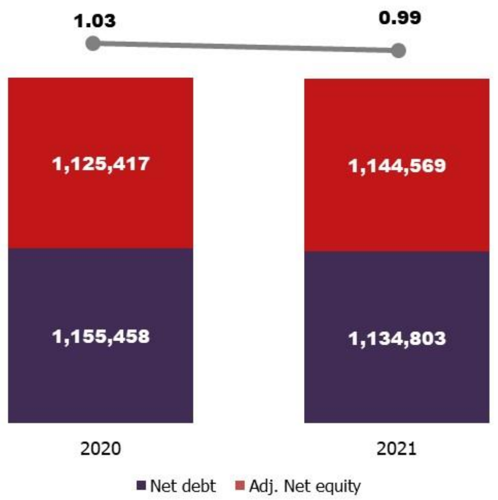
- ✓ The **Group's net equity** amounted to €1,136,234 thousand at 30 June 2021. The increase of €21,792 thousand is explained by:
  - an adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to around +€2,119 thousand for the parent company;
  - an adjustment of the CFH reserve linked to the derivatives accounted for using the cash flow hedge method which amounted to around +€523 thousand for a subsidiary;
  - for approximately -€303 thousand, movements in the translation reserve for the translation of foreign currency financial statements;
  - for €19,453 thousand, the Group's portion of the profit realized in the reporting period.
- ✓ **Net liabilities for derivatives** were down against the prior year. The mark to market valuation of hedging instruments at 30 June 2021 was €3,176 thousand higher than in the prior year.

The net financial position at 30 June 2021 was about €20.7 million lower than in the same period of the prior year. The changes are shown below:



"Short-term portions of long-term debt" shown in the net financial position includes the short-term portion of mortgages, 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 0.99 at 30 June 2021, lower than the 1.03 recorded at 31 December 2020.



1.6. // EPRA Performance Indicators

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

EPRA Vacancy Rate: the portfolio's vacancy rate calculated as the ratio between the estimated market rental value (ERV) of the vacant premises and the ERV 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, three new asset value indicators 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.

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

NET TANGIBLE ASSETS (NTA): the underlying assumption behind the EPRA Net Tangible Assets calculation assumes entities buy and sell assets, thereby crystallizing certain levels of deferred tax liability. It represents a scenario in which a few properties could be sold. At 30 June 2021 the company does not have any assets which could be sold and for this reason the deferred taxes coincide with the amount excluded from the NRV calculation. Contrary to NRV, the goodwill and the intangible assets included in the financial statements are excluded from the equity attributable to the Group.

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

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

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

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

EPRA Performance Measure	30/06/2021	31/12/2020
EPRA NRV (€'000)	1,165,199	1,145,827
EPRA NRV per share	€ 10.56	€ 10.38
EPRA NTA	1,156,816	1,137,258
EPRA NTA per share	€ 10.48	€ 10.31
EPRA NDV	1,124,867	1,149,534
EPRA NDV per share	€ 10.19	€ 10.42
EPRA Net Initial Yield (NIY)	5.8%	5.8%
EPRA 'topped-up' NIY	5.8%	5.9%
EPRA Vacancy Rate Gallerie Italy	6.3%	7.6%
EPRA Vacancy Rate Iper Italy	0.0%	0.0%
EPRA Vacancy Rate Totale Italy	4.7%	5.7%
EPRA Vacancy Rate Romania	5.7%	6.5%

EPRA Performance Measure	30/06/2021	30/06/2020
EPRA Cost Ratios (including direct vacancy costs)	19.7%	18.9%
EPRA Cost Ratios (excluding direct vacancy costs)	16.9%	16.5%
EPRA Earnings (€'000)	€ 33,493	€ 32,772
EPRA Earnings per share	€ 0.3	€ 0.3

The NAV calculations at 31 December 2020 and at 30 June 2021 are shown below:

	30/06/2021			31/12/2020		
EPRA Net Asset Value	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
IFRS Equity attributable to shareholders	**1,136,236**	**1,136,236**	**1,136,236**	**1,114,442**	**1,114,442**	**1,114,442**
Exclude:						
v) Deferred tax in relation to fair value gains of IP	17,743	17,743		16,989	16,989	
vi) Fair value of financial instruments	11,220	11,220		14,396	14,396	
viii.a) Goodwill as per the IFRS balance sheet		(8,283)	(8,283)		(8,533)	(8,533)
viii.b) Intangibles as per the IFRS balance sheet		(100)			(36)	
Include:						
ix) Fair value of fixed interest rate debt			(3,086)			43,625
NAV	**1,165,199**	**1,156,816**	**1,124,867**	**1,145,827**	**1,137,258**	**1,149,534**
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	**10.56**	**10.48**	**10.19**	**10.38**	**10.31**	**10.42**
Change % vs 31/12/2020	1.7%	1.7%	-2.1%			

The NRV was 1.7% higher than at 31 December 2020 due mainly to the changes in net equity and deferred taxes. These changes are primarily attributable to: (i) the FFO and the increase in the cash flow hedge reserve partially offset the decrease in the properties' fair value and (ii) other minor changes in equity.

The NTA was 1.7% higher than at 31 December 2020. The difference with respect to the NRV is that goodwill and intangible assets recognized in the financial statements are excluded from the NTA calculation.

The NDV is -2.1% lower than in the prior year due mainly, in addition to the above, the decrease in the fair value of debt calculated based 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 2021, in addition to a change in the composition of debt (in terms of both duration and cost).

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

NIY and "topped-up" NIY disclosure		Consolidated 30-Jun-21					Consolidated 31-Dec-20				
€'000		*Italy*	*Romania*	*Total (no IFRS16)*	*Leasehold*	*Total*	*Italy*	*Romania*	*Total (no IFRS16)*	*Leasehold*	*Total*
Investment property – wholly owned		2,057,141	137,520	**2,194,661**	37,691	**2,232,352**	2,054,991	138,640	**2,193,631**	43,320	**2,236,951**
Investment property – share of JVs/Funds		0	0	**0**	0	**0**	0	0	**0**	0	**0**
Trading property (including share of JVs)		73,220	0	**73,220**	0	**73,220**	72,060	0	**72,060**	0	**72,060**
Less developments		-280,380	0	**-280,380**	0	**-280,380**	-276,634	0	**-276,634**	0	**-276,634**
Completed property portfolio		1,849,981	137,520	**1,987,501**	37,691	**2,025,192**	1,850,417	138,640	**1,989,057**	43,320	**2,032,377**
Allowance for estimated purchasers' costs		0	0	**0**	0	**0**	0	0	**0**	0	**0**
Gross up completed property portfolio valuation	***B***	***1,849,981***	***137,520***	***1,987,501***	***37,691***	***2,025,192***	***1,850,417***	***138,640***	***1,989,057***	***43,320***	***2,032,377***
Annualised cash passing rental income		111,022	9,428	**120,450**	12,044	**132,494**	112,289	9,519	**121,808**	12,433	**134,241**
Property outgoings		-12,997	-1,370	**-14,367**	-124	**-14,491**	-13,819	-1,187	**-15,006**	-365	**-15,371**
Annualised net rents	***A***	***98,025***	***8,058***	***106,083***	***11,920***	***118,003***	***98,470***	***8,332***	***106,802***	***12,068***	***118,870***
Add: notional rent expiration of rent free periods or other lease incentives		-351	168	**-183**	-83	**-266**	964	282	**1,246**	26	**1,272**
Topped-up net annualised	*C*	**97,674**	**8,226**	**105,900**	**11,837**	**117,737**	**99,434**	**8,614**	**108,048**	**12,094**	**120,142**
EPRA NIY	**A/B**	**5.3%**	**5.9%**	**5.3%**	**31.6%**	**5.8%**	**5.3%**	**6.0%**	**5.4%**	**27.9%**	**5.8%**
EPRA "topped-up" NIY	**C/B**	**5.3%**	**6.0%**	**5.3%**	**31.4%**	**5.8%**	**5.4%**	**6.2%**	**5.4%**	**27.9%**	**5.9%**

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

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

The EPRA vacancy rate in Italy was 4.7%, lower than in the prior year (when it reached 5.7%), due to the decreased vacancy rate for malls (6.3% versus 7.6% at 31 December 2020), while full vacancy was posted for hypermarkets, consistent with the prior year. The EPRA vacancy rate in Romania was better than at 31 December 2020, dropping from 6.5% to 5.7%.

EPRA Vacancy Rate			Hyper Italy	Malls Italy	Total Italy	Romania
Estimated Rental Value of vacant space	A	x	0.00	6.34	6.34	0.56
Estimated rental value of the whole portfolio	B	x	33.7	100.3	134.0	9.7
EPRA Vacancy Rate	**A/B**	**x%**	0.00%	6.33%	4.74%	5.72%

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

Cost Ratios	1H CONS_2021	1H CONS_2020
Include:		
(i) Administrative/operating expense line per IFRS income statement	-18,475	-18,073
(ii) Net service charge costs/fees	1,707	1,818
(iii) Management fees less actual/estimated profit element	2,669	2,504
(iv) Other operating income/recharges intended to cover overhead expenses less any related profits	5	0
(v) Share of Joint Ventures expenses		
Exclude (if part of the above):		
(vi) Investment Property depreciation		
(vii) Ground rent costs	2	2
(viii) Service charge costs recovered through rents but not separately invoiced		
EPRA Costs (including direct vacancy costs) (A)	**-14,092**	**-13,749**
(ix) Direct vacancy costs	-2,047	-1,716
EPRA Costs (excluding direct vacancy costs) (B)	**-12,045**	**-12,033**
(x) Gross Rental Income less ground rent costs - per IFRS	73,068	74,634
(xi) Less: service fee and service charge costs components of Gross Rental Income (if relevant) (x)	-1,707	-1,818
(xii) Add: share of Joint Ventures (Gross Rental Income less ground rent costs)		
Gross Rental Income (C)	**71,361**	**72,816**
EPRA Cost Ratio (including direct vacancy costs) (A/C)	**19.7%**	**18.9%**
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**16.9%**	**16.5%**

The increase in the EPRA cost ratio is linked to the increase in direct costs as a percentage of gross rental income.
The estimated one-off impact of Covid-19 (of €7,457 thousand) recognized in credit losses was not included in this calculation (namely the "(i) Administrative/operating expense line of the IFRS income statement").
In the first half of 2021 and in the same period of the prior year, the Group only capitalized project management costs linked to the Porta a Mare project of around €12.5 thousand.

The Epra Earnings per share calculation is shown below:

EPRA Earnings & Earnings Per Share	1H CONS_2021	1H CONS_2020
Earnings per IFRS income statement	**19,453**	**-38,830**
EPRA Earnings Adjustments:		
(i) Changes in value of investment properties, development properties held for investment and other interests	12,455	73,577
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	0	-72
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	-29	161
(iv) Tax on profits or losses on disposals	8	-45
(v) Negative goodwill / goodwill impairment	0	0
(vi) Changes in fair value of financial instruments and associated close-out costs	522	526
(vii) Acquisition costs on share deals and non-controlling joint venture interests	0	0
(viii) Deferred tax in respect of EPRA adjustments	1,084	-2,545
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	0	0
(x) Non-controlling interests in respect of the above	0	0
EPRA Earnings	**33,493**	**32,772**
Company specific adjustments:		
(a) General provisions and depreciations	529	502
(b) Non-controlling interests in respect of the above	0	0
(c) Tax on profits or losses on disposals	-8	45
(d) Contingent tax	0	-91
(e) Other deferred tax	-429	-129
(f) Capitalized interests	0	0
(g) Current Tax	0	302
(h) Ground rent costs, adjustement financial results and non- recurring expenses	-3,643	-635
(i) Other Adjstument for no core activities	968	114
Company specific Adjusted Earnings	**30,910**	**32,880**
Earnings Per Share		
Number of shares*	110,341,903	110,341,903
Earnings Per Share	**0.30**	**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 above EPRA adjustments, the non-recurring tax recognized in the income statement and the deferred tax that does not relate to the fair value of properties and financial instruments recognized in the income statement. The figure posted at 30 June 2021 shows an increase of €721 thousand or +2.2%against the same period of the prior year, attributable mainly to the estimated one-off impact of Covid-19 which was €1,495 thousand lower than in the previous year.

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/thousand)	30/06/2021	31/12/2020
Acquisitions	0	0
Development	4,420	10,310
Investment properties	6,190	7,980
Incremental lettable space	0	0
No incremental lettable space	632	1,999
Tenant incentives	0	0
Other material non-allocated types of expenditure	5,558	5,981
Capitalised interest (if applicable)	0	0
Total CapEx	**10,610**	**18,290**
Conversion from accrual to cash basis		
Total CapEx on cash basis	**10,610**	**18,290**

The Group is not party to any joint ventures.

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

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

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

The Estimated Rental Value of Vacant Space is reported on in the section above on the Epra Vacancy Rate.

For the accounting standards used for the various asset classes please refer to the Explanatory Notes (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 Report on Operations 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 2021 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 Report on Operations.

1.7. // The Stock

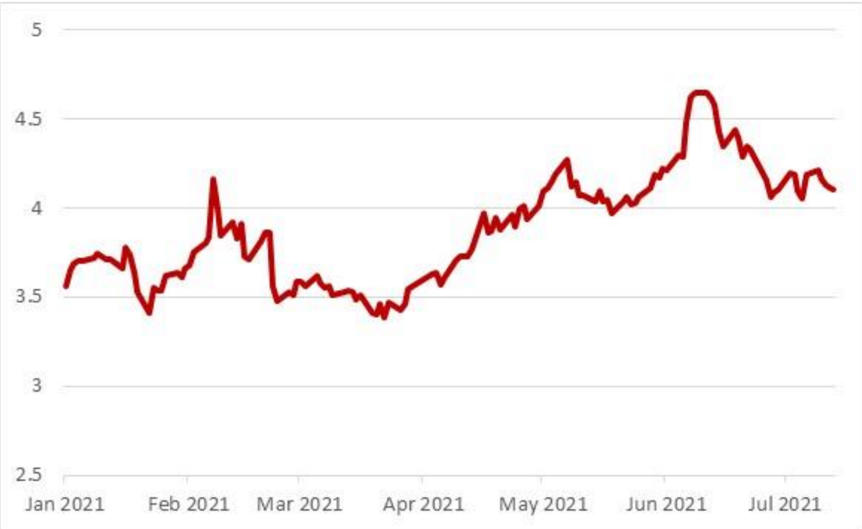
IGD's shares are traded on the Mercato Telematico Azionario (MTA - screen-based stock market) managed by Borsa Italiana as part of the Industry Finanza and Super Sector Beni Immobili index; IGD is also part of the STAR segment. The stock began trading on 11 February 2005.

The minimum lot is €1.00 and the company's specialist is Banca IMI.
IGD's stock symbols:
RIC: IGD.MI
BLOOM: IGD IM
ISIN: IT0005322612
Borsa Italiana ID instrument: 327.322
IGD SIIQ SpA's share capital amounts to €650,000,000.00, broken down into 110,341,903 ordinary shares without a stated par value. No changes to the share capital took place in the first half of 2021.

IGD is included in a number of index families.
International indices: Bloomberg, FTSE Russel, MSCI, S&P, STOXX and Wisdomtree.
Real estate sector indices: EPRA (European Public Real Estate Association), IEIF (Institut de l'Epargne Immobilière et Foncière) and GPR (Global Property Research).
IGD is included in the following ESG (Environment, Social & Governance) indices, as well: GPR IPCM LFFS Sustainable GRES Index, GPR Eurozone ESG+, Vanguard ESG International Stock ETF.

The most recent ESG ratings or scores obtained by IGD are: BB from MSCI, A- (76.6) from Refinitiv, and 38 from Vigeo Eiris. IGD also obtained an ISS score of 1 for governance, 2 for Environmental and 3 for Social.

IGD's stock price since 2 January 2021



Source: Italian Stock Exchange data compiled by IGD

IGD's stock price rose 12.8% in the first six months of 2021, even though the measures taken to control the pandemic in place for a large part of the reporting period limited shopping center operation significantly. From the price of €3.60 recorded at year-end 2020, the stock reached €4.06 at 30 June 2021.

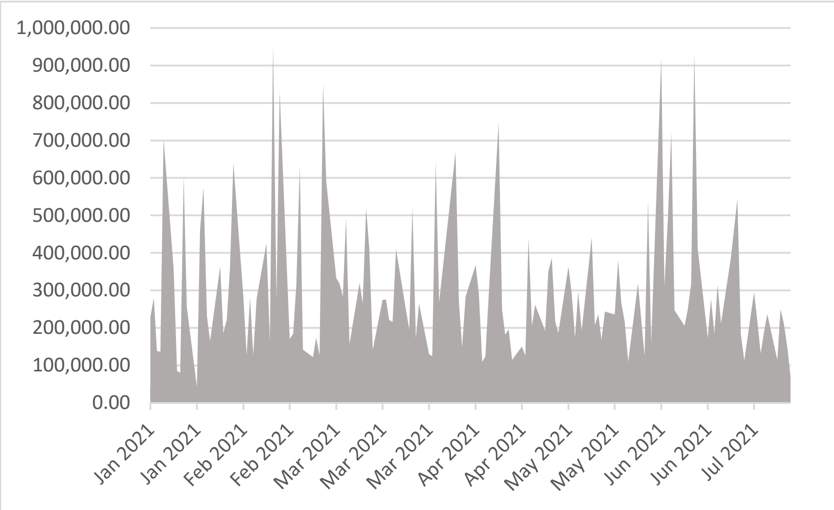
On 10 February the stock reached its period high of €4.165 in the wake of the enthusiasm for the vaccine rollouts which, by guaranteeing a high degree of immunity, would allow for renewed mobility and pave the way for economic recovery.

In February, however, concerns about a hyperinflationary environment triggered by a rapid acceleration of the economy which caused a sudden and significant uptick in bond yields. The stock markets were subject to an abrupt selloff which also affected IGD's stock.

In the second half of March the stock began to rise again, reaching a period high of €4.65 on 14 June.

The rally accelerated as of mid-May with the reopening of many businesses – which in Italy was allowed as of 17 May including on Saturday and Sunday – which was quickly translated into comforting footfall numbers at the shopping centers, as announced by IGD on 24 May.

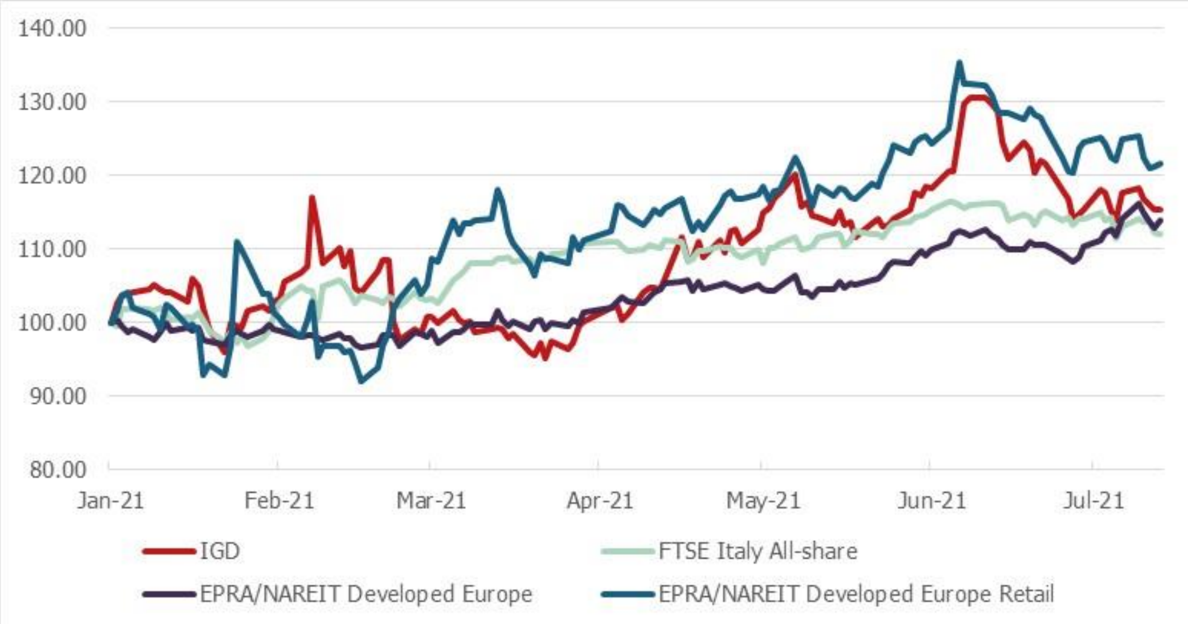
Volumes of IGD stock traded since 2 January 2021



Source: Italian Stock Exchange data compiled by IGD

In the first half of 2021 an average of 313,390 IGD shares were traded each day, an increase of 26.6% compared to the average of 247,427 shares traded in first half 2020. The average daily volume traded in the first half of 2021 was also higher compared to the daily average of 261,262 shares traded in FY 2020.

IGD's stock vs. the Italian stock market index FTSE Italia All- Share and EPRA/NAREIT Developed Europe and EPRA/NAREIT Developed Europe Retail (base 4.1.2021 = 100)



Source: Italian Stock Exchange data compiled by IGD

When looking at the **performance of IGD's stock price** a few positive elements emerge which caused the whole set of benchmark indices to rise:

- the vaccine rollouts were faster than expected at the beginning of the year;
- in addition to expansionary fiscal policies already announced, in March the USA introduced a new stimulus package of €1.9 billion which was more than expected;
- the profits of listed companies accelerated in the first quarter of 2021;
- a majority of investors viewed inflation, while it exceeded expectations, as transitory and driven by circumstances connected to the pandemic as in the case of supply chain disruptions which affected the supply of raw materials, semi-finished products and components;
- the accommodative stance maintained by the central banks.

Thanks to similar support factors, the stock markets began to rise with the indices driven mainly by sectors, like financial and energy, which are the direct beneficiaries of the recovery. In the first six months of 2021, the Italian index **FTSE Italy All-Share Index** rose 13.8% compared to year-end 2020.

Despite the return of large M&A transactions in Europe in the first part of 2021, the real estate sector index **EPRA/NAREIT Developed Europe** recorded a modest increase in first half 2021 of 7,3% and underperformed the STOXX 600 (+13.1%).

In the first half of 2021 the retail real estate index **EPRA/NAREIT Developed Europe Retail**, which had one of the worst performances in 2020 due to the Covid-19 health crisis with rising vacancy rates and decreasing rent collection, posted a significant recovery of 14.4% even though the majority of businesses were closed through March.

In 2021 a few players who manage shopping centers demonstrated that they had successfully undergone rapid change, including aspects of the digital economy in their business models. This caused investors to consider that if the listed companies were able to introduce change based on an omnichannel strategy than they should be trading at higher multiples. Several retail real estate stocks recorded strong price upticks as the progress made with the vaccine rollouts indicated that it would be possible to eliminate the restrictions and increase mobility. The segment became particularly attractive to investors as soon as the first signals of improved rent collection and occupancy materialized. The companies active in countries with solid economic growth, with solid balance sheets and indexed leases, were preferred.

The performance of IGD's stock, which rose 12.8% in the first half of 2021**, was largely in line with the Italian stock market and the retail real estate indices, but outperformed the European real estate sector index.**

Investor relations and financial communication

Analyst coverage

At the end of June 2021 IGD was covered by five brokers with an average target price of €4.44. Even after the increase seen in the first six months of the year, there is still potential upside of 9.4% with respect to the closing price recorded at 30 June 2021. Two brokers have buy recommendations (Accumulate, Add), while the remainder are neutral (Neutral, Hold). No broker has issued a sell recommendation.

Presentations and meetings with investors

In the first half of 2021 IGD organized two conference calls on:

- 25 February, to discuss the FY 2020 results;
- 6 May, to discuss the results for first quarter 2021.

Virtual meetings with investors were held continuously using digital platforms.
IGD's management participated in the STAR Conference organized by Borsa Italiana held on 25 March 2021. On 15-16 June the Company also attended Virgilio IR's Mid&Small 2021 Spring Conference.
On 1 July IGD also had several meetings with investors to discuss ESG issues during Italian Sustainability Week – Digital Edition, organized by Borsa Italiana.
During the first half of 2021 the Company was also able to speak with international and domestic investors thanks to the virtual mini-roadshows organized by brokers.
Overall, therefore, thus far IGD's management has met with 18 institutional investors in 2021.

Financial calendar 2021

5 August - Board of Directors' meeting to approve the Half-Year Financial Report as at 30 June 2021.
4 November - Board of Directors' meeting to approve the Interim Financial Report as at 30 September 2021.

1.8. // Significant events in the half

The main events for the reporting period are described below.

Corporate events

On 13 January 2021 IGD, pursuant to condition 7(c) (Redemption at the option of the Issuer) of the terms and conditions of the "€300,000,000 2.500 per cent. Notes due 31 May 2021" (ISIN: XS1425959316) (the "Bond Loan" or the "Notes"), outstanding for an aggregate principal amount of €70,793,000, published a notice informing the noteholders that the Company had exercised the option for early redemption of the Notes. On 1 March 2021 the Notes were redeemed in full.

On 25 February 2021 the Board of Directors approved the draft separate and consolidated financial statements for FY 2020, as well as the Annual Report on Corporate Governance and Ownership Structure, included in the annual report, and the Report on Remuneration. The Board of Directors also approved the eleventh Corporate Sustainability Report. Consistent with the strategic objective to maintain an investment grade portfolio, the Board of Directors also granted CBRE, a premiere international advisor, a mandate for the disposal of a portfolio of stand-alone hypermarkets and supermarkets for approximately €185 million. Currently this portfolio is of great interest to the market as it comprises assets with solid appeal, which provide interesting returns to investors, long-term leases and stable rents.

During the Ordinary Annual General Meeting held on 15 April 2021, IGD's shareholders approved the 2020 financial statements of IGD SIIQ S.p.A. and resolved to cover the net loss reported at 31 December 2020 of €66,437,039.64, as described below and to cover and reclassify reserves as follows: - to cover the net loss of €66,437,039.64 recorded at 31 December 2020 using the share premium reserve, for €30,031,594.47, and distributable reserves, for €36,405,445.17; - to reclassify the Fair Value reserve by €31,737,981.96, following changes to the distributable income limits pursuant to Art. 6 of Legislative Decree n. 38 of 28 February 2005, increasing the reserve for distributable earnings by the same amount. Consequently, the fair value reserve, relative to the fair value of the real estate portfolio, went from €283,158,850.19 to €251,420,868.23 - to cover the capital increase reserve, negative for €10,304,558.06, with the bond issue reserve; - to cover the treasury share reserve, negative for €233,087.16, with the bond issue reserve; - to cover the IFRS 9 FTA reserve, negative for €4,353,719.51, with the bond issue reserve, for €4,327,109.19, and the share premium reserve, for €26,610.32.
Shareholders also appointed the Board of Directors that will remain in office for the next three years, through the Annual General Meeting called to approve the 2023 Annual Report, setting the number of directors at 11, as well as the Board of Statutory Auditors which will remain in office for the same period. During the Shareholders' Meeting shareholders also 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.

On 20 April 2021 IGD's Board of Directors, appointed by shareholders during the Annual General Meeting held of 15 April 2021, for the three-year period 2021-2023, appointed Rossella Saoncella Chairman of the Board of Directors and confirmed Claudio Albertini as Chief Executive Officer.

The Board also appointed Director Stefano Dall'Ara Vice Chairman of the Board of Directors. The Board of Directors granted the Chief Executive Officer powers similar to those granted in the previous mandate, as well as functions as part of the internal control and risk management system. The Board of Directors also appointed the Board committees.

On 6 May 2021 the Board of Directors also examined and approved the interim financial report at 31 March 2021.

Investments

As the Covid-19 health crisis continued, in the first half of 2021 all work underway was suspended with the exception of anything that could not be postponed.
The Group, therefore, continued with the development of the Porta a Mare – Officine project, the planning of the restyling at the La Favorita Shopping Center and Retail Park in Mantua, the remodeling of the spaces at the Conè Shopping Center in Conegliano, as well as extraordinary maintenance.

The investments made at 30 June 2021 are shown below:

	30/06/2021 Euro/mn
Development projects:	
Porta a Mare project; Officine Storiche retail area (in progress)	2,86
Porta a Mare project (Trading) (in progress)	1,56
Restyling in progress	0,18
Extraordinary maintenance	5,00
Other	1,01
Total investements carried out	**10,61**

Development projects

"Porta a Mare" Project

In the second half work on the residential portion of the Officine Storiche section for a total of around €1,560 thousand continued, as did work on the urban planning in the Molo, Lips and Arsenale areas and the retail portion, the completion of which has been postponed to the first half of 2022 due to the pandemic, which amounted to approximately €2.861 thousand. Fifteen preliminary sales agreements/binding offers for residential units in the Officine Storiche area had been signed on 30 June 2021, eight of which in the first quarter of 2021. Lastly, during the half of 2021 the sale of a residential unit and two garages in the Mazzini section closed.

Restyling

At 30 June 2021 work was still underway on:

- planning the restyling of the La Favorita Shopping Center and Retail Park in Mantua and the Porto Grande Shopping Center in San Benedetto del Tronto. The costs incurred for the planning of the restyling at La Favorita amounted to €44 thousand;
- remodeling the spaces inside the Conè center in Conegliano and Porto Grande in San Benedetto del Tronto created by reducing the size of the hypermarket (which was done in 2020) to expand the shopping malls, as per the agreement signed between IGD SIIQ and Coop Alleanza 3.0. The work is expected to be completed in the second half of 2021. The work completed in the half totaled €134 thousand;
- while work on the new medium-sized retail areas in the Gran Rondò Shopping Center and Retail Park in Crema is currently suspended and no work was done in the half.

As described above, in the wake of the Covid-19 health crisis, the Group decided to suspend all work in progress that could not be deferred. The restyling of the La Favorita center in Mantua and Porto Grande in San Benedetto is expected to resume in the second half of 2021.

La Favorita (MN) – Food court

Gran Rondò Mall - Crema

Extraordinary maintenance

In the first half of 2021, only extraordinary maintenance and fit-outs which could not be postponed continued, for a total of €4,997 thousand, relating mainly to reducing the size of the hypermarket at the Casilino center in Rome, earthquake proofing at the La Favorita center, fit-outs at the Le Maioliche center in Faenza and Lame in Bologna, in preparation for the opening of two Pepco brand stores, the creation of a bike path at the Clodì (Chioggia) retail park and fire alarm system improvements, primarily at a few Romanian shopping centers.

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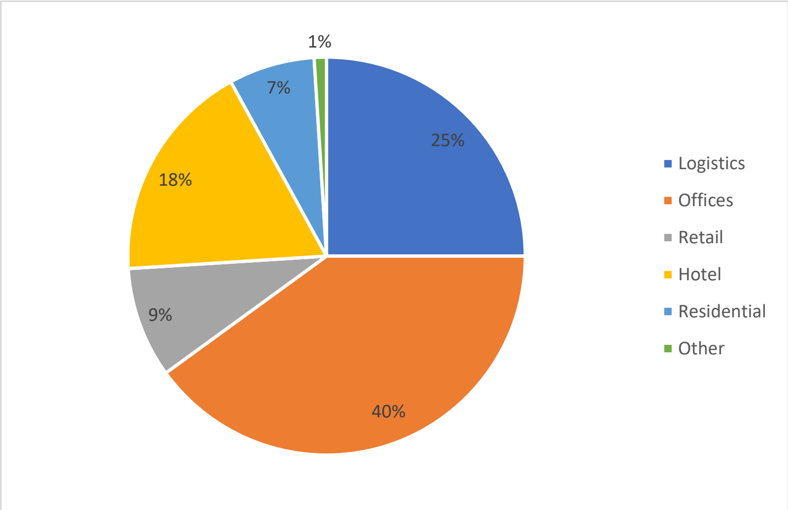
1.9.// The Real Estate Portfolio

For a better understanding of the performance of Gruppo IGD SIIQ SPA's real estate portfolio in both Italy and Romania, below is a brief description of how the Italian and European retail real estate markets performed in the first half of 2021.

THE ITALIAN REAL ESTATE MARKET

In the first half of 2021 the real estate market was still affected by the Covid-19 pandemic which, above all, caused the amount of time needed to close transactions to increase. The amount transacted was 15% lower than in the same period in the prior year, coming in at €3 billion.

Italian commercial real estate transactions 1H2021

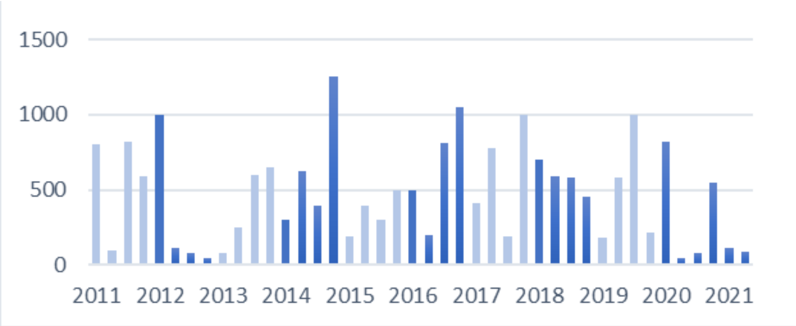


Source JLL Italian market perspective July 2021

THE ITALIAN RETAIL REAL ESTATE MARKET

Investments in the retail real estate market totaled around €200 million in the first half of 2021, a decrease of 76% against the same period of 2020.
The transactions were smaller in size and mainly in the high street sector which maintains a certain appeal for core institutional investors, above all mixed-use assets which allow for greater diversification of risk.
The supermarket sector also held as the yields remained in line with the lows recorded at year-end 2019.
A few searches begun by specialty retail or opportunistic investors focused on the out of town segment (shopping centers, retail parks and factory outlets) indicate that in the next half this sector could also show signs of recovery.
Vacancies have increased during the year but, thanks to temporary incentives targeting retailers, rents have not dropped (rents for "prime" shopping centers were steady at €940/m^2/per year) and yields were unchanged at around 6.15%.

Changes in retail investments in Italy

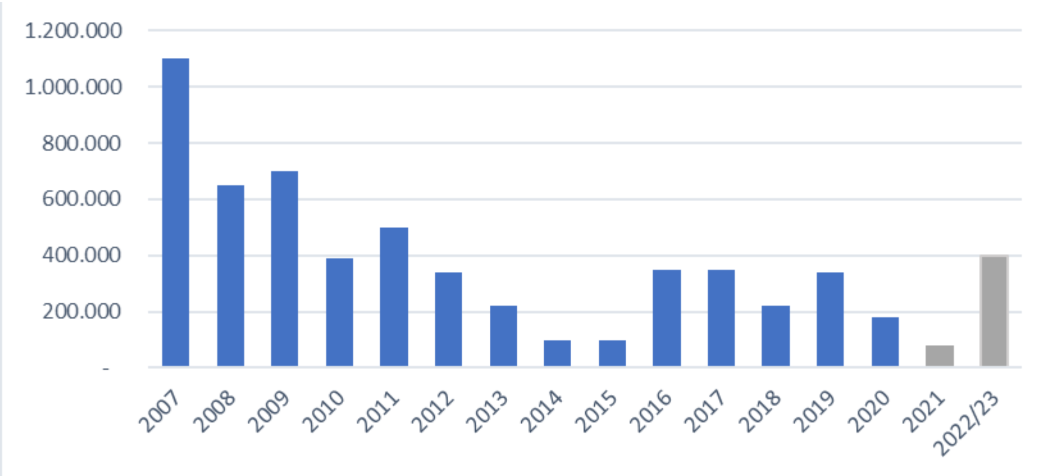


Source CBRE market snapshot- retail 2Q2021

THE STOCK AND THE RETAIL SECTOR PIPELINE

The San Marino Outlet Experience, with a GLA of 25,000 m² was completed in the half, and an additional GLA of 56,000 m² is expected to be added by year-end. Another 400 m² GLA is expected to be completed in the two-year period 2022/2023.

New retail developments completed and still underway at 31 December 2020 (GLA >10,000 m²) (m²/gla)

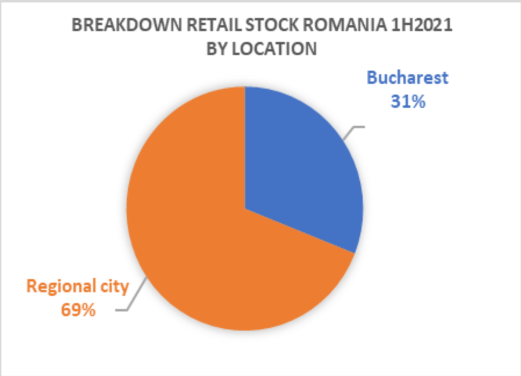


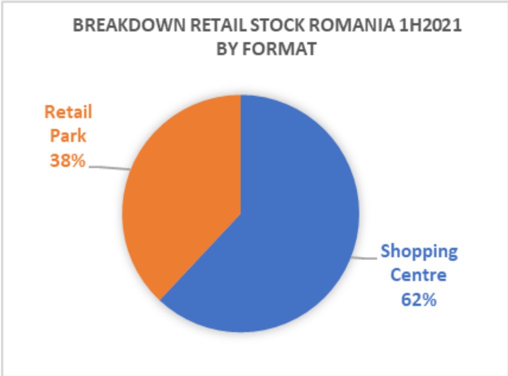
Source CBRE market snapshot- retail 2Q2021

THE ROMANIAN RETAIL REAL ESTATE MARKET

The pandemic slowed, but did not stop, the production of new modern commercial spaces; in the first half of 2021 the stock reached 3.93 million m² of GLA and an additional 177,800 m² is expected to be added by year-end 2021.

The stock currently comprises shopping centers and retail parks for 62% and 38%, respectively, but the preference for the future appears to be specialized formats as roughly 85% of the new GLA will be dedicated to the retail park format which has shown greater resilience in the face of the pandemic's restrictions. The remaining 15% will involve expansions of existing centers.





Despite the retailers' requests to renegotiate rents, the "prime" yields for the retail sector are unchanged with respect to the prior half and rents are steady at €70/m^2/month for shopping centers and €45 m^2/month for High Street.

1.9.1. The Real Estate Assets

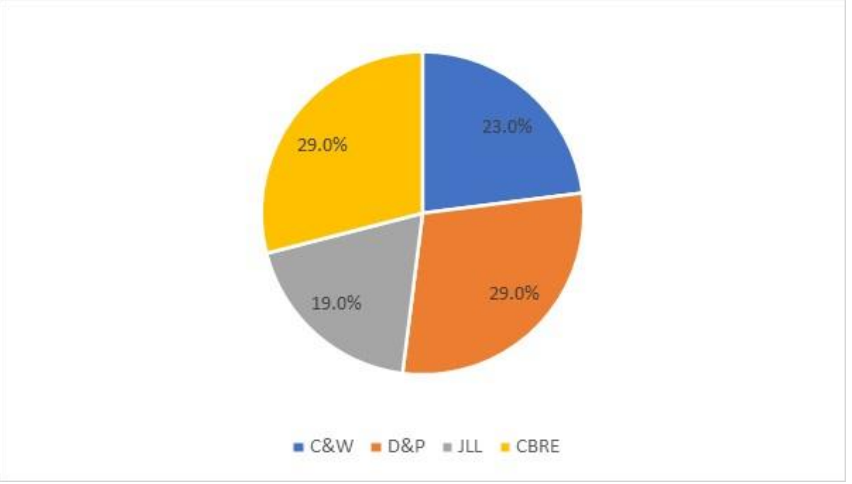
Based on the appraisals at 30 June 2021, Gruppo IGD SIIQ SPA's freehold real estate portfolio had a fair value of €2,267.9 million, to which the fair value of the leasehold properties (€37.7 million) should be added.

FREEHOLD ASSETS

Gruppo IGD SIIQ SPA's real estate portfolio is comprised of commercial retail properties (of which 97% is already generating revenue) and assets under construction.

The assets generating revenue streams are found in Italy and Romania, while at 30 June 2021 the development projects were solely in Italy. The property appraisals are carried out by CBRE Valuation S.p.A. (also referred to as CBRE), Duff&Phelps Reag S.p.A. (also referred to as D&P), Cushman & Wakefield LLP (also referred to as C&W) and Jones Lang LaSalle S.p.A (also referred to as JLL) whose mandates were renewed in 2020 for two more years.

The breakdown of IGD's assets by percentage of fair value assigned to the four appraisers is shown below.



The breakdown of fair value by appraiser at 30 June 2021 in Italy and Romania is shown below:

Amounts in € million	Fair Value 30.06.21 Total	Fair Value 30.06.21 Italy	Fair Value 30.06.21 Romania
C&W	521.21	521.21	0
CBRE	659.44	586.42	73.02
JLL	425.99	425.99	0
Duff&Phelps	661.24	596.74	64.5
Total IGD's Portfolio	**2,267.88**	**2,130.36**	**137.52**

The fees paid to the independent appraisers at 30 June 2021 are shown below:

Amounts in thousands of Euro	Appraisals fees	Other fees	Total fees
CBRE	53	0	53
Duff&Phelps	85	0	85
JLL	38	0	38
C&W	38	0	38
Total fees	**214**	**0**	**214**

The asset classes comprising the Group’s real estate portfolio at 30 June 2021 are described below:

- “Hyper and super”: 25 properties with a total GLA of about 228,000 m^2, found in 8 regions in Italy;
- “Malls and retail parks”: 27 properties with a total GLA of about 423,000 m^2, found in 12 regions in Italy;
- “Other”: two mixed-use properties which are part of freehold shopping centers, a store, two office units, and a mixed-use property used by athletes and sports associations as housing/offices, for a total of 6 properties with a GLA of about 9,142 m^2;
- “Progetto Porta a Mare”: a mixed-use real estate complex under construction with a residual SLP of approximately 45,100 m^2 located near Livorno’s waterfront;;
- “Development projects”: this asset class comprises a single property located near the Porto Grande Shopping Center which will be used to expand the center by around 5,000 m^2 GLA;

- "Winmarkt": a portfolio of 14 properties used for retail purposes, and an office building, found throughout Romania covering a total area of approximately 94,000 m^2. The properties belonging to this asset class are centrally located in thirteen of Romania's largest cities, but none are found in the capital, Bucharest.

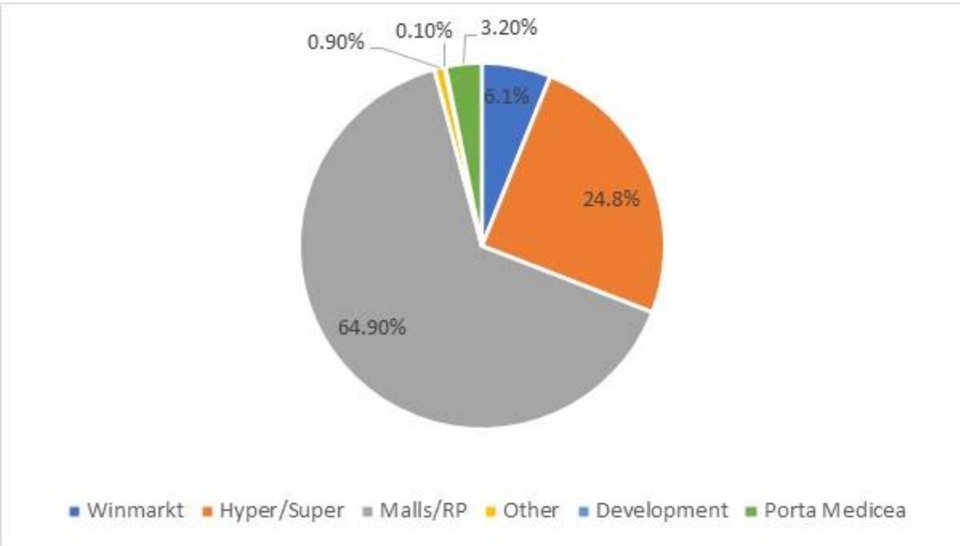
Gruppo IGD Siiq has 60 properties in Italy and can be broken down by asset class as follows:

- 25 hypermarkets and supermarkets
- 27 shopping malls and retail parks
- 1 development project
- 1 asset held for trading
- 6 other

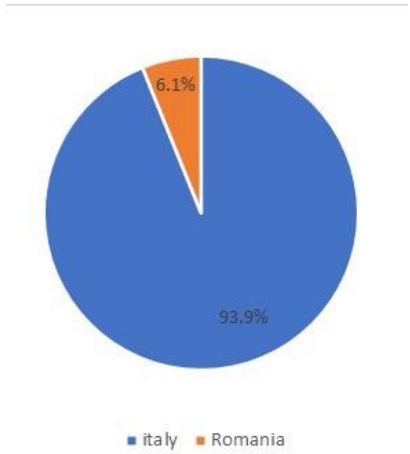
Gruppo IGD has 15 properties in Romania, broken down as follows:

- 14 shopping malls
- 1 office building

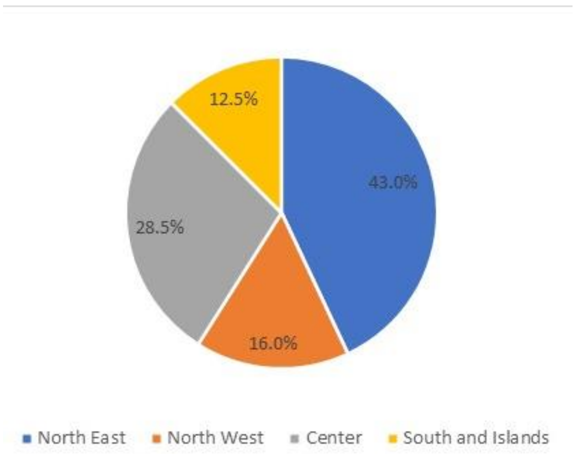
Breakdown of IGD's real estate portfolio by asset class



Geographic breakdown of IGD's portfolio



Geographic breakdown of IGD's portfolio in Italy

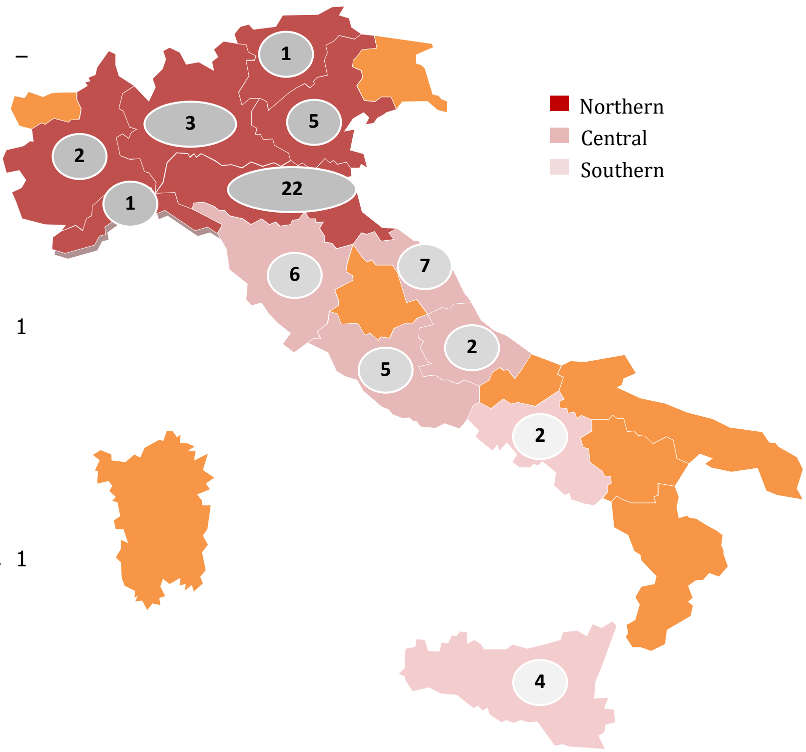


LEASEHOLD ASSETS

The leasehold assets comprise three Italian shopping malls, with a total GLA of around 31,800 m^2 , found in Villanova di Castenaso (Bologna), San Donà di Piave (Venice) and Livorno.

Map of IGD's real estate portfolio in Italy at 30.06.2021

E.Romagna:8 Malls, 9 Hyper – super,5 Other;
Piedmont: 2 Malls +RP;
Lombardy:3 Malls;
Liguria: 1 mall;
Trentino: 1 mall;
Veneto; 2 Malls + RP; 3 Hyper;
Marche: 2 Malls, 4 Hyper, 1 development project;
Abruzzo: 1 Mall; 1 Hyper;
Campania: 1 Mall; 1 Hyper;
Lazio: 2 Malls; 3 Hyper-super;
Toscana: 2 Hyper-super, 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 30.06.2021

15 freehold assets

Muntenia: 6 malls, 1 office building;

Moldova: 3 malls +RP;

Oltenia: 1 mall;

Transilvania: 3 malls;

Dobrogea: 1 mall.

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

ITALIA

Appraiser	Asset	Location	Mall and Retail Parl GLA (sqm)	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
JLL	Galleria Commerciale Millennium	Rovereto (TN)	7,683	//	MILLENNIUM GALLERY SRL	2004	//	100%	Freehold property (excluding supermarket and a portion of the mall)	28	4		900	Game 7 Athletics, Oviesse, Trony, Bata	Superstore Despar (not owned)	//
JLL	Ipermercato CC I Malatesta	Rimini (RN)	//	882	IGD SIIQ SPA	2005	//	100%	Freehold property (hypermarket + wholesale area + fitness area)					//	Ipercoop	10,435
JLL	Ipermercato Schio	Schio (VI)	//		IGD SIIQ SPA	2008	//	100%	Freehold property (only hypermarket)					//	Ipercoop	8,176
JLL	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, Maisons du Monde, Scarpe & Scarpe	Ipercoop	16,536
JLL	Supermercato Cecina	Cecina (LI)	//	//	IGD SIIQ SPA	1994	//	100%	Freehold property (only supermarket)					//	Coop	5,749
JLL	Ipermercato CC Il Maestrale	Cesano di Senigallia (AN)	//	//	IGD SIIQ SPA	1999	//	100%	Freehold property (hypermarket)					//	Ipercoop	12,501
JLL	Centro Commerciale e Retail Park Conè	Conegliano (TV)	20,559	//	IGD SIIQ SPA	2010	2019 riduzione Iper -	100%	Freehold property	56	11		1,550	Maison du Monde,Conbipel, H&M, Librerie Coop, Euronics, Scarpe&Scarpe, Stradivarius	Ipercoop	6,972
JLL	Supermercato Civita Castellana	Civita Castellana (VT)	//	//	IGD SIIQ SPA	2010	//	100%	Freehold property (only supermarket)					//	Coop	3,020
C&W	Centro Commerciale Borgo	Bologna (BO)	6,975	//	IGD SIIQ SPA	1989	2015	100%	Freehold property	33	4		1,450	Librerie Coop, Unieuro, Scarpe&Scarpe	Ipercoop	11,480
C&W	Ipermercato CC Miralfiore	Pesaro (PU)	//	//	IGD SIIQ SPA	1992	//	100%	Freehold property (hypermarket)					//	Ipercoop	10,412
C&W	Ipermercato CC Globo	Lugo di Romagna (RA)	//	//	IGD SIIQ SPA	1997	2005	100%	Freehold property (hypermarket)					//	Ipercoop	7,937
C&W	Centro Commerciale Porto Grande	Porto d'Ascoli (AP)	7,460	543	IGD SIIQ SPA	2001	2019 riduzione Iper -	100%	Freehold property	36	2	1	1,730	Decathlon, Deichmann	Ipercoop	8,360
C&W	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	Decathlon, Euronics, Librerie Coop, Piazza Italia; Terranova; Intersport; Scarpamondo	Ipercoop	14,127
C&W	Centro Commerciale Lungo Savio	Cesena FC)	2,928	//	IGD SIIQ SPA	2002	//	100%	Freehold property	23	1		850	Librerie Coop, Motivi, Primigi; Kiko	Ipercoop	7,476
C&W	Centro Commerciale Le Maioliche	Faenza (RA)	25,343	//	IGD SIIQ SPA	2009	//	100%	Freehold property	42	12		2,400	Deichmann, H&M, Trony, C&A, Decathlon, Bricofer	Ipercoop	6,163
C&W	Centro Commerciale Leonardo	Imola (BO)	15,060	//	IGD SIIQ SPA	1992	2012 (Zara p1)	100%	Freehold property	60	7			OVS, Zara,Mediaworld	Ipercoop	15,862
C&W	Centro Commerciale Lame	Bologna (BO)	6,139	//	IGD SIIQ SPA	1996	2003	100%	Freehold property	43	1			Benetton, Original Marines, Camaieu	Ipercoop	15,201
CBRE	Centro Commerciale Città delle Stelle	Ascoli Piceno (AP)	20,993	1,850	IGD SIIQ SPA	2002	2017	100%	Freehold property	43	8	1	2,200	Piazza Italia, Unieuro, H&M; Multiplex Stelle; Kiabi, Casa, Clayton; Dverso	Ipercoop	9,614
CBRE	Centro Commerciale Casilino	Roma (RM)	5,575	800	IGD SIIQ SPA	2002	2019 restyling parziale e nuova MS PT; 2021 Rimodulazione	100%	Freehold property	23	3	1	1,260	Euronics, Bata, Piazza Italia, Satur;	Ipercoop	5,870
CBRE	Centro Commerciale La Torre	Palermo (PA)	15,216	//	IGD SIIQ SPA	2010	//	100%	Freehold property	43	6		1,700	Expert, Scarpe&Scarpe, Piazza Italia, H&M; McDonald	Ipercoop	11,217
CBRE	Piastra Commerciale Mazzini	Livorno (LI)	6,086	//	IGD SIIQ SPA	2014	//	100%	Freehold property	19	1			Unieuro/Coop	Coop	1,440
CBRE	Galleria CC Luna	Sarzana (SP)	3,576	//	IGD SIIQ SPA	1992	//	100%	Freehold property (excluding hypermarket)	38	1			Piazza Italia, Kiko, GameStop, Camaieu	Ipercoop (not owned)	//
CBRE	Galleria CC Favorita	Mantova (MN)	7,400	//	IGD SIIQ SPA	1996	2007	100%	Freehold property (excluding hypermarket)	33	4			Ovs, Piazza Italia, Calliope, Deichmann	Ipercoop (not owned	//
CBRE	Retail Park CC Favorita	Mantova (MN)	6,214	//	IGD SIIQ SPA	1996	//	100%	Freehold property (only buildings 1, 2A, 2B, 3)	5				Mediaworld,Terranova, Scarpe & Scarpe, Upim	//	//
CBRE	Galleria Commerciale Punta di Ferro	Forlì (FC)	21,218	//	IGD SIIQ SPA	2011	//	100%	Freehold property (excluding hypermarket)	93	3		2,854	H&M, Unieuro, Toys, McDonald, Deichmann, Benetton	Conad (not owned	//
CBRE	Galleria Commerciale Maremà	Grosseto (GR)	17,120	//	IGD SIIQ SPA	2016	//	100%	Freehold property (excluding hypermarket)	45	6		3,000	Piazza Italia, Decathlon, Zara, Bershka, Stradivarius, Pull & Bear	Ipercoop ((not owned	//
CBRE	Centro Commerciale Katanè	Gravina di Catania (CT)	14,935	//	IGD SIIQ SPA	2009	//	100%	Freehold property	67	6		1,320	Adidas, Euronics, H&M, Conbipel, Piazza Italia,	Ipercoop	13,663
D&P	Centro Commerciale Tiburtino	Guidonia Montecelio (RM)	33,557	//	IGD SIIQ SPA	2009	//	100%	Freehold property	99	13		3,800	Desigual; Bata; Azzurra Sport, H&M, Piazza Italia, Obi, Scarpamondo,NewYorker, Euronics	Ipercoop	7,663
D&P	Ipermercatoe MS CC Fonti del Corallo	Livorno (LI)	5,835	//	IGD SIIQ SPA	2003	//	100%	Freehold property (only hypermarket + MS from hyper remodeling)		5			//	Ipercoop	9,359
D&P	Galleria Commerciale Gran Rondò	Crema (CR)	15,248	//	IGD SIIQ SPA	1994	2006	100%	Freehold property (excluding hypermarket)	38	4	presente distributore di proprietà Coop Lombardia	1,280	Oviesse, Promenade calzature	Ipercoop (not owned	//
D&P	Centro Commerciale Le Porte di Napoli	Afragola (NA)	16,987	//	IGD SIIQ SPA	1999	2014	100%	Freehold property	67	8		2,650	Desigual; Euronics, H&M, Piazza Italia; Rosso Pomodoro	Ipercoop	9,570
D&P	Galleria Commerciale Sarca	Sesto S. Giovanni (MI)	23,873	//	IGD MANAGEMENT SRL	2003	2015	100%	Freehold property (excluding hypermarket)	72	8		2,500	OVS, H&M, Piazza Italia, Skyline cinema, Roadhouse, Scarpe&Scarpe , Rosso Pomodoro	Ipercoop (not owned	//
D&P	Galleria Commerciale e Retail Park Mondovicino	Mondovì (CN)	17,194	//	IGD SIIQ SPA	2007	//	100%	Freehold property (excluding hypermarket)	42	9		4,500	Jysk,OVS, Librerie.Coop, Brico IO, Foot Loker	Ipercoop (not owned	//
D&P	Centro Commerciale Darsena City	Ferrara (FE)	16,250	//	IGD SIIQ SPA	2005	//	100%	Freehold property	15	2		1,320	Pittarosso, UCI, WeArena	Despar	3,715
D&P	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 (not owned	//
D&P	Retail Park Clodì	Chioggia (VE)	9,329	//	IGD SIIQ SPA	2015		100%	Freehold property	8	6			OVS, Scarpe&Scarpe; Piazza Italia, Dechatlon	Ipercoop	7,490
D&P	Supermercato Aquileia	Ravenna (RA)	//	//	IGD SIIQ SPA		//	100%	Freehold property (supermarket)					//	Coop	2,250
EY	Centro Piave	San Donà di Piave (VE)	11,618	//	CSII SPA	1995	2003	//	Master Leasing	48	5		1,500	Cisalfa, Librerie Coop, Oviesse, Piazza Italia, Scarpe&Scarpe; McDonald	Ipercoop	15,826
EY	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
EY	Galleria CC Fonti del Corallo	Livorno (LI)	7,054	//	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 store	No. Of medium surfaces	Parking places	Main brands	Food anchor	GLA food anchor	Food anchor sales area
Winmarkt Grand Omnia Center	Ploiesti	19,689	16,870	309	1,129	Win Magazin SA	1986	2015	100	Freehold property	109	//	400	Adidas, Levi's, Domo, Vodafone, Carrefour Market, dm drogerie,Leonardo, Jolidon, Eponge, Banca Transilvania, KFC, Flanco, Pepco	Carrefour	1,215	1,215
Winmarkt Big	Ploiesti	4,864	2,776	442	1,016	Win Magazin SA	1976	2013	100	Freehold property	82	//		Banca Transilvania, Carrefour Market	Carrefour	882	700
Winmarkt	Galati	7,898	7,490	106	367	Win Magazin SA	1973	2005	100	Freehold property	36	//		H&M, B&B, Sevda, Jolidon, Bigotti, Massini, Pepco, CGS	Billa	827	569
Winmarkt	Ramnicu Valcea	7,913	7,684	51	166	Win Magazin SA	1973	2004	100	Freehold property	35	//		H&M, Carrefour Market, Eponge, Leonardo, Jolidon, dm drogerie Markt, Domo	Carrefour	900	900
Winmarkt	Piatra Neamt	5,948	4,879	337	839	Win Magazin SA	1985	2014	100	Freehold property	67	//		H&M, Sevda, B&B Collection, Billa, Leonardo, Eponge, Pepco, Reshoes	Billa	878	520
Winmarkt	Braila	7,727	6,349	93	821	Win Magazin SA	1978	2004	100	Freehold property	45	//		Carrefour Market, Leonardo, Jolidon, Altex, Vodafone, Sevda, Pepco	Carrefour	673	550
Winmarkt	Buzau	5,302	4,953	32	314	Win Magazin SA	1975	2013	100	Freehold property	29	//		H&M, Carrefour Market, Leonardo, Pepco	Carrefour	800	650
Winmarkt	Tulcea	3,963	3,777	5	182	Win Magazin SA	1972	2002	100	Freehold property	27	//		H&M, B&B Collection, Leonardo, Altex, Fraher, Vodafone	Fraher	405	405
Winmarkt	Cluj Napoca	7,651	5,704	85	1,510	Win Magazin SA	1983	2011	100	Freehold property	36	//		Carrefour Market, dm drogerie, Leonardo, Big Fitness	Carrefour	1,338	1,188
Winmarkt	Bistrita	5,131	4,799	61	392	Win Magazin SA	1984	2005	100	Freehold property	33	//		Altex, Leonardo, dm drogerie, fast-food Pizzamania, Pepco			
Winmarkt	Alexandria	3,434	3,302	33	74	Win Magazin SA	1978	2013	100	Freehold property	31	//		Carrefour Market, Pepco, Eponge, Leonardo, Jolidon, Vodafone	Carrefour	680	680
Winmarkt	Slatina	6,086	4,833	29	1,102	Win Magazin SA	1975	2005	100	Freehold property	22	//		Altex, Telekom, B&B	Carrefour	553	505
Winmarkt	Vaslui	3,622	3,452	23	192	Win Magazin SA	1973	2006	100	Freehold property	26	//		Carrefour, Reshoes, Jolidon	Carrefour	527	527
Winmarkt	Turda	2,515	2,231	-	284	Win Magazin SA	1981	2007	100	Freehold property	9	//		Pepco			
TOTAL MALLS		91,743	79,099	1,607	8,388												
Winmarkt Junior	Ploiesti	3,012	2,137	544	331	Win Magazin SA			100	Freehold property	2						
TOTAL		**94,755**	**81,236**	**2,151**	**8,719**												

1.9.2. Analysis by asset class of the freehold portfolio

1.9.2.1. ITALY

There were no changes in the perimeter of Gruppo IGD's real estate portfolio in the first half of 2021.

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

Amounts in € million	IGD Group Investment Property						Direct development initiative	Porta a Mare Project	Total investment property, land and development initiatives, assets held for trading	Right to use (IFRS 16)	Total investment property, land and development initiatives, assets held for trading and right to use
	Hypermarkets and Supermarkets	Shopping malls Italy	Other	Total Italy	Total Romania	**Total IGD Group**	Plot of land and ancillary cost	Porta a Mare project (+)			
Book value at 31.12.2020	**558.97**	**1,473.29**	**20.26**	**2,052.52**	**138.64**	**2,191.16**	**2.47**	**72.06**	**2,265.69**	**43.32**	**2,309.01**
Increase due to work 2021	0.14	4.22	0.06	4.42	0.58	**5.00**	0.00	4.42	**9.42**	0.01	**9.43**
Disposals	0.00	0.00	0.00	0.00	0.00	**0.00**	0.00	(0.41)	**(0.41)**	0.00	**(0.41)**
Reclassification from asset under construction	0.00	0.00	0.00	0.00	0.00	**0.00**	0.00	0.00	**0.00**	0.00	**0.00**
Net revaluations/ writedowns	2.68	(5.22)	0.30	(2.24)	(1.70)	**(3.94)**	(0.01)	(2.85)	**(6.80)**	(5.66)	**(12.46)**
Book value at 30.06.2021	**561.79**	**1,472.29**	**20.62**	**2,054.70**	**137.52**	**2,192.22**	**2.46**	**73.22**	**2,267.90**	**37.67**	**2,305.57**

HYPERMARKETS AND SUPERMARKETS

IGD's hypermarkets and supermarkets are leased on a long-term basis to Gruppo Coop Alleanza 3.0 (formerly Coop Adriatica Scarl), Gruppo Unicoop Tirreno Soc. Coop and one to the "Familia" brand. 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 2021 by the appraisers CBRE Valuation S.p.A. (CBRE), Duff&Phelps Reag S.p.A. (D&P), Cushman & Wakefield LLP (C&W) and JLL S.p.A. (JLL) based on the following percentages of FV:

Hyper/Super	30/06/2021
JLL	38%
CBRE	12%
D&P	12%

C&W	38%
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; D&P 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 renegotiation.

The fair value of this asset class reached €561.8 million, an increase of 50 bps (+€2.8 million) compared to the prior half.

The average discount rate was 4 bps higher than in the prior half, coming in at 6.32%, while the average gross cap out rate fell 3 bps to 6.24%.

The gross initial yield was 6.01%, 1 bps lower than in the prior half due to the increase in fair value.

The occupancy rate for this asset class was unchanged at 100%.

SHOPPING MALLS AND RETAIL PARKS

Gruppo IGD's shopping malls and retail parks are leased on average for five years to businesses. Rent is indexed to 100% of the ISTAT index.

Leases of six + six years, with rent indexed to 75% of the ISTAT index, are reserved for services like newsstands, tobacco shops, dental studios, hair salons and beauty centers.

Shopping malls and retail parks were valued at 30 June 2021 by the appraisers CBRE, D&P, C&W and JLL based on the following percentages of FV:

Malls/RP	30/06/2021
JLL	15%
CBRE	30%
D&P	34%
C&W	21%
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; D&P used a standard duration of 15 or 18 years.

The fair value of this asset class reached €1,472.3 million, a decrease of 7 bps or €1 million with respect to the prior half.

The average discount rate used was 1 bp higher than in the prior half, coming in at 7.07%.

The average gross cap was +7 bps higher at 7.18%.

The average gross initial yield for this asset class came to 6.60%, an increase of 7 bps compared to the prior half due to the drop in FV.

The financial occupancy rate came to 93.67% at 30 June 2021, 128 bps higher than in the prior half.

DEVELOPMENT PROJECTS

At 30 June 2021 this asset class comprised one plot of land to be used for the expansion of the Porto Grande Shopping Center in Porto d'Ascoli (AP) by constructing two medium size retail areas with a total GLA of around 5,000 m^2.
This asset class was valued entirely by C&W using the residual method.
The fair value of this asset class reached an estimated €2.46 million at 30 June 2021, a drop of 59 bps or €0.01 million compared to the prior half.

PORTA A MARE PROJECT (TRADING)

The assets of Porta Medicea, owner of the Porta a Mare Project, were valued at 30 June 2021 entirely by CBRE using the conversion or residual method.
The project can be broken down into the following areas:

- Mazzini (residential, offices, parking and public parking) which at 30 June 2021 had a total SLP of 172 m^2 which pertains to the last residential unit which is expected to be sold in the second half of 2021;
- Officine Storiche (retail, residential, parking and public parking) which has a total SLP of 20,537 m^2. Work began in first half 2015 and sales of the residential units are expected to begin in 2021;
- Lips (retail, tourist services, accommodations and temporary residences) which has a total SLP of 15,867 m^2;
- Molo Mediceo (retail, services and temporary residences) which has a total SLP of 7,350 m^2;
- Arsenale (retail, temporary residences and parking) which has a total SLP of 7,771 m^2.

The fair value of this asset class reached €73.2 million at 30 June 2021, an increase of 161 bps or €1.16 million due to the progress made in the half on the Officine section.
The fair value of the Porta a Mare Project at 30 June 2021 includes the retail properties not destined for sale which will continue to be owned by Gruppo IGD.

OTHER

The fair value of this class of property was up 180 bps or €0.365 million at 30 June 2021, coming in at €20.6 million.
"Other" was valued at 30 June 2021 by the appraisers D&P and JLL based on the following percentages of FV:

Other	30/06/2021
JLL	1%
D&P	99%
TOTAL	**100%**

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

1.9.2.2. ROMANIA

The Winmarkt properties were valued at 30 June 2021 by the appraisers CBRE and D&P based on the following percentages of FV:

Winmarkt	30/06/2021
CBRE	47%
D&P	53%
TOTAL	**100%**

The DCF method was used by both independent experts. D&P applied a standard duration of 15 years and CBRE of between 5 and 10 years.
The FV of this asset class was down 81 bps or €1.12 million compared to the prior half and is explained largely by Malls.
The average gross initial yield for the malls at 30 June 2021 was 15 bps higher than in the prior year, coming in at 7.49%, as a result of the drop in fair value.
The average discount rate for malls was unchanged with respect to the same period of the prior year, coming in at 7.86%.
The average gross cap out for the malls reached 7.89%, down 2 bps against the prior half.
The financial occupancy rate for the Winmarkt malls rose 73 bps against the prior half to 94.28%.

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

Summary at 30.06.2021:

	N° of asset	GLA (m^2)	gross initial yield	gross cap out	weighted discount rate	financial occupancy rate	annual rental value/ m^2	Erv/ m^2
Hypermarkets and supermarkets	25	227,500	6.01%	6.24%	6.32%	100%	148	148
Malls Italy	27	423,500	6.60%	7.18%	7.07%	93.67%	219	237
Total Italy Malls + hypermarkets	52	651,000	6.44%	6.92%	6.86%	95.26%	193	206
Malls Romania	14	91,700	7.49%	7.89%	7.86%	94.28%	101	106
Total Hypermakets and malls IGD Group	**66**	**742,700**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**

Summary at 31.12.2020:

	N° of asset	GLA (m^2)	gross initial yield	gross cap out	weighted discount rate	financial occupancy rate	annual rental value/ m^2	Erv/ m^2
Hypermarkets and supermarkets	25	228,000	6.02%	6.27%	6.28%	100%	148	148
Malls Italy	27	423,000	6.53%	7.11%	7.06%	92.39%	228	235
Total Italy Malls + hypermarkets	52	651,000	6.39%	6.88%	6.84%	93.97%	198	206
Malls Romania	15	94,000	7.35%	7.93%	7.89%	93.55%	101	108
Total Hypermakets and malls IGD Group	**67**	**745,000**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**

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

Category	Book value 30/06/2021	Accounting method	Market value 30/06/2021	Book value 31/12/2020	Change
IGD Group Real Estate Investments					
Hypermarkets and Supermarkets	561.79	fair value	561.79	558.97	2.82
Shopping malls Italy	1,472.29	fair value	1,472.29	1,473.29	(1.00)
Other	20.62	fair value	20.62	20.26	0.36
Total Italy	**2,054.70**		**2,054.70**	**2,052.52**	**2.18**
Shopping malls Romania	134.82	fair value	134.82	135.94	(1.12)
Other Romania	2.70	fair value	2.70	2.70	0.00
Total Romania	**137.52**		**137.52**	**138.64**	**(1.12)**
Total IGD Group	**2,192.22**		**2,192.22**	**2,191.16**	**1.06**

Category	Book value 30/06/2021	Accounting method	Market value 30/06/2021	Book value 31/12/2020	Change
Plots of land and ancillary costs	2.46	adjusted cost / Fair value	2.46	2.47	(0.01)
Direct development initiative	**2.46**	**adjusted cost / Fair value**	**2.46**	**2.47**	**(0.01)**

Category	Book value 30/06/2021	Accounting method	Market value 30/06/2021	Book value 31/12/2020	Change
Porta a Mare Project	73.22	adjusted cost / Fair value	73.22	72.06	1.16

Category	Book value 30/06/2021	Accounting method	Market value 30/06/2021	Book value 31/12/2020	Change
Right to use (IFRS 16)	37.67	fair value	37.67	43.32	(5.65)
Total right to use	**37.67**		**37.67**	**43.32**	**(5.65)**

Investment properties, plots of land, development initiatives, assets held for trading and right to use	Book value 30/06/2021		Market value 30/06/2021	Book value 31/12/2020	Change
Total	**2,305.57**		**2,305.57**	**2,309.01**	**(3.44)**

The details of the main development projects are shown below:

PROJECT	TYPE	LOCATION	GLA	COMPLETION DATE	ESTIMATED INVESTMENT	BOOK VALUE AT 30.06.2021 (Mn/€)	% HELD	STATUS
PORTO GRANDE	Extension	Porto d'Ascoli (AP)	5.000 sqm	June 2024	ca. 9,9 Mn/€	2.46	100%	Planning stage completed. All the building permits and authorisation for preletting activities have been issued
					Total	**2.46**		

1.10. // Real estate appraisals

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IGD-GRUPPOIGD-CERTVALPERBILANCIO-210630-01-ENG

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TO:	GRUPPO IGD VIA TRATTATI COMUNITARI EUROPEI 1957-2007, 13 40127 BOLOGNA] ITALY
ATTENTION:	**MR. ROBERTO ZOIA**
PROPERTY:	**REAL ESTATE PORTFOLIO**
REPORT DATE:	**14 JULY 2021**
VALUATION DATE:	**30 JUNE 2021**
OUR REFERENCE:	*VAL/CL/IGD-GRUPPOIGD-CERTVALPERBILANCIO-210630-01-ENG*

1. INSTRUCTIONS

1.1 APPOINTMENT

We are pleased to submit our report and valuation (the "Valuation Report"), which has been prepared in accordance with the Engagement Letter entered into between us dated 19 April 2019, 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-210630-01-ITA*.

Detailed reports relating to the Properties are enclosed under Section A of *Ref: IGD-GruppoIGD-CertVal-210630-01-ITA*.

IGD-GRUPPOIGD-CERTVALPERBILANCIO-210630-01-ENG
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1.2 THE PROPERTIES

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

GRUPPO IGD PORTFOLIO			
#	Location	Province	Property
1	Imola	BO	Centro Leonardo galleria
2	Bologna	BO	Centro Lame galleria
3	Bologna	BO	Il Borgo
4	San Giovanni Teatino	CH	Centro D'Abruzzo
5	Faenza	RA	Le Maioliche
6	Cesena	FC	Lungo Savio
7	San Benedetto del Tronto	AP	Porto Grande
8	San Benedetto del Tronto	AP	Porto Grande (Terreno - sviluppo)
9	Bologna	BO	Ipercoop Il Borgo
10	San Giovanni Teatino	CH	Ipercoop D'Abruzzo
11	Cesena	FC	Iper Cesena
12	San Benedetto del Tronto	AP	Ipercoop CC Porto Grande
13	Faenza	RA	Ipercoop Le Maioliche
14	Imola	BO	Ipercoop Leonardo
15	Bologna	BO	Ipercoop Lame

1.3 COMPLIANCE WITH RICS "RED BOOK"

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

1.4 STATUS OF VALUER AND CONFLICTS OF INTEREST

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

The valuation was prepared by the team of professionals of C&W V&A and reviewed by Mariacristina Laria MRICS and Joachim Sandberg FRICS. C & W (U.K.) LLP has been signatory to valuations provided to the Client for the same purpose as the report, from June 2014 until December 2020. 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.

1.5 PURPOSE OF VALUATION

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

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

1.6 BASES OF VALUATION

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

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

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

1.7 SPECIAL ASSUMPTIONS

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

This valuation is not subject to any Special Assumptions.

1.8 DEPARTURES

We have made no Departures from the RICS Red Book.

1.9 RESERVATIONS

The valuation is not subject to any reservation.

1.10 INSPECTION

Details of our inspection of the Property are included in the Individual Report section of *Ref: IGD-GruppoIGD-CertVal-210630-01-ITA.*

1.11 MEASUREMENT

Unless specified otherwise, floor areas and analysis in this Valuation Report are based on the areas provided to us and calculated as per local market practice. Details of the floor areas of the Property are included in the Individual Report section of *Ref: IGD-GruppoIGD-CertVal-210630-01-ITA*.

1.12 ACCOMMODATION

Source of Floor Areas

We adopted floor areas provided by Gruppo IGD.

1.13 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-210630-01-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.

1.14 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.

1.15 CURRENCY

The Properties have been valued in local currency.

2. GENERAL PRINCIPLES

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

Unless otherwise stated in the Full Valuation Reports Ref IGD-GruppoIGD-CertVal-210630-01-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-210630-01-ITA, our valuations are on the basis that the Properties have been erected in accordance with a valid planning permission and are being occupied and used without any contravention.

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

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

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

3. VALUATION METHODOLOGY

In the following paragraph, we provide a brief description of the methodology used to arrive at the Market Value of the Properties. For further details, please refer to the single reports of *Ref: IGD-GruppoIGD-CertVal-210630-01-ITA.*

3.1 DCF ANALYSIS (DISCOUNTED CASH FLOW ANALYSIS)

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

We wish to point out that there are no comparable of Discount Rates (especially considering that the choice of the discount rate to be applied depends on further factors which are not available, as data relating to investment transactions). Once we have estimated Market Value on the basis of the DCF method, the result is compared to the rent to check whether the initial yield would be consistent with those expectations of return that investors require for similar type of investments. Therefore, to support the result of our valuations, we use the Direct Capitalization methodology.

4. VALUATION

MARKET CONDITIONS EXPLANATORY NOTE: NOVEL CORONAVIRUS (COVID-19)

The outbreak of Novel Coronavirus (COVID-19), which was declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, continues to affect economies and real estate markets globally. Nevertheless, as at the valuation date, property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly – and for the avoidance of doubt – our valuation is not reported as being subject to 'material valuation uncertainty', as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

This explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.

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:

€513,420,000
(Five hundred thirteen million four hundred and twenty thousand Euro)

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

Single Valuation Reports are enclosed under Section A of Ref: IGD-GruppoIGD-CertVal-210630-01-ITA.

As per your request we report in the following table the Values gross of purchaser's costs, which is equal to €521,207,873.

5. CONFIDENTIALITY

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

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

6. DISCLOSURE

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

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

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

7. RELIANCE

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

(i) you;

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

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

C & W (U.K.) LLP

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

IGD-GRUPPOIGDNOSVILUPPI-VALCERTPERBILANCIO-210630-01-ENG

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TO:	**GRUPPO IGD**
ATTENTION:	**MR. ROBERTO ZOIA**
PROPERTY:	**REAL ESTATE PORTFOLIO (excluding buildable land)**
REPORT DATE:	**14 JULY 2021**
VALUATION DATE:	**30 JUNE 2021**
OUR REFERENCE:	*VAL/CL/IGD-GRUPPOIGDNOSVILUPPI-VALCERTPERBILANCIO-210630-01-ENG*

1. INSTRUCTIONS

1.1 APPOINTMENT

We are pleased to submit our report and valuation (the "Valuation Report"), which has been prepared in accordance with the Engagement Letter entered into between us dated 19 April 2019, 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-GruppoIGDNoSviluppi-CertVal-210630-01-ITA.

Detailed reports relating to the Properties are enclosed under Section A of Ref: IGD-GruppoIGDNoSviluppi-CertVal-210630-01-ITA.

1.2 THE PROPERTIES

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

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PORTAFOGLIO GRUPPO IGD			
#	Città	Provincia	Centro
1	Imola	BO	Centro Leonardo galleria
2	Bologna	BO	Centro Lame galleria
3	Bologna	BO	Il Borgo
4	San Giovanni Teatino	CH	Centro D'Abruzzo
5	Faenza	RA	Le Maioliche
6	Cesena	FC	Lungo Savio
7	San Benedetto del Tronto	AP	Porto Grande
8	Bologna	BO	Ipercoop Il Borgo
9	San Giovanni Teatino	CH	Ipercoop D'Abruzzo
10	Cesena	FC	Iper Cesena
11	San Benedetto del Tronto	AP	Ipercoop CC Porto Grande
12	Faenza	RA	Ipercoop Le Maioliche
13	Imola	BO	Ipercoop Leonardo
14	Bologna	BO	Ipercoop Lame

Detailed reports relating to the Properties are enclosed under Section A of *Ref: IGD-GruppoIGDNoSviluppi-CertVal-210630-01-ITA*.

1.3 COMPLIANCE WITH RICS "RED BOOK"

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

1.4 STATUS OF VALUER AND CONFLICTS OF INTEREST

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

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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, from June 2014 until December 2020. 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.

1.5 PURPOSE OF VALUATION

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

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

1.6 BASES OF VALUATION

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

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

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

1.7 SPECIAL ASSUMPTIONS

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

This valuation is not subject to any Special Assumptions.

IGD-GRUPPOIGDNOSVILUPPI-VALCERTPERBILANCIO-210630-01-ENG

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1.8 DEPARTURES

We have made no Departures from the RICS Red Book.

1.9 RESERVATIONS

The valuation is not subject to any reservation.

1.10 INSPECTION

Details of our inspection of the Property are included in the Individual Report section.

1.11 MEASUREMENT

Unless specified otherwise, floor areas and analysis in this Valuation Report are based on the areas provided to us and calculated as per local market practice. Details of the floor areas of the Property are included in the Individual Report section of Ref: IGD-GruppoIGDNoSviluppi-CertVal-210630-01-ITA.

1.12 ACCOMMODATION

Source of Floor Areas

We adopted floor areas provided by Gruppo IGD.

1.13 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-GruppoIGDNoSviluppi-CertVal-210630-01-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.

1.14 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.

1.15 CURRENCY

The Properties have been valued in local currency.

2. GENERAL PRINCIPLES

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

Unless otherwise stated in the Full Valuation Reports *Ref IGD-GruppoIGDNoSviluppi-CertVal-210630-01-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-GruppoIGDNoSviluppi-CertVal-210630-01-ITA*, our valuations are on the basis that the Properties have been erected in accordance with a valid planning permission and are being occupied and used without any contravention.

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

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

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

3. VALUATION METHODOLOGY

In the following paragraph, we provide a brief description of the methodology used to arrive at the Market Value of the Properties. For further details, please refer to the single reports.

3.1 DCF ANALYSIS (DISCOUNTED CASH FLOW ANALYSIS)

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

We wish to point out that there are no comparable of Discount Rates (especially considering that the choice of the discount rate to be applied depends on further factors which are not available, as data relating to investment transactions). Once we have estimated Market Value on the basis of the DCF method, the result is compared to the rent to check whether the initial yield would be consistent with those expectations of return that investors require for similar type of investments. Therefore, to support the result of our valuations, we use the Direct Capitalization methodology.

4. VALUATION

MARKET CONDITIONS EXPLANATORY NOTE: NOVEL CORONAVIRUS (COVID-19)

The outbreak of Novel Coronavirus (COVID-19), which was declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, continues to affect economies and real estate markets globally. Nevertheless, as at the valuation date, property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly – and for the avoidance of doubt – our valuation is not reported as being subject to 'material valuation uncertainty', as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

This explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.

Subject to the contents of this report, our opinion of the Market Value of the freehold interest of the Properties forming part of the portfolio (excluding buildable land and development project) and spilt as per your request, as at the Valuation Date, is:

€511,000,000
(Five hundred eleven million 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-GruppoIGDNoSviluppi-CertVal-210630-01-ITA*.

As per your request we report the Value gross of purchaser's costs, which is equal to €518,747,520.

5. CONFIDENTIALITY

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

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.

IGD-GRUPPOIGDNOSVILUPPI-VALCERTPERBILANCIO-210630-01-ENG

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6. DISCLOSURE

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

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

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

7. RELIANCE

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

(i) you;

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

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

C & W (U.K.) LLP

Attachments that form part of this report:

SECTION A TERMS OF BUSINESS

CBRE
CBRE VALUATION S.p.A. con unico socio
Piazza degli Affari 2
20123 Milan
Switchboard +39 02 9974 6000
Fax +39 02 9974 6950

VALUATION CERTIFICATE FOR FINANCIAL STATEMENT

Report Date	15 July 2021
Addressee (or Client)	IGD SiiQ SpA Via Trattati Comunitari Europei 1957-2007, n.13 40127 Bologna (BO) For the attention of: **Mr Roberto Zoia**
The Property	Real estate properties owned by IGD SiiQ SpA as per attached schedule.
Property Description	The portfolio under valuation consists in 4 shopping centres (including both the hypermarket and the gallery) in Italy and 5 in Romania, 5 retail galleries (one of which also includes a Retail park and a mixed use development in Italy plus and office building in Romania, as better described in the in the property report. In relation to the portfolio of assets owned in Romania, please refer to the specific valuation certificate 21-64VAL-0250.
Ownership Purpose	Investment.
Instruction	To value the unencumbered Freehold interest in the Properties on the basis of Market Value as at the valuation date in accordance with the terms of engagement 085-20 entered into between CBRE and the addressee dated 07 April 2020 countersigned the 8 May 2020.
Valuation Date	30 June 2021
Capacity of Valuer	External Valuer, as defined in the current version of the RICS Valuation – Global Standards. / Independent Valuer, as defined in our instructions.
Purpose	Financial reporting purpose for incorporation within the Company's accounts.
Market Value	Market Value as at 30 June 2021: €659,439,500.00 (SIX HUNDRED FIFTY-NINE MILLION FOUR HUNDRED THIRTY NINE THOUSAND AND FIVE HUNDRED/00 EUROS) exclusive of V.A.T.
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 "Regolamento sulla gestione collettiva del risparmio

- Titolo V, Capitolo IV, Sezione II, paragrafi 2.5 'Beni Immobili' and 4, 'Esperti indipendenti'" dated 05 March 2015.

Novel Coronavirus (COVID – 19)

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, continues to affect economies and real estate markets globally. Nevertheless, as at the valuation date, property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly – and for the avoidance of doubt – our valuation is not reported as being subject to 'material valuation uncertainty', as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

This explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.

In the case of development valuations, we would draw your attention to the fact that, even in normal market conditions, the residual method of valuation is very sensitive to changes in key inputs, with small changes in variables (such as the timing of the development, finance/construction costs and sales rates) having a disproportionate effect on land value. Consequently, in the current market conditions – with the potential for cost volatility, supply and timing issues, fluctuating finance rates, liquidity issues and reduced transactional volumes – it is inevitable that there is even greater uncertainty, with site values being susceptible to much more variance than normal.

In Italy since the 23rd February 2020, the Government took immediate actions (ref. DPCM 23rd February 2020 and subsequent) to tackle the spread of Coronavirus, including home quarantine and other restrictions. The activities against the Italian Government's Coronavirus are resumed with new ordinances starting from the Prime Ministerial Decree (DPCM) dated October 18, 2020 (and subsequent).

Rental Income

The valuation we have provided reflects the rental income as at the date of valuation, as set out within this report, which you have confirmed to be correct and comprehensive. It also reflects any issues concerning the anticipated cash-flow that you have advised us of, as set out within this report. Given the uncertainties relating to the Covid-19 virus and the current restrictions on business activities, it is possible that there will be significant rental defaults and/or insolvencies leading to voids and a resulting shortfall in rental income. Should this occur, there will be a negative impact on the value of the subject property.

Special Assumptions

None

Compliance with Valuation Standards

The Valuation has been prepared in accordance with the version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) (the Red Book) current as at the valuation date.

CBRE

	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.
Assumptions	The Property details on which each Valuation are 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 figures 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) and with the "Provvedimento della Banca d'Italia" released by Bank of Italy on 05 March 2015.
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.
Previous Involvement & Conflict of Interests	We confirm that CBRE Valuation SpA has previously carried out Valuation on your behalf and for the same purpose in relation to some of the properties within the portfolio. This instruction is in effect a renewal of our previous agreement. We do not consider that this previous involvement represents a conflict of interest.
Disclosure	CBRE 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.

We would draw your attention to the fact that where our appointment is from an entity to which the European Parliament and Council Directive 2011/61/EU ['the Directive'], concerning Alternative Investment Fund Managers ['AIFM'], applies, our role is limited to providing Valuations of individual property assets or liabilities [based on the assumptions as set out within our Valuation report] – not the net asset value ['NAV'] of either the Fund or the individual properties within the Fund. Furthermore, and for the avoidance of doubt, we are acting in the capacity of a 'Valuation adviser' to the AIFM and not as an 'external valuer' as defined in the Directive. Details of any limitations to our liability in respect of the Valuations we carry out are as set out within this report and our terms of engagement. You have confirmed that the 'Valuation function' under the Directive is performed by the Alternative Investment Fund Manager itself – not CBRE.

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.

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

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21-64VAL-0250

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VALUATION CERTIFICATE FOR FINANCIAL STATEMENT

Report Date	15 July 2021
Addressee (or Client)	IGD SiiQ SpA Via Trattati Comunitari Europei 1957-2007, n.13 40127 Bologna (BO) For the attention of: Mr Roberto Zoia
The Property	Real estate properties owned by IGD SiiQ SpA as per attached schedule.
Property Description	The portfolio under valuation consists in 4 shopping centres (including both the hypermarket and the gallery) in Italy and 5 in Romania, 5 retail galleries (one of which also includes a Retail Park) in Italy plus and office building in Romania, as better described in the in the property report. In relation to the portfolio of assets owned in Romania, please refer to the specific valuation certificate 21-64VAL-0250.
Ownership Purpose	Investment.
Instruction	To value the unencumbered Freehold interest in the Properties on the basis of Market Value as at the valuation date in accordance with the terms of engagement 085-20 entered into between CBRE and the addressee dated 07 April 2020 countersigned the 8 May 2020.
Valuation Date	30 June 2021
Capacity of Valuer	External Valuer, as defined in the current version of the RICS Valuation – Global Standards. / Independent Valuer, as defined in our instructions.
Purpose	Financial reporting purpose for incorporation within the Company's accounts.
Market Value	Market Value as at 30 June 2021: €586,220,000.00 (FIVE HUNDRED EIGHTY-SIX MILLION TWO HUNDRED TWENTY THOUSAND/00 EUROS) exclusive of V.A.T.
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 "Regolamento sulla gestione collettiva del risparmio

	- Titolo V, Capitolo IV, Sezione II, paragrafi 2.5 'Beni Immobili' and 4, 'Esperti indipendenti'" dated 05 March 2015.
Novel Coronavirus (COVID – 19)	The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, continues to affect economies and real estate markets globally. Nevertheless, as at the valuation date, property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly – and for the avoidance of doubt – our valuation is not reported as being subject to 'material valuation uncertainty', as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. This explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date. In the case of development valuations, we would draw your attention to the fact that, even in normal market conditions, the residual method of valuation is very sensitive to changes in key inputs, with small changes in variables (such as the timing of the development, finance/construction costs and sales rates) having a disproportionate effect on land value. Consequently, in the current market conditions – with the potential for cost volatility, supply and timing issues, fluctuating finance rates, liquidity issues and reduced transactional volumes – it is inevitable that there is even greater uncertainty, with site values being susceptible to much more variance than normal. In Italy since the 23rd February 2020, the Government took immediate actions (ref. DPCM 23rd February 2020 and subsequent) to tackle the spread of Coronavirus, including home quarantine and other restrictions. The activities against the Italian Government's Coronavirus are resumed with new ordinances starting from the Prime Ministerial Decree (DPCM) dated October 18, 2020 (and subsequent).
Rental Income	The valuation we have provided reflects the rental income as at the date of valuation, as set out within this report, which you have confirmed to be correct and comprehensive. It also reflects any issues concerning the anticipated cash-flow that you have advised us of, as set out within this report. Given the uncertainties relating to the Covid-19 virus and the current restrictions on business activities, it is possible that there will be significant rental defaults and/or insolvencies leading to voids and a resulting shortfall in rental income. Should this occur, there will be a negative impact on the value of the subject property.
Special Assumptions	None
Compliance with Valuation Standards	The Valuation has been prepared in accordance with the version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) (the Red Book) current as at the valuation date.

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.

Assumptions

The Property details on which each Valuation are 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 figures 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) and with the "Provvedimento della Banca d'Italia" released by Bank of Italy on 05 March 2015.

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.

Previous Involvement & Conflict of Interests

We confirm that CBRE Valuation SpA has previously carried out Valuation on your behalf and for the same purpose in relation to some of the properties within the portfolio. This instruction is in effect a renewal of our previous agreement.

We do not consider that this previous involvement represents a conflict of interest.

Disclosure

CBRE 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.

We would draw your attention to the fact that where our appointment is from an entity to which the European Parliament and Council Directive 2011/61/EU ['the Directive'], concerning Alternative Investment Fund Managers ['AIFM'], applies, our role is limited to providing Valuations of individual property assets or liabilities [based on the assumptions as set out within our Valuation report] – not the net asset value ['NAV'] of either the Fund or the individual properties within the Fund. Furthermore, and for the avoidance of doubt, we are acting in the capacity of a 'Valuation adviser' to the AIFM and not as an 'external valuer' as defined in the Directive. Details of any limitations to our liability in respect of the Valuations we carry out are as set out within this report and our terms of engagement. You have confirmed that the 'Valuation function' under the Directive is performed by the Alternative Investment Fund Manager itself – not CBRE.

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
RICS Registered Valuer

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

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Valuation & Advisory Services
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Project reference: 21-64VAL-0270
21-64VAL-0250

JLL | Achieve Ambitions

Valuation Advisory

Valuation Certificate

Client: IGD SiiQ S.p.A.

Property: Retail Portfolio

06/2021 - FINALE

Milan, 30/06/2021

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 2021 of a Retail Portfolio held by IGD SiiQ S.p.A. comprising 9 Hypermarkets/Supermarkets, 3 Retail Galleries, 1 Retail Park and 1 Area Fitness*

Dear Mr. Zoia,

Following the assignment conferred on 08th May 2020, 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.

Property: Retail Portfolio 06/2021 - FINALE

1. Valuation Certificate

1.1. Subject properties

The retail portfolio under-analysis consists of 9 Hypermarkets/Supermarkets, 3 Retail Galleries, 1 Retail Park and 1 Area Fitness mainly located in the North and Centre of Italy. The main details of these assets are identified in the table below:

Asset	Address	Use	GLA m² current
Ipermercato Miralfiore	Pesaro (PU)	Hypermarket + shopping unit	10,470
Globo	Lugo (RA)	Hypermarket	7,937
Ipermercato Maestrale	Senigallia (AN)	Hypermarket	12,551
Ipermercato Schio	Schio (VI)	Hypermarket	8,176
Supermercato Civitacastellana	Civita Castellana (LT)	Supermarket	2,892
Supermercato Cecina	Cecina (GR)	Supermarket	5,749
Ipermercato Conè	Conegliano (VE)	Hypermarket	9,498
Galleria Commerciale + RP Conè	Conegliano VE)	Shopping Gallery + Retail Park	18,161
Ipermercato Malatesta	Rimini	Hypermarket	12,724
Area Fitness Malatesta	Rimini	Fitness area	882
Galleria Millenium	Rovereto (TN)	Shopping Gallery	7,683
Ipermercato ESP	Ravenna (RA)	Hypermarket	16,536
Galleria Commerciale ESP	Ravenna (RA)	Galleria Commerciale	33,272

1.2. Scope of the valuation analysis

The scope of the valuation analysis is to provide you with our professional opinion of the following values as at market conditions available at the valuation date, 30th of June 2021:

- Market Value of each property in its current state of repairs and use, subject to the existing property/business lease agreements and with the benefit of vacant possession for the portions that are not income producing at the valuation date;
- Market Rent of each property in its current state of repairs and use as at the valuation date.

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 2019, effective from 31 January 2020, 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 2019, effective from 31 January 2020 (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 2019, effective from 31 January 2020 (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. Market Conditions Statement

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, "lockdowns" have been applied to varying degrees and to reflect further "waves" of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

1.5. General principles

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

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

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

1.6. 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 and/or its appointed representatives. For the purposes of this valuation, we have assumed that the information provided to us are accurate and correct.

For completeness of information we report below the list of the documentation provided to us by the Client for the purposes of this valuation:

- Tenancy Schedules;
- Turnover figures (net of VAT) of each retail unit divided per year and per months for the years off 2018, 2019, 2020 and for the first 3 months of 2021 (Retail Gallery and Retail Park);

- Turnover figures (net VAT) of the Supermarket and Hypermarket divided per year for the years: 2018, 2019, 2020 and first 3 months of 2021;
- Non-recoverable Landlord costs;
- Summary schedule of all additional income;
- Forecast turnover rent generated in 2021;
- Asset summary identification schedules;
- ESG schedule relevant to Conè Shopping Centre and ESP Shopping Centre.

1.7. Valuation method

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.

We have also based our analysis on a direct capitalisation model where the lease-based incomes have been capitalised with an all risk yield in perpetuity. The choice of methodology represents the likely basis of analysis to be used by a potential purchaser for this type of investment. 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.

1.8. Valuation

Please note that the sum of the Net Market Values of each subject property, listed in Section 1 ("Subject Properties"), is € 411,785,000, while the sum of the rounded Gross Market Values is equal to € 425,993,000 rounded.

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.

P. Marin

Pierre Marin MRICS
Chairman of the Board Jones Lang LaSalle Spa

Duff & Phelps
REAL ESTATE ADVISORY GROUP
A KROLL BUSINESS

Agrate Brianza, 28th July 2021
Ref. n° 21222,08 – 21199,08

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, 2021 of a real estate portfolio consisting of n. 12 real estate assets intended for commercial use and n.1 real estate asset intended for residential and office mixed use, located on the Italian territory and n. 9 real estate assets located on the romanian territory, indicated as owned by GRUPPO IGD S.p.A.**

Dear sirs,

in compliance with Your request, **Duff & Phelps REAG S.p.A.** carried out the valuation of a real estate portfolio, indicated as owned by GRUPPO IGD S.p.A. (hereinafter the Client), in order to determine the market value as of June 30th, 2021.

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.

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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 Portfolio**" (hereinafter "**Portfolio**") represents the ensemble of assets subject to appraisal: land, buildings, building systems and land improvements. Personal Properties and intangible assets were excluded from the appraisal.

"**Real Estate Property**" (hereinafter "**Property**") represents the asset subject to appraisal: land, buildings, building systems and land improvements. Personal Properties and intangible assets were excluded from the appraisal.

"**Valuation**" shall mean *"An opinion of the value of an asset or liability on a stated basis, at a specified date. 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 2020).

"**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 2020).

"**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 2020).

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 2021.

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

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entities, Hyper and Mall, making two separate assessments, assumptions and specific valuation criteria.

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

- **Market/Sales Comparison Approach**: is predicated on actual sales transaction data. Sales are adjusted for comparability including time, location, size, condition, utility and intangible benefits.
- **Income Capitalization Approach**: takes two different methodological approaches into consideration:
  - Direct Capitalisation: based on capitalisation of future net incomes generated by the property at a rate deduced from the real estate market;
  - Discounted Cash Flow Method (DCF) based:
    - on the calculation of future net incomes derived from Property renting for a period of "n." years;
    - on the determination of the Market Value of the property by means of the capitalisation in perpetuity of the net income at the end of this period;
    - on the discounted back net incomes (cash flow) as of the evaluation date.

REAG moreover:

- Carried out site inspections on the Properties located in Livorno (CC Fonti del Corallo) and Guidonia (RM) (CC Tiburtino) in Italy and on the nine Properties located in Romania, 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; no site inspections were carried on the other properties, REAG based the appraisals on the information already known.
- 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

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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;
- 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.

Report content

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

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

Conclusions

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

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

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

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Given the above considerations

It is our opinion that, as of June 30th, 2021, the **Market Value** of the subject Properties can reasonably be expressed as follows:

Euro 661.240.000,00

(Euro Six Hundred Sixty One Millions Two Hundred Forty Thousands/00)

The New Coronavirus epidemic (COVID-19), declared by the World Health Organisation as a "global pandemic" on 11 March 2020, has had an impact on global financial markets. Movement restrictions and limitations have been implemented in many countries, and reconfirmed following sequential waves of COVID-19, with consequent measures of either partial or total lockdown. On one hand, these restrictive measures may result in negative economic impacts, but on the other, they are not without precedence, as verified by the initial impact of the pandemic. In addition, the vaccinating process is finally proceeding at a faster rate than in the past. The pandemic and the measures adopted to combat COVID-19 continue to have effects on the economy and the global real estate market. On the appraisal date, real estate markets for most asset classes had begun to function again, with a volume of transactions and other relevant market evidence at a level adjusted to carrying out the appraisal activity. Market dynamics vary based on the specific sector and specific location; some markets are quite active and readable, others remain less dynamic and with very low numbers of transactions. To avoid misunderstandings, this explanatory note was introduced to guarantee the necessary transparency and supply further information about the market context, in which our value opinion was drawn up. The overall market context, within a framework that is inevitably conditioned by the global pandemic, is still to be considered unstable, above all for the asset classes most impacted by the crisis. The evolution of the pandemic, the replies of governments aimed, on one hand, at fighting the future spread of COVID-19 and, on the other, investing resources to support the real economy (National Recovery and Resilience Plan at the basis of the Recovery Fund) and, lastly, the consequent reactions of the financial capital market might lead to even significant impacts in the real estate sector that are difficult to foresee at this time. In view of the continuation of the pandemic and the readjustment of different markets, including the real estate market, the value judgment expressed herein does not reflect a «substantial uncertainty» (Material Valuation Uncertainty), as defined by the VPS 3 and VPGA 10 of the RICS Valuation - Global Standards. However, we would like to point out that the conditions of the market change quickly and that the valuation data and specific market conditions at that date are of clear importance.

Agrate Brianza, 28th July 2021

Ref. n° 21222,08 - 21199,08

Duff & Phelps REAG S.p.A.

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

Supervised and coordinated by:
Savino Natalicchio
Managing Director,
Special Divisions & Feasibility Dept.

Simone Spreafico
Managing Director
Advisory & Valuation Dept.

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 rental properties, interests in other SIIQ/SIINQ, in SICAF and in "qualified" real estate funds must make up 80% of the real estate assets, the so-called "**Asset Test**".

- revenue from rental activities, income from SIIQ/SIINQ, SICAF and "qualified" real estate funds, gains on rental properties must make up must total at least 80% of the positive entries in the income statement, the so-called "**Profit Test**".

- the failure to comply with 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 third 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 requisites 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 verified subsequently 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 2021, similar to year-end 2020, the objective requirements, the asset test and profit test 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 CORPORATE BY-LAW 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, did not exceed 85% of equity.

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

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

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

With regard to 2020, in light of the loss recorded by the parent company IGD SIIQ SpA the distribution requirement was waved and with a view to safeguarding financial stability given the uncertainty stemming from the pandemic, on 25 February 2021 IGD's Board of Directors proposed that shareholders not approve distribution of a dividend for 2020.

1.12. // Subsequent events

On 2 July 2021 the company IGD Service S.r.l., a wholly-owned subsidiary of IGD SIIQ S.p.A., was formed with share capital of €10 thousand.

On 21 July 2021 the shareholders of the subsidiaries IGD Management S.r.l., Millennium Gallery S.r.l., RGD Ferrara S.r.l., and IGD Service S.r.l. approved the single merger and demerger plan, which calls for: (i) the merger by incorporation of RGD Ferrara 2013 S.r.l. and Millennium Gallery

S.r.l. in IGD Management S.r.l. and (ii) the proportional partial demerger of IGD Management post-merger into IGD Service S.r.l..
The main objective is to reorganize and streamline the Group's ownership structure by reducing the number of subsidiaries and separating, where possible, the business lease operations (licenses) from the property rental business, also for the purposes of transforming the real estate subsidiary into a SIINQ with a view to economic efficiency and tax optimization.
The reorganization will take place through a single merger and demerger plan, effective for statutory purposes as from 1 October 2021. The accounting and tax effects of the merger will be retroactive to 1 January 2021, while those of the demerger will coincide with the statutory effects.
As a result of the reorganization, the properties pertaining to the shopping centers Centro Sarca and Millennium Center (currently owned by IGD Management S.r.l. and Millennium Gallery S.r.l.) will be allocated to IGD Management, while IGD Service S.r.l. will operate the licenses for Centro Sarca, Centro Nova, Centro Piave, Millennium Center, Gran Rondò, and Darsena and manage equity investments, shopping centers and network personnel.

1.13. // Outlook

With regard to the Covid-19 health crisis, the Group is carefully assessing any additional impact that the pandemic might have on the economic-financial results and the financial position, focusing, specifically, on three key indicators: (i) profitability, (ii) real estate valuations, and (iii) liquidity.
In terms of expectations for profitability in the current year, as in 2020, the Group simulated the impact that lower rental income would have solely on the malls in Italy and Romania (Hypermarkets and Supermarkets, in addition to providing a series of essential products, were not affected by the containment measures enacted by the government in response to the health emergency), making adequate provisions for doubtful accounts. As for the shopping center retailers, including in light of emergency legislation relating to aid and tax relief for businesses, the Company has activated support initiatives providing one-off revisions of payment schedules (for the first and second quarters of 2021) and has begun good faith lease negotiations with single tenants in order to rebalance the contractual relationship.
As for investment property valuations, in light of what was mentioned in the introduction and despite the stability of the property values at 30 June 2021, uncertainty remains and we believe it is still premature to provide indications in this regard. At any rate, in our view the Group's equity is more than enough to sustain the impact of any additional fair value adjustments that might materialize at 31 December 2021.
Looking at liquidity, after the early redemption of the remaining outstanding balance of the "€300,000,000 2.500 per cent. Notes due 31 May 2021" for around €70.8 million in the first quarter of 2021, the Group had available liquidity of €43.7 million at 30 June 2021. Thanks to this cash on hand, as well as the available credit lines (including recently renewed committed lines), the Group is presently not subject to any financial pressure.
In light of the positive impact that the gradual easing of the government restrictions had, the continued vaccination rollouts, as well as the current economic recovery and uptick in consumption, the Company estimates that FFO will between +7% and +8% in FY 2021.

This estimate does not take into account the impact that the disposal of a portfolio of stand-alone hypermarkets and supermarkets would have. A mandate to find possible buyers has been given to a premiere international advisor. The proceeds will be used to lower the Loan-to-Value.
It should be stressed, as mentioned above, that significant elements of risk and uncertainty that the Company cannot control still exist.

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 sphere of operation and take place under arm's-length conditions.
Details of related party transactions carried out in the first half of 2021 are provided in a section of the notes to the financial statements.

1.15. // Treasury Shares

IGD owned no treasury shares at 30 June 2021.

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 2021, 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.

2. GRUPPO IGD CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2021

2.1 // Consolidated income statement

(in thousands of Euros)	Note	30/06/2021 (A)	30/06/2020 (B)	Change (A)-(B)
Revenue	1	**73,068**	**74,636**	**(1,568)**
Revenues from third parties		53,208	54,491	(1,283)
Revenues from related parties		19,860	20,145	(285)
Other revenue	2.1	**3,275**	**3,139**	**136**
Other revenues from third parties		1,985	1,832	153
Other revenues from related parties		1,290	1,307	(17)
Revenues from property sales	2.2	**440**	**450**	**(10)**
Operating revenues		**76,783**	**78,225**	**(1,442)**
Change in inventory	6	1,150	254	896
Revenues and change in inventory		**77,933**	**78,479**	**(546)**
Construction costs for the period	6	(1,560)	(864)	(696)
Service costs	3	(6,240)	(7,473)	1,233
Service costs from third parties		(4,262)	(5,451)	1,189
Service costs from related parties		(1,978)	(2,022)	44
Cost of labour	4	(5,083)	(4,715)	(368)
Other operating costs	5	(5,406)	(5,055)	(351)
Total operating costs		**(18,289)**	**(18,107)**	**(182)**
Depreciations, amortization and provisions		(327)	(301)	(26)
(Impairment losses)/Reversals on work in progress and inventories		(54)	(2,159)	2,105
Provisions for doubtful accounts		(9,430)	(9,532)	102
Change in fair value		(12,401)	(71,418)	59,017
Depreciation, amortization, provisions, impairment and change in fair value	7	**(22,212)**	**(83,410)**	**61,198**
EBIT		**37,432**	**(23,038)**	**60,470**
Income/ (loss) from equity investments and asset disposal	8	**0**	**(72)**	**72**
Financial Income		**36**	**27**	**9**
Financial income from third parties		36	27	9
Financial charges		**(16,763)**	**(17,993)**	**1,230**
Financial charges from third parties		(16,762)	(17,990)	1,228
Financial charges from related parties		(1)	(3)	2
Net financial income (expense)	9	**(16,727)**	**(17,966)**	**1,239**
Pre-tax profit		**20,705**	**(41,076)**	**61,781**
Income taxes	10	(1,252)	2,246	(3,498)
NET PROFIT FOR THE PERIOD		**19,453**	**(38,830)**	**58,283**
Non-controlling interests in (profit)/loss for the period		**0**	**0**	**0**
Profit/(loss) for the period attributable to the Parent Company		**19,453**	**(38,830)**	**58,283**
Basic earnings per share	11	0.176	(0.352)	0.528
Diluted earnings per share	11	0.176	(0.352)	0.528

2.2 // Consolidated statement of comprehensive income

(in thousands of Euros)	30/06/2021	30/06/2020
NET PROFIT FOR THE PERIOD	**19,453**	**(38,830)**
Total other components of comprehensive income that will not be reclassified to profit/(loss)	**0**	**0**
Other components of comprehensive income that will be reclassified to profit/ (loss):		
Effects of hedge derivatives on net equity	3,431	1,860
Tax effects of hedge derivatives on net equity	(789)	(406)
Other effects on income statement components	(303)	(61)
Total other components of comprehensive income that will be reclassified to profit/ (loss)	**2,339**	**1,393**
Total comprehensive profit/ (loss) for the period	**21,792**	**(37,437)**
Non-controlling interests in (profit)/loss for the period	**0**	**0**
Profit/(loss) for the period attributable to the Parent Company	**21,792**	**(37,437)**

2.3 // Consolidated statement of financial position

(in thousands of Euros)	Note	30/06/2021 (A)	31/12/2020 (B)	Change (A)-(B)
NON CURRENT ASSETS:				
Intangible assets				
Intangible assets with finite useful lives	12	99	35	64
Goodwill	13	8,283	8,533	(250)
		8,382	**8,568**	**(186)**
Property, plant, and equipment				
Investment property	14	2,229,892	2,234,484	(4,592)
Buildings	15	7,293	7,414	(121)
Plant and machinery	16	143	143	0
Equipment and other goods	16	1,668	969	699
Assets under construction and advance payments	17	42,757	42,674	83
		2,281,753	**2,285,684**	**(3,931)**
Other non-current assets				
Deferred tax assets	18	6,359	7,995	(1,636)
Sundry receivables and other non-current assets	19	129	129	0
Equity investments	20	99	151	(52)
Non-current financial assets	21	174	174	0
		6,761	**8,449**	**(1,688)**
TOTAL NON-CURRENT ASSETS (A)		**2,296,896**	**2,302,701**	**(5,805)**
CURRENT ASSETS:				
Work in progress inventory and advances	22	34,953	33,843	1,110
Trade and other receivables	23	25,032	18,260	6,772
Related party trade and other receivables	24	1,705	775	930
Other current assets	25	5,101	3,736	1,365
Cash and cash equivalents	26	43,779	117,341	(73,562)
TOTAL CURRENT ASSETS (B)		**110,570**	**173,955**	**(63,385)**
TOTAL ASSETS (A + B)		**2,407,466**	**2,476,656**	**(69,190)**
NET EQUITY:				
Share capital		650,000	650,000	0
Share premium reserve		0	30,058	(30,058)
Other reserves		465,092	499,131	(34,039)
Group profit (loss) carried forward		1,689	9,574	(7,885)
Group profit		19,453	(74,321)	93,774
Total Group net equity		**1,136,234**	**1,114,442**	**21,792**
Capital and reserves of non-controlling interests		0	0	0
TOTAL NET EQUITY (C)	27	**1,136,234**	**1,114,442**	**21,792**
NON-CURRENT LIABILITIES:				
Derivatives - liabilities	38	11,220	14,396	(3,176)
Non-current financial liabilities	29	967,798	1,135,707	(167,909)
Provisions for employee severance indemnities	30	3,265	3,267	(2)
Deferred tax liabilities	18	18,133	18,281	(148)
Provisions for risks and future charges	31	3,784	3,793	(9)
Sundry payables and other non-current liabilities	32	9,256	9,849	(593)
Related parties sundry payables and other non-current liabilities	32	13,462	13,462	0
TOTAL NON-CURRENT LIABILITIES (D)		**1,026,918**	**1,198,755**	**(171,837)**
CURRENT LIABILITIES:				
Current financial liabilities	33	210,958	137,266	73,692
Trade and other payables	35	15,688	12,091	3,597
Related parties trade and other payables	36	2,144	499	1,645
Current tax liabilities	37	3,072	1,814	1,258
Other current liabilities	38	12,452	11,789	663
TOTAL CURRENT LIABILITIES (E)		**244,314**	**163,459**	**80,855**
TOTAL LIABILITIES (F=D+E)		**1,271,232**	**1,362,214**	**(90,982)**
TOTAL NET EQUITY AND LIABILITIES (C + F)		**2,407,466**	**2,476,656**	**(69,190)**

2.4 // Consolidated statement of changes in equity

(In thousands of Euro)	Share Capital	Share premium reserve	Other reserves	Group profit (loss) carried forward	Group profit (loss) of the period	Group net equity	Non-controlling interests capital and reserves	Total net equity
Balance on 01/01/2020	**749,738**	**30,058**	**416,065**	**5,682**	**9,471**	**1,211,014**	**0**	**1,211,014**
Profit of the year	0	0	0	0	(38,830)	(38,830)	0	(38,830)
Cash flow hedge derivative assessment	0	0	1,454	0	0	1,454	0	1,454
Other comprehensive income (losses)	0	0	(61)	0	0	(61)	0	(61)
Total comprehensive profit (losses)	**0**	**0**	**1,393**	**0**	**(38,830)**	**(37,437)**	**0**	**(37,437)**
Sale of treasury shares	0	0	(343)	0	0	(343)	0	(343)
Capital reduction	(99,738)	0	99,738	0	0	0	0	0
Allocation of 2019 profit								
Dividends paid	0	0	0	(25,150)	0	(25,150)	0	(25,150)
Fair value reserve reclassification	0	0	(27,959)	27,959	0	0	0	0
Allocation of profits previous years	0	0	0	9,471	(9,471)	0	0	0
Balance at 30/06/2020	**650,000**	**30,058**	**488,894**	**17,962**	**(38,830)**	**1,148,084**	**0**	**1,148,084**

(In thousands of Euro)	Share Capital	Share premium reserve	Other reserves	Group profit (loss) carried forward	Group profit (loss) of the period	Group net equity	Non-controlling interests capital and reserves	Total net equity
Balance on 01/01/2021	**650,000**	**30,058**	**499,131**	**9,574**	**(74,321)**	**1,114,442**	**0**	**1,114,442**
Profit of the year/(loss)	0	0	0	0	19,453	19,453	0	19,453
Cash flow hedge derivative assessment	0	0	2,642	0	0	2,642	0	2,642
Other comprehensive income (losses)	0	0	(303)	0	0	(303)	0	(303)
Total comprehensive profit (losses)	**0**	**0**	**2,339**	**0**	**19,453**	**21,792**	**0**	**21,792**
2020 loss coverage								
Fair value reserve reclassification	0	0	0	0	0	0	0	0
2020 loss coverage and other reclassifications	0	(30,058)	(36,378)	(7,885)	74,321	0	0	0
Balance at 30/06/2021	**650,000**	**0**	**465,092**	**1,689**	**19,453**	**1,136,234**	**0**	**1,136,234**

2.5 // Consolidated statement of cash flows

(in thousands of Euro)	30/06/2021	30/06/2020
CASH FLOW FROM OPERATING ACTIVITIES:		
Result of the period:	**19,453**	**(38,830)**
Adjustments to reconcile net profit with cash flow generated (absorbed) by operating activities:		
Taxes of the period	1,252	(2,246)
Financial charges/ (income)	16,727	17,966
Depreciation, amortization and provisions	327	301
Writedown of receivables	9,430	9,532
(Impairment losses)/reversals on work in progress	54	2,159
Changes in fair value - increases / (decreases)	12,401	71,418
Gains/losses from disposals - equity investments	0	72
Changes in provisions for employees and administrators benefits	840	705
CASH FLOW FROM OPERATING ACTIVITIES	**60,484**	**61,077**
Financial charges paid	(12,368)	(13,354)
Provisions for employees and end of mandate treatment paid	(582)	(567)
Income tax	(435)	(343)
CASH FLOW FROM OPERATING ACTIVITIES NET OF TAX	**47,099**	**46,813**
Change in inventory	(1,149)	(254)
Change in trade receivables	(17,132)	(32,287)
Net change in other assets	271	(1,501)
Change in trade payables	5,242	(5,383)
Net change in other liabilities	(672)	2,079
CASH FLOW FROM OPERATING ACTIVITIES (A)	**33,659**	**9,467**
(Investments) in intangible assets	(80)	0
Disposals of intangible assets	0	0
(Investments) in tangible assets	(8,728)	(7,352)
Disposals of tangible assets	0	56
Disposals in Equity investments	52	0
CASH FLOW FROM INVESTING ACTIVITIES (B)	**(8,756)**	**(7,296)**
Disposal/ (purchase) of treasury shares	0	(343)
Fees paid for finance leases	(1,014)	(2,576)
Collections for new loans and other financing activities	0	0
Loans repayments and other financing activities	(97,398)	(24,910)
CASH FLOW FROM FINANCING ACTIVITIES (C)	**(98,412)**	**(27,829)**
Exchange rate differences on cash and cash equivalents (D)	(53)	(61)
NET INCREASE (DECREASE) IN CASH BALANCE (A+B+C+D)	**(73,562)**	**(25,719)**
CASH BALANCE AT BEGINNING OF THE PERIOD	**117,341**	**128,677**
CASH BALANCE AT END OF THE PERIOD	**43,779**	**102,958**

2.6 // Notes to the condensed interim consolidated financial statements

2.6.1. General information

The condensed interim consolidated financial statements of Immobiliare Grande Distribuzione at 30 June 2021 were approved and authorized for publication by the Board of Directors on 5 August 2021.

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 2021 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 2020.

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 2021

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group as from 1 January 2021:

- On 27 August 2020, in light of the reform of interbank interest rates such as the IBOR, published the "Interest Rate Benchmark Reform—Phase 2" containing amendments to the following standards:
  - IFRS 9 Financial Instruments
  - IAS 39 Financial Instruments: Recognition and Measurement
  - IFRS 7 Financial Instruments: Disclosures
  - IFRS 4 Insurance Contracts
  - IFRS 16 Leases.

  All of the amendments took effect on 1 January 2021. This amendment has not affected the Group's consolidated financial statements.

b) IFRS and IFRIC accounting standards, amendments, and interpretations endorsed by the European Union but not yet effective and not applied in advance by the Group as of 30 June 2021

- On 14 May 2020 the IASB published the following:
  - Amendments to IFRS 3 Business Combinations, for the purpose of updating the reference in IFRS 3 to the revised version of the Conceptual Framework, with no material changes to the accounting standard.
  - Amendments to IAS 16 Property, Plant and Equipment, to prohibit the deduction from the cost of an item of property, plant and equipment any proceeds from the sale of items produced during the asset's testing phase. Such proceeds and the related costs will instead be recognized in profit or loss.
  - Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, to clarify that all costs relating directly to a contract must be considered when determining whether the contract is onerous. Therefore, an entity should consider both incremental costs (e.g. materials) as well as any costs it cannot avoid because it is a party to the contract (e.g. the depreciation of machinery used to fulfill the contract).
  - Annual Improvements 2018-2020: the improvements concern IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture, and the Illustrative Examples of IFRS 16 Leases.

  All of the amendments will take effect on 1 January 2022. The directors do not expect them to have a significant impact on the consolidated financial statements.

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

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

- on 23 January 2020, the IASB published "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current." These clarifying amendments come into force on 1 January 2023; early adoption is in any case permitted. The directors do not expect the amendment to have a significant impact on the consolidated financial statements.

- On 12 February 2021 the IASB published two amendments: "Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2" and "Definition of Accounting Estimates—Amendments to IAS 8." The amendments improve the disclosure of accounting policies in order to provide more useful information to investors and to other primary users of financial statements, and help companies distinguish changes in accounting estimates from changes in accounting policies. They are effective from January 1, 2023 but early adoption is permitted. The directors are currently assessing the potential effects of these amendments on the consolidated financial statements.
- On 7 May 2021 the IASB published "Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction." The amendments clarify the accounting of deferred tax on certain translations that can generate assets and liabilities of the same amount, such as leasing and decommissioning obligations. They are effective from January 1, 2023 but early adoption is permitted. The directors do not expect the amendments to have a significant impact on the consolidated financial statements.

2.6.2.2. Consolidation

a) Scope of consolidation

The consolidated financial statements have been drawn up on the basis of the draft financial statements at 30 June 2021, 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 2020. 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.

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 Management S.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italia	75,071,221.00	Euro	100%	IGD SIIQ S.p.A.	100.00%	Shopping center management and services
Millennium Gallery S.r.l	Bologna via trattati comunitari Europei 1957-2007	Italia	100,000.00	Euro	100%	IGD SIIQ S.p.A.	100.00%	Shopping center management
Porta Medicea S.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italia	60,000,000.00	Euro	100%	IGD Management s.r.l.	100.00%	Construction and marketing company
Win Magazin S.A.	Bucarest	Romania	113,715.30	Lei	100%	IGD Management 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%	Services, Agency and facility management
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%	Activities of asset management, sport facilities and equipments management, construction, sale and rent of properties to be used for commercial and sport activities
RGD Ferrara 2013 S.r.l.	Bologna via trattati comunitari Europei 1957-2007	Italia	100,000.00	Euro	100%	IGD SIIQ S.p.A. 50% IGD Management s.r.l. 50%	100%	Darsena City shopping center management

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). They are not consolidated as they are considered to be immaterial.

Name	Type of control	% held	Registred office
Owner consortium of SC Leonardo	Direct	52.00%	VIA AMENDOLA 129, IMOLA (BO)
Owner consortium of SC I Bricchi	Direct	72.25%	VIA PRATO BOSCHIERO, ISOLA D'ASTI (LOC MOLINI)
Owner consotium of Centrolame	Direct	66.43%	VIA MARCO POLO 3, BOLOGNA (BO)
Consortium of SC Katanè	Direct	53.00%	VIA QUASIMODO, GRAVINA DI CATANIA LOC SAN PAOLO
Consortium of SC Conè	Direct	65.78%	VIA SAN GIUSEPPE SNC, QUARTIERE DELLO SPORT CONEGLIANO (TV)
Consortium of SC La Torre-Palermo	Direct	55.04%	VIA TORRE INGASTONE, PALERMO LOC BORGONUOVO
Owner consortium of SC Gran Rondò	Direct	48.69%	VIA G. LA PIRA n. 18. CREMA (CR)
Owner consortium of SC Fonti del Corallo	Direct	68.00%	VIA GINO GRAZIANI 6, LIVORNO
Consortium of SC Centrosarca	Indirect	62.50%	VIA MILANESE, SESTO SAN GIOVANNI (MI)
Consortium Porta a Mare Mazzini	Direct	80.90%	VIA G. D'ALESIO, 2 - LIVORNO
Consortium of RP Clodì	Direct	70.35%	S.S. ROMEA n. 510/B; CHIOGGIA (VE)
Consortium of SC Centro Le Maioliche	Direct	70.52%	VIA BISAURA N.13, FAENZA (RA)
Consortium ESP	Direct	64.59%	VIA MARCO BUSSATO 74, RAVENNA (RA)
Owner consortium of SC Puntadiferro	Direct	62.34%	Piazzale della Cooperazione 4, FORLI' (FC)
Owner consortium of commercial area Commendone	Direct	52.60%	Via Ecuador snc, Grosseto
Owner consortium of SC Le Porte di Napoli	Direct	70.56%	Via S. Maria La Nuova, Afragola (NA)
Consortium Darsena	Direct	77.12%	Via Darsena 75 - Ferrara (FE)
Consortium of SC Casilino	Direct	45.80%	Via Casilina 1011 - (Roma)

2.6.3. Use of estimates

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

Investment property and inventory

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

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

To appraise the real estate portfolio at 30 June 2021, the following independent firms were selected: (i) CBRE Valuation S.p.A., (ii) Duff&Phelps Reag S.p.A., (iii) Cushman & Wakefield LLP, and (iv) Jones Lang LaSalle S.p.A.. Given their specialized expertise in the retail segment, IGD believes that the findings and assumptions used by the independent appraisers are representative of the market.

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

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

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

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

With the DCF method, the market value of an investment property is the sum of the present values of the net cash flows it will generate for a number of years depending on the duration of the outstanding contracts. During the period, when the contracts expire, the rent used to compute revenue is replaced with the estimated rental value (ERV) determined by the appraiser, taking account of the contractual rent received, so that in the final year of the DCF revenue consists entirely of ERV. At the end of the period it is assumed that the property will be sold at a value obtained by capitalizing the final year's rental income at an applicable market rate (gross cap out rate) for similar investments.

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

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

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

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

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

The information provided by IGD to the independent appraisers and the latters' assumptions and appraisal methods are approved by the head of Real Estate Development and Management, who is responsible for organizing and coordinating the appraisal and for monitoring and verifying results before they are incorporated into the financial statements. The entire process is governed in detail by IGD SIIQ's internal procedure.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following:

  (a) quoted prices for similar assets or liabilities in active markets;

  (b) quoted prices for identical or similar assets or liabilities in markets that are not active;

  (c) inputs other than quoted prices that are observable for the asset or liability, for example:

    (i) interest rates and yield curves observable at commonly quoted intervals;
    (ii) implied volatilities; and
    (iii) credit spreads;

  (d) market-corroborated inputs.
- Level 3 inputs are unobservable inputs for the asset or liability.

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

The following table shows Gruppo IGD's investment property by type, measured at fair value at 30 June 2021. It does not include construction in progress in the amount of €37,370 thousand (Porto Grande expansion, listed with assets under construction, and non-retail portions of the Porta a Mare project, listed with inventory) as these are measured at the lower of cost and appraised market value as opposed to fair value.

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

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

FAIR VALUE MEASUREMENTS 30/06/2021 Amounts in thousands of Euro	QUOTED PRICES (UNADJUSTED) IN ACTIVE MARKETS FOR IDENTICAL ASSETS OR LIABILITIES (LEVEL 1)	SIGNIFICANT INPUTS OBSERVABLE IN THE MARKETS (LEVEL 2)	SIGNIFICANT INPUTS NOT OBSERVABLE IN MARKET (LEVEL 3)
Investment property Italy:			
Malls and retail parks	0	0	1,472,287
Hypermarkets and supermarkets	0	0	561,793
Residual portion of property	0	0	20,619
Total investment property Italy	**0**	**0**	**2,054,699**
Investment property Romania:			
Shopping malls	0	0	134,820
Office Building	0	0	2,700
Total investment property Romania	**0**	**0**	**137,520**
IGD Group investment property	**0**	**0**	**2,192,219**
Porta a Mare project			
Porta a Mare project (*)	0	0	38,310
Total assets held for trading	**0**	**0**	**38,310**
Right of use (IFRS 16)			
Right of use (IFRS 16)	0	0	37,673
Total right of use (IFRS 16)	**0**	**0**	**37,673**
Total IGD Group investment property measured at Fair Value	**0**	**0**	**2,268,201**

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 2021:

Portfolio	**Appraisal method**	**Discount rate 30/06/2021**		**GROSS CAP OUT 30/06/2021**		**Yearly rent €/sqm 30/06/2021**	
		min	**max**	**min**	**max**	**min**	**max**
TOTAL MALLS/RP	Income-based (DCF)	6.20%	8.10%	5.87%	10.68%	105	534
TOTAL HYPER/SUPER	Income-based (DCF)	5.60%	7.25%	5.35%	6.95%	80	200
TOTAL Winmarkt	Income-based (DCF)	6.50%	9.50%	6.19%	9.92%	42	191

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 2021 is reported below.

Sensitivity analysis at 30 June 2021

Asset class	Hypermarkets and supermarkets	Malls and retail parks	Other	Investment property Romania	Total
Market value at 30/06/2021 +0.5 discount rate	(22,028)	(58,232)	(1,048)	(4,010)	(85,318)
Market value at 30/06/2021 -0.5 discount rate	22,063	60,809	1,432	4,030	88,334
Market value at 30/06/2021 +0.5 gross cap out	(26,494)	(57,587)	(668)	(4,820)	(89,569)
Market value at 30/06/2021 -0.5 gross cap out	31,311	67,261	854	5,620	105,046
Market value at 30/06/2021 +0.5 discount rate +0.5 gross cap out	(46,869)	(112,493)	(1,698)	(8,620)	(169,680)
Market value at 30/06/2021 -0.5 discount rate -0.5 gross cap out	55,367	132,329	2,305	10,260	200,261
Market value at 30/06/2021 +0.5 discount rate -0.5 gross cap out	7,951	5,850	(287)	1,500	15,014
Market value at 30/06/2021 -0.5 discount rate +0.5 gross cap out	(5,228)	260	681	(980)	(5,267)

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

Other variables that could reduce fair value are:

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

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

Recoverable amount of goodwill

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

Recoverability of deferred tax assets

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

Fair value of derivative instruments

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

Variable revenue

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

Provision for doubtful accounts

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

Contingent liabilities

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

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.

Profit and Loss	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		Total	
Total revenue and operating income	**73,068**	**74,636**	**3,275**	**3,139**	**440**	**450**	**0**	**0**	**76,783**	**78,225**
Change in work in progress inventory	**0**	**0**	**0**	**0**	**1,150**	**254**	**0**	**0**	**1,150**	**254**
Direct costs (a)	(17,584)	(18,347)	(2,676)	(2,504)	(1,804)	(1,102)	0	0	(22,064)	(21,953)
G&A expenses (b)	0	0	0	0	0	0	(5,453)	(5,486)	(5,453)	(5,486)
Total operating costs (a)+(b)	**(17,584)**	**(18,347)**	**(2,676)**	**(2,504)**	**(1,804)**	**(1,102)**	**(5,453)**	**(5,486)**	**(27,517)**	**(27,439)**
(Depreciation and amortizations)	(438)	(411)	0	0	0	0	(91)	(90)	(529)	(501)
(Impairment losses) /reversals on work in progress and inventory	(15)	(734)	0	0	(39)	(1,425)	0	0	(54)	(2,159)
Fair value change - increase/(decreases)	(9,590)	(71,418)	0	0	(2,811)	0	0	0	(12,401)	(71,418)
Total depreciation, amortization, provisions, impairment and fair value changes	**(10,043)**	**(72,563)**	**0**	**0**	**(2,850)**	**(1,425)**	**(91)**	**(90)**	**(12,984)**	**(74,078)**
EBIT	**45,441**	**(16,274)**	**599**	**635**	**(3,064)**	**(1,823)**	**(5,544)**	**(5,576)**	**37,432**	**(23,038)**
Income/ (loss) from equity investments and property sales	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(72)**	**0**	**(72)**
Financial income	0	0	0	0	0	0	36	27	36	27
Financial charges	0	0	0	0	0	0	(16,763)	(17,993)	(16,763)	(17,993)
Net financial income (expense)	**0**	**0**	**0**	**0**	**0**	**0**	**(16,727)**	**(17,966)**	**(16,727)**	**(17,966)**
PRE-TAX PROFIT	**45,441**	**(16,274)**	**599**	**635**	**(3,064)**	**(1,823)**	**(22,271)**	**(23,614)**	**20,705**	**(41,076)**
Income taxes for the period	0	0	0	0	0	0	(1,252)	2,246	(1,252)	2,246
NET PROFIT FOR THE PERIOD	**45,441**	**(16,274)**	**599**	**635**	**(3,064)**	**(1,823)**	**(23,523)**	**(21,368)**	**19,453**	**(38,830)**
Non-controlling interests in (Profit)/ Loss of the period	0	0	0	0	0	0	0	0	0	0
Parent company share of net profit for the period	**45,441**	**(16,274)**	**599**	**635**	**(3,064)**	**(1,823)**	**(23,523)**	**(21,368)**	**19,453**	**(38,830)**

REVENUE FROM FREEHOLD PROPERTIES	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	Northen ITALY		CENTRAL/SOUTHERN ITALY&ISLANDS		ABROAD		TOTAL	
Lease & retail income	36,509	37,737	25,026	25,642	4,226	3,873	65,761	67,252
One-off revenue	0	0	2	0	0	0	2	0
Temporary location rentals	602	905	437	367	0	0	1,039	1,272
Other rental income	0	27	87	113	3	28	90	168
TOTAL	**37,111**	**38,669**	**25,552**	**26,122**	**4,229**	**3,901**	**66,892**	**68,692**

Balance sheet	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
	CORE BUSINESS PROPERTIES		SERVICES		"PORTA A MARE" PROJECT		SHARED		TOTAL	
Investment property	2,229,892	2,234,484	0	0	0	0	0	0	2,229,892	2,234,484
Assets under construction	42,757	42,674	0	0	0	0	0	0	42,757	42,674
Intangible assets	7,276	7,526	1,007	1,007	0	0	99	35	8,382	8,568
Other tangible assets	1,616	958	196	157	0	0	7,293	7,411	9,105	8,526
Sundry receivables and other non-current assets	0	0	0	0	0	0	129	129	129	129
Equity investments	(0)	(0)	0	0	0	0	99	151	99	151
NWC	(1,744)	(470)	2,459	1,482	32,720	29,409	0	0	33,435	30,421
Funds	(5,570)	(5,512)	(1,521)	(1,555)	42	7	0	0	(7,049)	(7,060)
Non-current payables and other liabilities	(17,686)	(17,391)	886	0	(5,918)	(5,920)	0	0	(22,718)	(23,311)
Net deferred tax (assets)/ liabilities	(14,337)	(12,847)	0	0	2,562	2,561	0	0	(11,774)	(10,286)
Total use of funds	**2,242,203**	**2,249,422**	**3,027**	**1,091**	**29,407**	**26,057**	**7,620**	**7,726**	**2,282,257**	**2,284,296**
Total shareholders' equity	1,106,326	1,088,627	372	(548)	29,536	26,363	0	0	1,136,234	1,114,442
Net (assets) and liabilities for derivative instruments	11,221	14,396	0	0	0	0	0	0	11,221	14,396
Net financial position	1,124,657	1,146,399	2,655	1,639	(129)	(306)	7,620	7,726	1,134,803	1,155,458
Total sources	**2,242,203**	**2,249,422**	**3,027**	**1,091**	**29,407**	**26,057**	**7,620**	**7,726**	**2,282,257**	**2,284,296**

2.6.5. Notes to the consolidated financial statements

Note 1) Revenue and other income

	Note	30/06/2021	30/06/2020	Change
Revenue	1	**73.068**	**74.636**	**(1.568)**
Revenues from third parties		53.208	54.491	(1.283)
Revenues from related parties		19.860	20.145	(285)
Other revenue	2.1	**3.275**	**3.139**	**136**
Other revenues from third parties		1.985	1.832	153
Other revenues from related parties		1.290	1.307	(17)
Revenues from property sales	2.2	**440**	**450**	**(10)**
Operating revenues		**76.783**	**78.225**	**(1.442)**

The decrease in operating revenue by €1,442 thousand with respect to the first half of 2020 mainly reflects vacancies due to delayed or canceled openings (in terms of both average vacancy during the period and longer remarketing times for vacant mall space), as a result of the Covid-19 emergency. Variable, temporary revenue and income from the sale of trading properties were in line with the first half of the previous year.

Note 1.1) Revenue

	Note	30/06/2021	30/06/2020	Change
Freehold hypermarkets - Rents and business leases from related parties	a.1	18.085	18.369	(284)
Leasehold hypermarkets - Business leases from related parties	a.2	61	61	0
Freehold supermarkets - Rents and business leases from related parties	a.3	786	787	(1)
TOTAL HYPERMARKETS/SUPERMARKETS	a	**18.932**	**19.217**	**(285)**
Freehold malls, offices and city center	b.1	**46.723**	**48.173**	**(1.450)**
Rents		**8.401**	**8.297**	**104**
To related parties		342	350	(8)
To third parties		8.059	7.947	112
Business leases		**38.322**	**39.876**	**(1.554)**
To related parties		484	484	0
To third parties		37.838	39.392	(1.554)
Leasehold malls	b.2	**5.834**	**5.643**	**191**
Rents		**325**	**313**	**12**
To related parties		59	59	0
To third parties		266	254	12
Business leases		**5.509**	**5.330**	**179**
To related parties		127	126	1
To third parties		5.382	5.204	178
Other contracts and temporary rents	b.3	**1.579**	**1.603**	**(24)**
Other contracts and temporary rents		1.546	1.576	(30)
Other contracts and temporary rents - related parties		33	27	6
TOTAL MALLS	b	**54.136**	**55.419**	**(1.283)**
GRAND TOTAL	a+b	**73.068**	**74.636**	**(1.568)**
of which related parties		19.860	20.145	(285)
of which third parties		53.208	54.491	(1.283)

Total revenue decreased by €1,568 thousand compared with the same period last year.

Rent from freehold hypermarkets and supermarkets decreased by €285 thousand, due mainly to the remapping of various hypermarkets.
Rent and business lease revenue from freehold malls, offices and city center properties fell by €1,283 thousand, chiefly as a result of vacancies due to delayed or canceled openings.
For further information, see the income statement review (section 1.4) in the Directors' Report.

Note 2.1) Other income

	30/06/2021	30/06/2020	Change
Out-of-period income/charges	173	1	172
Facility management revenues	1,598	1,654	(56)
Portfolio and rent management revenues	87	85	2
Pilotage and construction revenues	61	51	10
Marketing revenues	57	17	40
Other income	9	24	(15)
Other revenues from third parties	**1,985**	**1,832**	**153**
Facility management revenues from related parties	1,253	1,268	(15)
Marketing revenues vs related parties	24	24	0
Portfolio and rent management revenues from related parties	13	15	(2)
Other revenues from related parties	**1,290**	**1,307**	**(17)**
Other revenue	**3,275**	**3,139**	**136**

Other income from third parties increased by €153 thousand, due mainly to Covid-19 emergency relief for 2020 received by shopping centers, which was partially offset by a reduction of €56 thousand in income from facility management.
Other income from related parties was slightly lower (-€17 thousand) due primarily to the decrease in facility management revenue.

Note 2.2) Income from the sale of trading properties

This came to €440 thousand in the first half of 2021 and concerns one residential unit and two enclosed garage units in the Mazzini section of Porta a Mare.

Note 3) Service costs

	30/06/2021	30/06/2020	Change
Service costs from third parties	**4,262**	**5,451**	**(1,189)**
Paid rents	123	107	16
Promotional and advertising expenses	209	336	(127)
Centers management expenses for vacancies	828	691	137
Centers management expenses for ceiling to tenants' costs	914	851	63
Facility management administration costs	373	379	(6)
Insurances	487	472	15
Professional fees	109	39	70
Directors' and statutory auditors' fees	659	661	(2)
External auditing fees	123	116	7
Investor relations, Consob, Monte Titoli costs	204	227	(23)
Shopping center pilotage and construction costs	5	0	5
Consulting	385	512	(127)
Real estate appraisals fees	214	226	(12)
Maintenance and repair expenses	58	104	(46)
Out of period (income)/charges	(302)	7	(309)
Rents discount	(406)	0	(406)
Other costs of services	279	723	(444)
Service costs from related parties	**1,978**	**2,022**	**(44)**
Service	154	154	0
Centers management expenses for vacancies	991	855	136
Centers management expenses for ceiling to tenants' costs	793	967	(174)
Insurances	21	36	(15)
Directors' and statutory auditors' fees	19	10	9
Service costs	**6,240**	**7,473**	**(1,233)**

Service costs were €1,233 thousand lower than during the first half of 2020.
Most of the reduction in service costs from third parties is explained by *(i)* a decrease in advertising and consulting expenses; *(ii)* rent discounts arranged with the owners of Centro Piave in relation to the government-mandated closures in the first half of 2021 to contain the Covid-19 pandemic; *(iii)* miscellaneous gains of €302 thousand, mostly reflecting lower costs for unlet space and expense caps with respect to the previous year; and *(iv)* a decrease in other service costs.
Related party service costs were essentially in line with the first half of last year.

Note 4) Cost of labor

	30/06/2021	30/06/2020	Change
Wages and salaries	3,855	3,573	282
Social security	991	888	103
Severance pay	235	240	(5)
Other costs	2	14	(12)
Cost of labour	**5,083**	**4,715**	**368**

The cost of labor was €368 thousand higher than in the first half of last year, due mainly to the temporary use of government salary relief measures (*Fondo di Integrazione Salariale*) in connection with the Covid-19 emergency in the second quarter of 2020 and the increase in the bonus provision.

Note 5) Other operating costs

	30/06/2021	30/06/2020	Change
IMU/TASI/Property tax	4,498	4,549	(51)
Other taxes	37	45	(8)
Contract registrations	179	198	(19)
Out-of-period income/charges	12	(29)	41
Membership fees	65	58	7
Losses on receivables	449	16	433
Fuel and tolls	94	68	26
Other costs	72	150	(78)
Other operating costs	**5,406**	**5,055**	**351**

Other operating costs increased by €351 thousand, due primarily to greater losses on receivables as the Covid-19 emergency caused economic difficulties for various tenants.

Note 6) Change in work in progress inventory

	30/06/2021	30/06/2020	Change
Construction costs for the period	1,560	864	696
Change in inventories for disposal	(410)	(610)	200
Change in inventory	**1,150**	**254**	**896**

The change in work in progress inventory relating to the land, buildings, and urban infrastructure works of the multifunctional complex in Livorno amounted to €1,150 thousand for the first half of 2021, reflecting the sale of one residential unit and two enclosed garage units, net of the advancement of works for the period (see Note 22 for further information).

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

	30/06/2021	30/06/2020	Change
Amortization of intangible assets	(15)	(11)	(4)
Amortization of tangible assets	(243)	(221)	(22)
Provisions for risks	(69)	(69)	0
Depreciations, amortization and provisions	**(327)**	**(301)**	**(26)**
Provisions for doubtful accounts	**(9,430)**	**(9,532)**	**102**
(Impairment losses)/Reversals on work in progress and inventories	**(54)**	**(2,159)**	**2,105**
Change in fair value	**(12,401)**	**(71,418)**	**59,017**
Depreciation, amortization, provisions, impairment and change in fair value	**(22,212)**	**(83,410)**	**61,198**

Depreciation and amortization were in line with the amounts for the first half of 2020.

Net provisions for doubtful accounts came to €9,430 thousand (down slightly from €9,532 thousand in the first half of 2020), consisting mostly of a provision of €7,436 thousand to cover the estimate of receivables that will not be collected as a result of discounts granted for periods in late 2021 that were not yet agreed with the tenants as of 30 June.

All provisions were determined by evaluating the individual positions of clients in order to adjust them to estimated realizable value; in this respect, various tenants have filed for composition with creditors (as duly reflected in the allocation for the period), while some provisions made in the past and no longer deemed necessary have been released.
See Note 23 for changes in this provision.

Other provisions include the estimated liability for some IMU (municipal property tax) disputes regarding Esp shopping center (Ravenna), for which €12 thousand has been provided, and La Torre shopping center (Palermo), for which €57 thousand has been set aside.

"(Impairment losses)/reversals on work in progress and Inventory" (-€54 thousand) cover the following: *(i)* an impairment loss of €15 thousand for the expansion of Porto Grande (see Note 17), to bring carrying value into line with the lower of cost and fair value as stated in the appraisal of 30 June 2021; *(ii)* an impairment loss of €39 thousand regarding work in progress inventory for the Porta a Mare project, to bring carrying value into line with the lower of cost and fair value as stated in the appraisal of 30 June 2021 (see Note 22).

The item "Fair value changes" (-€12,401 thousand) covers net writedowns of €9,590 thousand (see Note 14) to match the carrying value of investment property to its market value, and a writedown of €2,811 thousand to match the carrying amount of work in progress on Officine Storiche to its market value, as discussed in Note 17.

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

This item amounted to zero in the first half of 2021, while in the same period last year there was a net loss of €72 thousand for the complete write-off of the stake in Iniziative Bologna Nord S.r.l. held by the subsidiary IGD Management S.r.l..

Note 9) Financial income and charges

	30/06/2021	30/06/2020	Change
Bank interest income	23	5	18
Other interests income and equivalents	4	2	2
Exchange rate (losses)/gains	9	20	(11)
Financial income from third parties	**36**	**27**	**9**
Financial income from related parties	**0**	**0**	**0**
Financial Income	**36**	**27**	**9**

Most of the slight increase in financial income reflects a rise of €18 thousand in interest from banks.

	30/06/2021	30/06/2020	Change
Interest expenses on security deposits	1	3	(2)
Financial charges from related parties	**1**	**3**	**(2)**
Amortized mortgage loan costs	2,674	3,007	(333)
Loans amortized costs	832	633	199
IRS spread	2,582	2,888	(306)
Bond financial charges	7,706	8,295	(589)
Bond amortized costs	1,715	1,751	(36)
Financial charges on leasing	17	22	(5)
IRFS 16 Financial charges	616	791	(175)
Other interests and charges	620	603	17
Financial charges from third parties	**16,762**	**17,990**	**(1,228)**
Financial charges	**16,763**	**17,993**	**(1,230)**

Financial charges went from €17,993 thousand in the first half of 2020 to €16,763 thousand this year. The net decrease of €1,230 thousand is due mainly to: *(i)* lower financial charges on mortgage loans due to the decrease in the notional amount, partially offset by higher charges on the MPS – SACE loan; *(ii)* lower financial charges for IFRS 16; *(iii)* lower financial charges for interest rate swaps; and *(iv)* lower financial charges on bonds due to the redemption of the remaining €70.8 million balance of the bond entitled "€300,000,000 2.500 per cent. Notes due 31 May 2021" (ISIN: XS1425959316) on 1 March 2021.

At 30 June 2021, the average cost of debt (without considering recurring and non-recurring transaction costs) was 2.22%, down from 2.30% at 31 December 2020, while the weighted average effective cost of debt (including ancillary charges) decreased from 2.70% to 2.66% for the same period.

Note 10) Income taxes

	30/06/2021	30/06/2020	Change
Current taxes	597	518	79
Deferred tax liabilities	632	(2,713)	3,345
Deferred tax assets	23	40	(17)
Out-of-period income/charges - Provisions	0	(91)	91
Income taxes	**1,252**	**(2,246)**	**3,498**

The impact of current and deferred taxes was a negative €1,252 thousand for the period, an increase of €3,498 thousand with respect to the first half of 2020, due mainly to: *(i)* the adjustment of deferred tax assets and deferred tax liabilities to reflect the disparity between fair value and the amount valid for tax purposes, caused by fair value adjustments on investment properties held by subsidiaries without SIIQ status; and *(ii)* deferred taxation under IFRS 16.
Current taxes increased by €79 thousand, mostly as a result of higher revenue by Win Magazin SA and a decrease in rent paid by IGD Management S.r.l..
The change of €3,345 thousand in deferred tax liabilities is mostly due to their adjustment in relation to the fair value changes of some investment property held by non-SIIQ subsidiaries.
Below is a reconciliation between theoretical income tax and actual income tax for the periods ended 30 June 2021 and 30 June 2020.

Reconciliation of income tax applicable to profit before taxes	30/06/2021	30/06/2020
Pre-tax profit	**20.705**	**(41.076)**
Theoretical tax charges (rate 24%)	4.969	0
Profit resulting in the income statement	20.705	(41.076)
Increases:		
IMU - Property tax	4.193	4.241
Fair value on work in progess and inventories	54	1.618
Other increases	12.872	4.784
Decreases:		
Change in tax-exempt income	(28.262)	(22.584)
Deductible depreciation	(3.653)	(2.284)
Negative Fair value	10.705	69.684
Other changes	(13.378)	(13.328)
Tax income	**3.236**	**1.055**
Use of past losses	**0**	**44**
Use of ACE Benefit	**1.249**	**731**
Taxable income net of losses and ACE Benefit	**1.987**	**280**
Current taxes of the years	**400**	**300**
Total current IRES for the year (a)	**400**	**300**
Difference between value and cost of production	**57.356**	**56.458**
Theoretical tax charges (rate 3.9%)	2.237	2.202
Difference between value and cost of production	**57.356**	**56.458**
Changes:		
Increases	4.977	9.098
Decreases	(6.063)	(14.322)
Change in exempt income	(47.064)	(40.135)
Other decuctions	(4.949)	(4.987)
Taxable IRAP income	**4.257**	**6.112**
Current IRAP for the year (b)	**197**	**218**
Total current taxes (a+b)	**597**	**518**

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.

	30/06/2021	30/06/2020
Net profit attributable to IGD SIIQ S.p.A. shareholders	19.453	(38.830)
Diluted net profit attributable to IGD SIIQ S.p.A. shareholders	19.453	(38.830)
Weighted average number of ordinary shares for purposes of basic earnings per share/1000	110.342	110.262
Weighted average number of ordinary shares for purposes of diluted earnings per share/1000	110.342	110.262
Basic earnings per share	**0,176**	**(0,352)**
Diluted earnings per share	**0,176**	**(0,352)**

Note 12) Intangible assets with finite useful lives

	01/01/2021	Increase	Decrease	Amortization	30/06/2021
Intangible assets with finite useful lives	35	80	0	(16)	99

Intangible assets with finite useful lives consist of expenses incurred for the design and registration of company trademarks and for business software, licenses, and certifications valid for more than one year. During the half-year there were no impairment losses or reversals on intangible assets. The increases of €80 thousand refer primarily to the purchase of marketing software and the expense of obtaining certifications valid for more than one year.

Note 13) Goodwill

	01/01/2021	Increase	Variation of consolidated area	Translation reserve adjustments	30/06/2021
Goodwill	8,533	0	0	(250)	8,283

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 (i) goodwill from the purchase of Millennium Gallery S.r.l. and Winmagazin S.A., while the second is made up of (ii) 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 2021 and 31 December 2020:

Goodwill	30/06/2021	31/12/2020
Win Magazin S.A.	5,159	5,409
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
Centro Piave	448	448
Service	1,006	1,006
Goodwill	**8,283**	**8,533**

At 30 June 2021, goodwill for Win Magazin was reduced by €250 thousand as a result of the exchange rate adjustment.
Goodwill for Win Magazin refers to the consolidation difference that arose upon acquisition and first-time consolidation of the Romanian company. The recoverability of the goodwill allocated to this CGU has been analyzed on the basis of the property appraisals by CBRE Valuation S.p.A. and Duff&Phelps REAG S.p.A. in accordance with the criteria described in Section 3 above (Use of estimates). Specifically, this goodwill covers the possibility to sell properties owned by Win Magazin SA (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.

The results of impairment tests are summarized below:

Impairment Test result	Recoverable Amount	Carrying Amount	Cover / (Impairment)
Win Magazin S.A.	18,133	5,159	12,974

The impairment tests showed that the goodwill recognized for Win Magazin S.A. is recoverable and therefore no adjustments to that amount are necessary.

Goodwill for the CGUs Fonti del Corallo, Centro Nova, Centro Piave, Darsena, Service, and Winmarkt Management S.r.l. 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.
Specifically, for goodwill relating to the business units Fonti del Corallo, Centro Nova, Centro Piave, and Darsena, the recoverable amount has been inferred from similar market transactions. For goodwill on Fonti del Corallo, value in use was adjusted to the amount stated in the contract with BNP Paribas for the sale of the retail licenses for the mall, to be finalized in 2026 when the current lease expires.
The results of impairment tests are summarized below:

Impairment Test result	Recoverable Amount	Carrying Amount	Cover / (Impairment)
Centro Nova	1,693	546	1,147
San Donà	1,031	448	583
Darsena	491	123	368
business unit Fonti del Corallo	1,000	1,000	0

The impairment tests showed that the goodwill recognized in the financial statements is recoverable and therefore no adjustments are necessary.

For the other CGUs (Service and Winmarkt Management S.r.l.), the value in use method was used to assess recoverability. The recoverable amount (enterprise value) was calculated by summing the unlevered free cash flows discounted to present value for the explicit forecast period and the present value of the terminal value calculated after the last year of the explicit period.

In the second half of 2021 the Group will draw up a new strategic plan for the period 2022-2024. At 30 June 2021, unlevered free cash flows were calculated for the first year using the 2021 budget; for the second year using the 2020 budget; and for the third year using the estimates of the final year of the strategic plan 2019-2021, approved by the Board of Directors on 7 November 2018, in the absence of a new plan covering those periods.

For periods beyond the third year, the Group calculates the terminal value using the perpetuity method, i.e. on the basis of cash flows from operating activities assuming continuity beyond the explicit period.

The main assumptions used to calculate value in use are set out below:

- discount rate (WACC) of 4.70%;
- future cash flows estimated net of taxes;
- perpetuity growth rate (g) of 1%.

Impairment Test result	Recoverable Amount	Carrying Amount	Cover / (Impairment)
Winmarkt management s.r.l.	n/a	1	n/a
Service	7,262	1,203	6,059

The impairment tests showed that the goodwill recognized in the financial statements is recoverable and therefore no adjustments are necessary.

A Level 2 test was then carried out on the entire scope of consolidation, to test the recoverability of consolidated net invested capital, including goodwill.

The method used to assess the recoverability of net invested capital is value in use, determined on the basis of unlevered free cash flow. The recoverable amount (enterprise value) was calculated by summing the unlevered free cash flows discounted to present value for the explicit forecast period and the present value of the terminal value calculated after the last year of the explicit period. For further information on the method of calculating recoverable amount, see above with regard to the recoverability of goodwill on "other CGUs" (Service and Winmarkt Management S.r.l.). Unlevered free cash flows were calculated using the estimates in the strategic plan 2019-2021, approved by the Board of Directors on 7 November 2018, and in the 2020 budget.

The main assumptions used to calculate value in use are set out below:

- discount rate (WACC) of 4.70%, calculated as reported above;
- future cash flows estimated net of taxes;

- perpetuity growth rate (g) of 1%.

The outcome of the impairment test is summarized below:

Impairment Test result	Recoverable Amount	Carrying Amount	Cover / (Impairment)
Gruppo IGD - Test II level	3,073,357	2,271,037	802,320

The test did not suggest the need to adjust the amounts reported.
Finally, in accordance with section 1.2.3. of the Organismo Italiano di Valutazione (OIV) document "Impairment tests of goodwill in contexts of real financial crisis," which states that "management must assess the reasonableness of the difference between the recoverable amount and the stock exchange price, in light of all elements that may help explain such a difference," IGD has considered the following factors as regards the difference between the outcome of the Level 2 impairment test and market capitalization:

- 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

	01/01/2021	Increase	Revaluation	Devaluation	Reclassification	30/06/2021
Investment property	2,191,157	4,975	13,084	(17,014)	0	2,192,202
Right-of-use IFRS16	43,327	22	0	(5,659)	0	37,690
Investment property	**2,234,484**	**4,997**	**13,084**	**(22,673)**	**0**	**2,229,892**

Investment property decreased by €4,592 thousand, due mainly to:

- continued extraordinary maintenance and fit-out work (€4,997 thousand), mostly for reducing the size of the hypermarket at Casilino shopping center in Rome, earthquake proofing at La Favorita in Mantua, fit-out work at Le Maioliche (Faenza) and Lame (Bologna) for the opening of two Pepco stores, creating a bike path at Retail Park Clodì (Chioggia), and fireproofing mostly at shopping centers in Romania;
- fair value adjustments. Specifically, investment property was revalued in the amount of €13,084 thousand and written down by €17,014 thousand, for a net negative impact of €3,930 thousand;
- an impairment loss on the right-of-use assets for the malls at Centro Nova, Centro Piave, and Fonti del Corallo shopping centers based on the results of third-party appraisals (€5,659 thousands).

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

Note 15) Buildings

	01/01/2021	Increase	Decrease	Amortization	30/06/2021
Historical cost	10,129	0	0	0	10,129
Depreciation fund	(2,715)	0	0	(121)	(2,836)
Net book value	**7,414**	**0**	**0**	**(121)**	**7,293**

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

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

	01/01/2021	Increase	Decrease	Amortization	Currency translation gain/losses	30/06/2021
Historical cost	3,230	19	0	0	0	3,249
Depreciation fund	(3,087)	0	0	(19)	0	(3,106)
Plant and machinery	**143**	**19**	**0**	**(19)**	**0**	**143**
Historical cost	5,961	803	0	0	(35)	6,729
Depreciation fund	(4,992)	0	0	(97)	28	(5,061)
Equipment and other goods	**969**	**803**	**0**	**(97)**	**(7)**	**1,668**
Historical cost	2,204	0	0	0	0	2,204
Depreciation fund	(2,204)	0	0	0	0	(2,204)
Leasehold improvements	**0**	**0**	**0**	**0**	**0**	**0**

Most of the changes in equipment and other assets reflects the purchase of led walls installed at malls and depreciation for the period.

Note 17) Assets under construction

	01/01/2021	Increase	Decrease	(Writedowns)/ Revaluation	Fair value changes	Reclassificatio n	30/06/2021
Assets under construction	41,929	2,831	0	(15)	(2,811)	207	42,141
Advance payments	745	78	0	0	0	(207)	616
Assets under construction and advan	**42,674**	**2,909**	**0**	**(15)**	**(2,811)**	**0**	**42,757**

Assets under construction and advances increased by a net €83 thousand, due mainly to:

- ongoing investments during the half-year for: *(i)* restyling plans for La Favorita shopping center in Mantua (€44 thousand); *(ii)* remapping of the Conè shopping center in Conegliano under the agreement between IGD SIIQ and Coop Alleanza 3.0 to reduce the size of the hypermarket and expand the shopping mall (€134 thousand); and *(iii)* ongoing work at Officine Storiche (€2,861 thousand);
- writedowns of *(i)* the Porto Grande expansion (€15 thousand) and *(ii)* the Officine Storiche portion of the Porta a Mare project, nearing completion (€2,811 thousand);
- a net decrease in advances (€130 thousand).

Note 18) Deferred tax assets and deferred tax liabilities

Deferred tax assets have been offset against deferred tax liabilities 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:

	30/06/2021	31/12/2020	Change
Taxed provisions	668	632	36
Interest rate swap operations	2,588	3,305	(717)
Impariment loss on inventories	2,559	2,559	0
Impariment loss on equity investments and financial receivables	289	289	0
Loss from tax consolidation	1,163	1,163	0
Property investment	236	(91)	327
Other effects	(692)	556	(1,248)
IFRS 16	366	364	2
Total deferred tax assets	**7,177**	**8,777**	**(1,600)**

	30/06/2021	31/12/2020	Change
Property investments	1,810	1,446	364
Other effects	208	200	8
IFRS 16	(1,200)	(864)	(336)
Total deferred tax liabilities	**818**	**782**	**36**

	30/06/2021	31/12/2020	Change
Net deferred tax assets	6,359	7,995	(1,636)
Net deferred tax liabilities	0	0	0

Deferred tax assets mainly originate from:

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

Most of the change for the year reflects deferred tax assets on mortgage hedging instruments (IRS) due to the decrease in their negative fair value.

Deferred tax liabilities principally concern the difference between the fair value of investment property and its value for tax purposes. Most of the change relates to depreciation allowances concerning the group companies IGD Management S.r.l. and Millennium Gallery S.r.l. and to the effects of applying IFRS 16.

For the Italian companies, at 30 June 2021 the balance of deferred tax assets of €7,177 thousand and deferred tax liabilities of €818 thousand was a net €6,359 thousand.

Deferred tax liabilities as shown in the statement of financial position therefore include the net deferred tax liabilities and deferred taxation on the real estate investments of the Romanian company WinMagazin. The decrease in deferred tax liabilities for the Romanian companies reflects the negative change in the fair value of investment property during the period.

	30/06/2021	31/12/2020	Change
Property investments Romania	18,133	18,281	(148)
Italian companies net deferred tax liabilities	0	0	0
Italian companies net deferred tax assets	(6,359)	(7,995)	1,636
Total deferred tax liabilities	**11,774**	**10,286**	**1,488**

Note 19) Sundry receivables and other non-current assets

	30/06/2021	31/12/2020	Change
Security deposits	107	104	3
Due to other	22	25	(3)
Sundry receivables and other non-current assets	**129**	**129**	**0**

This item was unchanged with respect to 31 December 2020.

Note 20) Equity investments

	01/01/2021	Increase	Decrease	30/06/2021
Cons. propr. del compendio com. del Commendone (GR)	6	0	0	6
Consorzio prop. Fonti del Corallo	7	0	0	7
Consorzio I Bricchi	4	0	0	4
Consorzio Leonardo	52	0	(52)	0
Consorzio Punta di Ferro	6	0	0	6
Equity investment in subsidiaries	**75**	**0**	**(52)**	**23**
Millennium Center	4	0	0	4
Equity investments in associates	**4**	**0**	0	**4**
Equity investments in other companies	**72**	**0**	0	**72**
Equity investments	**151**	**0**	**(52)**	**99**

The decrease in equity investments in subsidiaries (€52 thousand) is explained by the reimbursement of the consortium fund for participation in the Leonardo consortium in the first half of 2021.

Note 21) Non-current financial assets

	30/06/2021	31/12/2020	Change
Non-current financial assets	**174**	**174**	**0**

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

Note 22) Work in progress inventory

	01/01/2021	Increase	Decrease	Revaluations/ (Write-downs)	Reclassification	30/06/2021
"Porta a Mare" project	33,800	1,559	(410)	(39)	0	34,910
Advances	43	0	0	0	0	43
Work in progress inventory and advances	**33,843**	**1,559**	**(410)**	**(39)**	**0**	**34,953**

Inventory for work in progress related to land, buildings (completed and under construction) and urban infrastructure works at the multifunctional complex in Livorno underwent: *(i)* an increase for work on the Officine Storiche section, totaling €1,559 thousand; *(ii)* a decrease for the final sale during the period of one property and two enclosed garage units (€410 thousand); and *(iii)* a writedown to adjust carrying amount to the lower of cost and appraised fair value (€39 thousand).

Note 23) Trade and other receivables

	30/06/2021	31/12/2020	Change
Trade and other receivables	53,219	40,955	12,264
Provision for doubtful accounts	(28,187)	(22,695)	(5,492)
Trade and other receivables	**25,032**	**18,260**	**6,772**

Trade receivables, net of the provision for doubtful accounts, increased by €6,772 thousand with respect to 31 December 2020. The increase reflects the difficulties of certain tenants as a result of the pandemic and the government-mandated closures that took place at different times throughout the year. Receivables are recognized net of the provision for doubtful accounts, which reflects positions not considered to be fully recoverable. The allocation for the half-year, €9,429 thousand, was calculated based on (i) the problems encountered with individual receivables (€1,994 thousand) and (ii) the estimated discounts relating to Covid-related closures in 2021 (€7,435 thousand).

The use of €267 thousand from the provision concerns doubtful accounts/problem credits identified in previous years that were fully written off during the period, while the use of €3,653 thousand refers to the formalization of agreements to grant discounts to tenants for the periods in 2020 when stores were closed by government mandate in an attempt to contain the pandemic.

Movements in the allowance for impairment are reported below:

	30/06/2021	31/12/2020	Change
Provision for doubtful account at the beginning of the period	**22,695**	**13,280**	**9,415**
Foreign exchange effect	(13)	(22)	9
Reverse	(3,920)	(1,561)	(2,359)
Write-down/(uses) interest on late payments	(4)	(5)	1
Provision	9,429	11,003	(1,574)
Provision for doubtful account at the end of the period	**28,187**	**22,695**	**5,492**

The following table shows receivables by geographical area:

	30/06/2021	31/12/2020	Change
Receivables Italy	51,699	39,262	12,437
Provision for doubtful accounts	(27,089)	(21,583)	(5,506)
Net receivables Italy	**24,610**	**17,679**	**6,931**
Receivables Romania	1,520	1,693	(173)
Provision for doubtful accounts	(1,098)	(1,112)	14
Net receivables Romania	**422**	**581**	**(159)**
Total Net Receivables	**25,032**	**18,260**	**6,772**

Note 24) Related party trade and other receivables

	30/06/2021	31/12/2020	Change
Coop Alleanza 3.0	248	180	68
Robintur s.p.a.	37	1	36
Librerie Coop s.p.a.	9	11	(2)
Alleanza Luce e Gas	19	20	(1)
Unicoop Tirreno s.c.a.r.l.	58	55	3
Consorzio Cone'	52	52	0
Consorzio Crema (Gran Rondò)	38	0	38
Consorzio I Bricchi	36	36	0
Consorzio Katanè	304	175	129
Consorzio Lame	156	43	113
Consorzio La Torre	130	5	125
Consorzio Porta a Mare	56	15	41
Distribuzione Centro Sud s.r.l.	6	0	6
Consorzio Le Maioliche	106	23	83
Consorzio Punta di Ferro	12	12	0
Millennium Center	68	5	63
Consorzio Proprietari Centro Luna	6	10	(4)
Consorzio Esp	1	1	0
Consorzio La Favorita	3	10	(7)
Consorzio Le Porte di Napoli	182	34	148
Consorzio Casilino	178	78	100
Mercato Coperto Ravenna	0	9	(9)
Related party trade and other receivables	**1,705**	**775**	**930**

Related party trade and other receivables increased by €930 thousand due mainly to the lack of offsetting, at 30 June 2021, of the trade payables involving the same consortiums.
See Note 38 for details.

Note 25) Other current assets

	30/06/2021	31/12/2020	Change
Tax credits			
VAT credits	2,175	1,970	205
IRES credits	414	401	13
IRAP credits	137	175	(38)
Due from others			
Accrued income and prepayments	1,986	894	1,092
Deferred costs	172	103	69
Other costs of services	217	193	24
Other current assets	**5,101**	**3,736**	**1,365**

Other current assets increased by €1,365 thousand, due mainly to greater prepayments for insurance and other costs pertaining to the year but paid in the first half of 2021, as well as the higher VAT credit.

Note 26) Cash and cash equivalents

	30/06/2021	31/12/2020	Change
Cash and cash equivalents	43,691	117,249	(73,558)
Cash on hand	88	92	(4)
Cash and cash equivalents	**43,779**	**117,341**	**(73,562)**

Cash and cash equivalents at 30 June 2021 consisted mainly of current account balances at banks.

Note 27) Net equity

	30/06/2021	31/12/2020	Change
Share capital	650,000	650,000	0
Share premium reserve	0	30,058	(30,058)
Other reserves	**465,092**	**499,131**	**(34,039)**
Legal reserve	130,000	130,000	0
Result treasury share sale effect	0	(233)	233
Bond issue reserve	0	14,865	(14,865)
Translation reserve	(5,087)	(4,784)	(303)
FTA IFRS 9 reserve	0	(4,354)	4,354
Recalculation of defined benefit plans	(39)	(39)	0
Cash flow hedge reserve	(6,549)	(8,668)	2,119
Fair value reserve	251,421	283,159	(31,738)
Subsidiaries cash flow hedge reserve	(1,783)	(2,306)	523
Recalculation of defined benefit plans subsidiaries	(61)	(61)	0
Capital increase reserve	0	(10,305)	10,305
FTA IFRS 16 reserve	1,886	1,886	0
Available reserve (from capital reduction)	91,583	91,583	0
Other available reserves	3,721	8,388	(4,667)
Net profit (loss) of the year	**21,142**	**(64,747)**	**85,889**
Group profit (loss) carried forward	1,689	9,574	(7,885)
Group profit	19,453	(74,321)	93,774
Total Group net equity	**1,136,234**	**1,114,442**	**21,792**
Capital and reserves of non-controlling interests	**0**	**0**	**0**
Net Equity	**1,136,234**	**1,114,442**	**21,792**

The Group's share of net equity amounted to €1,136,234 thousand at 30 June 2021. Most of the increase of €21,792 thousand with respect to 31 December 2020 is explained by:

- the positive adjustment of cash flow hedge reserves pertaining to derivatives accounted for using the cash flow hedge method (€2,119 thousand for the parent company);
- the positive adjustment of cash flow hedge reserves pertaining to derivatives accounted for using the cash flow hedge method (€523 thousand for a subsidiary);
- movements in the reserve for the translation of foreign currency financial statements, for a negative €303 thousand;
- the Group's share of the net profit for the period (€19,453 thousand).

Note 28) Non-current financial liabilities

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

	Duration	30/06/2021	31/12/2020	Change
Mortgage loans		**441,555**	**453,199**	**(11,644)**
05 BreBanca IGD MONDOVICINO (Galleria)	23/11/2006 - 10/01/2023	1,351	1,998	(647)
08 Carisbo Guidonia IGD TIBURTINO	27/03/2009 - 27/03/2024	29,164	31,158	(1,994)
06 Unipol Lungosavio IGD	31/12/2008 - 31/12/2023	4,437	4,838	(401)
01 Unipol SARCA	10/04/2007 - 06/04/2027	54,915	56,408	(1,493)
07 Carige Nikefin Asti I BRICCHI	31/12/2008 - 31/03/2024	12,589	13,544	(955)
13 CR Veneto Mondovi (Retail Park)	08/10/2009 - 01/11/2024	11,689	12,490	(801)
10 Mediocredito Faenza	05/10/2009 - 30/06/2029	6,499	6,964	(465)
14 MPS Palermo (Gallerie)	21/12/2010 - 30/11/2025	14,066	15,158	(1,092)
17 Carige Palermo IGD (Iper)	12/07/2011 - 30/06/2027	9,260	10,131	(871)
15 CentroBanca Coné (Gallerie)	22/12/2010 - 31/12/2025	19,051	20,361	(1,310)
Loan UBI 5 Leonardo	19/04/2018 - 17/10/2022	42,433	43,418	(985)
Loan UBI 1 Lame RP Favorita	19/04/2018 - 17/07/2023	3,110	4,356	(1,246)
Loan BNL 200ML LT	01/01/2019 - 15/10/2023	198,033	197,612	421
Loan MPS - SACE	16/10/2020 - 30/09/2026	34,958	34,763	195
Debts for bonds		**491,520**	**642,882**	**(151,362)**
Bond 100 ML	11/01/2017 - 11/01/2024	99,738	99,699	39
Bond 162 ML	21/04/2015 - 21/04/2022	0	152,468	(152,468)
Bond 400 ML	28/11/2019 - 28/11/2024	391,782	390,715	1,067
Due to other source of finance		**34,723**	**39,626**	**(4,903)**
Sardaleasing for Bologna office	30/04/2009 - 30/04/2027	2,710	2,893	(183)
IFRS 16 Livorno LT liabilities	01/01/2019 - 31/03/2026	11,958	13,469	(1,511)
IFRS 16 Abruzzo LT liabilities	01/01/2019 - 31/12/2023	177	234	(57)
IFRS 16 Nova LT liabilities	01/01/2019 - 28/02/2027	19,878	21,802	(1,924)
IFRS 16 Piave LT liabilities	01/01/2019 - 30/06/2022	0	1,228	(1,228)
Non-current financial liabilities		**967,798**	**1,135,707**	**(167,909)**
Related parties non-current financial liabilities		**0**	**0**	**0**

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

NON CURRENT FINANCIAL LIABILITIES	31/12/2020	IFRS16	REPAYMENTS	AMORTIZED COST	RECLASSIFICATION	30/06/2021
Payables due to mortgage	453,199	0	0	762	(12,406)	441,555
Payables due to bond	642,882	0	0	1,106	(152,468)	491,520
Payables due to IFRS 16	36,733	0	0	0	(4,720)	32,013
Payables due to other source of finance	2,893	0	0	0	(183)	2,710
TOTAL	**1,135,707**	**0**	**0**	**1,868**	**(169,777)**	**967,798**

Mortgage loans

Mortgage loans are secured by properties. The change is due to the reclassification to current financial liabilities of the principal falling due in the next 12 months. The average interest rate on adjustable-rate mortgage loans at 30 June 2021 was 0.92%.

Bonds

This item decreased due to the reclassification of €152,468 thousand to current financial liabilities to reflect the scheduled redemption of the €162 million bond loan in April 2022.

Debts for bonds	NON-CURRENT PORTION 31/12/2020	CURRENT PORTION 31/12/2020	Bonds Repayments	Ancillary cost amortizations at 30/06/21	Financial charges at 30/06/2021	NON-CURRENT PORTION 30/06/2021	CURRENT PORTION 30/06/2021	Nominal interest rate	Actual interest rate
Bond 162 ML	153,600	0	0	0	0	0	153,600		
Additional transition costs	(1,132)	0	0	411	0	0	(721)		
Coupon rate 31/12/20	0	2,815	0	0	(2,815)	0	0		
Paid interests	0	0	0	0	4,069	0	0		
Coupon rate 30/06/21	0	0	0	0	780	0	780		
Total Bond 162 ML	**152,468**	**2,815**	**0**	**411**	**2,034**	**0**	**153,659**	**2.65%**	**3.94%**
Bond 300 ML	0	70,793	(70,793)	0	0	0	0		
Additional transition costs	0	(53)	0	53	0	0	0		
Coupon rate 31/12/20	0	1,032	0	0	(1,032)	0	0		
Paid interests	0	0	0	0	1,328	0	0		
Coupon rate 30/06/21	0	0	0	0	0	0	0		
Total Bond 300 ML	**0**	**71,773**	**0**	**53**	**296**	**0**	**0**	**2.50%**	**2,8% ***
* including the effect of the Cash Flow Hedge Reserve									
Bond 100 ML	100,000	0	0	0	0	100,000	0		
Additional transition costs	(301)	0	0	39	0	(262)	0		
Coupon rate 31/12/20	0	1,056	0	0	(1,056)	0	0		
Paid interests	0	0	0	0	1,125	0	0		
Coupon rate 30/06/21	0	0	0	0	1,056	0	1,056		
Total Bond 100 ML	**99,699**	**1,056**	**0**	**39**	**1,125**	**99,738**	**1,056**	**2.25%**	**2.35%**
Bond 400 ML	400,000	0	0	0	0	400,000	0		
Additional transition costs	(9,285)	0	0	1,067	0	(8,218)	0		
Coupon rate 31/12/20	0	755	0	0	(755)	0	0		
Paid interests	0	0	0	0	0	0	0		
Coupon rate 30/06/21	0	0	0	0	5,006	0	5,006		
Total Bond 400 ML	**390,715**	**755**	**0**	**1,067**	**4,251**	**391,782**	**5,006**	**2.13%**	**2.76%**
Total Bonds	**642,882**	**76,400**	**0**	**1,570**	**7,706**	**491,520**	**159,721**		
Cash Flow Hedge Reserve (bond 300 ML)	**(145)**			**145**		**0**			
Total financial charges				**1,715**	**7,706**				

Covenants

The following table presents covenants on outstanding loans. All of the covenants were satisfied at 30 June 2021.

	Name	Guarantees given	Owner of product	Type of product	End date	Financial "Covenant"	Indicator i)	Indicator ii)	Indicator iii)	Indicator iv)
05	05 BreBanca IGD	Mondovicino shopping mall	IGD SIIQ SpA	Mortgage	10/01/2023					
01	01 Unipol Larice	Sarca shopping mall	IGD Management srl	Mortgage	06/04/2027	Certified consolidated financial statement: ratio of net debt (including derivative assets and liabilities) to net equity must not exceed 2.3	0.97			
06	06 Unipol Lungosavio IGD	Lungo Savio shopping center (Mall)	IGD SIIQ SpA	Mortgage	31/12/2023					
07	07 Carige Nikefin Asti	I Bricchi shopping mall	IGD SIIQ SpA	Mortgage	31/03/2024					
08	08 Carisbo Guidonia IGD	Tiburtino shopping center	IGD SIIQ SpA	Mortgage	27/03/2024	Financial condition of IGD Group: ratio of net debt (including derivative assets and liabilities) to net equity must not exceed 1.6 through to maturity	0.97			
09	09 Interbanca IGD	Centro d'Abruzzo shopping center (Hypermarket); Porto Grande shopping center (Mall, Hypermarket); SC Globo hypermarket; Le Porte di Napoli shopping center (Hypermarket); SC Il Maestrale hypermarket; SC Leonardo; SC Miralfiore hypermarket	IGD SIIQ SpA	Loan	05/10/2021	Consolidated financial statements:ratio of net debt (including derivative assets and liabilities) to net equity must not exceed 2 from 31/12/2006 to maturity	0.97			
10	10 Mediocredito Faenza IGD	Le Maioliche shopping center (Hypermarket)	IGD SIIQ SpA	Loan	30/06/2029	IGD Siiq SpA financial statements: ratio of external net debt to equity + Intercompany loan must not exceed 2.70	0.98			
14	14 MPS Palermo	La Torre shopping center (Mall)	IGD SIIQ SpA	Mortgage	30/11/2025	Consolidated financial statements: i) ratio of net debt (including derivative assets and liabilities) to net equity must not exceed 1.7 ii) Loan to Value ratio for individual property must not exceed 70%	0.97	34.21%		
15	15 CentroBanca Cone Gall	Conè shopping center (Mall)	IGD SIIQ SpA	Loan	31/12/2025	Consolidated financial statements: i) ratio of net debt (including derivative assets and liabilities) to net equity must not exceed 2	0.97			
13	13 CR Veneto Mondovi	Mondovicino Retail Park	IGD SIIQ SpA	Mortgage	01/11/2024	Certified consolidated financial statements: i) ratio of net debt (including derivative assets and liabilities) to net equity must not exceed 1.6	0.97			
17	17 Carige Palermo IGD	La Torre shopping center (Hypermarket)	IGD SIIQ SpA	Mortgage	30/06/2027					
30	30 Ubi 1 lame_rp_fav	La Favorita shopping center (Mall and Retail Park) and Lame shopping center (Mall)	IGD SIIQ SpA	Mortgagebacked loan	17/07/2023					
31	31 Ubi 2 lame_rp_fav	La Favorita shopping center (Mall and Retail Park) and Lame shopping center (Mall)	IGD SIIQ SpA	Mortgagebacked loan	18/10/2021					
32	32 Ubi 3 rp	La Favorita shopping center (Retail Park)	IGD SIIQ SpA	Mortgage	18/10/2021					
33	33 Ubi 5 leonardo	Leonardo shopping center (Mall) and Centro Luna shopping center (Mall)	IGD SIIQ SpA	Loan	17/10/2023	Consolidated financial statements: i) ratio of net debt (including derivative assets and liabilities) to net equity must not exceed 1.6 ii) Loan to Value ratio for individual property must not exceed 55%	0.96	42.80%		
26	Notes 2,65% - 21/04/2022	unsecured	IGD SIIQ SpA	Bond	21/04/2022	i) Ratio Total Asset - Intangible Asset to Total Debt lower (excluding derivative liabilities) under 60%; ii) Interest Cover Ratio (recurring items on cash basis) > 1.55; iii) Ratio of Secured Debt to Total Asset - Intangible Asset under 45%; iv) Ratio of encumbered assets to Unsecured debt > 1.00. - [excluding effect of IFRS16 accounting standards]	48.17%	3.19	10.72%	1.62
28	Notes 2,25% - 11/01/2024	unsecured	IGD SIIQ SpA	Bond	11/01/2024	i) Ratio Total Asset - Intangible Asset to Total Debt lower (excluding derivative liabilities) under 60%; ii) Interest Cover Ratio (recurring items on cash basis) > 1.7; iii) Ratio of Secured Debt to Total Asset - Intangible Asset under 45%; iv) Ratio of encumbered assets to Unsecured debt > 1.50 - [including effect of IFRS16 accounting standards]	49.13%	3.30	12.28%	1.62
35	Notes 2,125% - 28/11/24	unsecured	IGD SIIQ SpA	Bond	28/11/2024	i) Ratio Total Asset - Intangible Asset to Total Debt (excluding derivative liabilities and net Cash and Cash Equivalents) under 60%; ii) Interest Cover Ratio (recurring items on cash basis) > 1.7; iii) Ratio of Secured Debt to Total Asset - Intangible Asset under 45%; iv) Ratio of encumbered assets to Unsecured debt (net of Cash and Cash equivalentsi) > 1.25 - [excluding effect of IFRS16 accounting standards]	46.32%	3.19	10.72%	1.70
34	34 Syndicated Loan	unsecured	IGD SIIQ SpA	Contratto di Finanziamento sindacato	16/10/2023	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 encumbered assets to Unsecured debt > 1.25 - [excluding effect of IFRS16 accounting standards]	48.17%	3.19	10.72%	1.62
36	35 Fin.to MPS Garanzia Italia	unsecured	IGD SIIQ SpA	Unsecured loan	16/10/2026	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 encumbered assets to Unsecured debt (net of cash and cash equivalents) > 1.00 -[excluding effect of IFRS16 accounting standards]	46.32%	3.19	10.72%	1.70

Note 29) Provision for employee severance indemnities

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

	01/01/2021	Actuarial (Gain)/ Losses	Reverse	Provision	Financial charges IAS 19	30/06/2021
Provisions for employee severance indemnities	**3,267**	**0**	**(168)**	**158**	**8**	**3,265**

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	*2021*
Cost of living increase	0.80%
Discount rate	0.53%
Increase in total compensation	Executives 2.5% White collar/Middle managers 1.0% Blue collar 1.0%
Increase in severance indemnity provision	2.100%

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) General provisions

	01/01/2021	Reverse	Provision	30/06/2021
Provision for taxation	1.875	(38)	69	1.906
Consolidated Fund risks and future charges	1.174	(60)	200	1.312
Bonus provisions	742	(662)	482	566
Provisions for risks and future charges	**3.793**	**(760)**	**751**	**3.784**

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 two shopping centers.

Bonus provision

The bonus provision covers the variable compensation that will be paid to employees in 2022 on the basis of the Group's 2021 estimated results. The utilization refers to the bonus for 2020, paid to employees in June 2021. The provision also covers the end-of-term benefits accruing to the directors.

Other general provisions

These cover the risks arising from litigation in course, as well as probable future expenses. The principal changes during the half-year concerned *(i)* the allocation of €200 thousand for end-of-term benefits for directors, and *(ii)* the use of €60 thousand for the out-of-court settlement of a dispute with a tenant.

Note 31) Sundry payables and other non-current liabilities

	30/06/2021	31/12/2020	Change
Deferred income	5,918	5,920	(2)
Advances due one year	800	800	0
Extention fee	500	500	0
SACE guarantee payable	1,083	1,083	0
Payable for substitute tax	620	1,240	(620)
Other liabilities	335	306	29
Sundry payables and other non-current liabilities	**9,256**	**9,849**	**(593)**

The overall decrease of €593 thousand stems primarily from the reclassification to tax liabilities of the amount due in June 2022 for the substitute tax on revaluation and realignment, under the option granted by Art. 110 of Decree Law 104 of 14 August 2020 (the "August Decree," converted into Law 126 of 13 October 2020) to realign statutory amounts with those valid for tax purposes and to revalue business assets, including for tax purposes, by paying a substitute tax equal to 3% of the revalued amounts. This option was taken in 2020 by the subsidiaries Millennium Gallery S.r.l. and IGD Management S.r.l..
Deferred income concerns the City of Livorno for additional secondary urban infrastructure works as provided for by contract (€2,468 thousand) and works to be delivered to Porta a Mare S.p.A. (€3,450 thousand).
Advances due beyond one year refer to the advance from BNP Paribas under the agreement for the sale of the commercial licenses of the Fonti del Corallo mall, which will be finalized in 2026 when the current rental contract expires.
Extension fees consist of the two €500 thousand fees that IGD will have to pay to BNP Paribas in 2021 and 2022 in order to extend the duration of the €200 million loan taken out in the second half of 2018 to 2022 and 2023, respectively. The extension is currently regarded as likely.

Related party payables are shown below:

	30/06/2021	31/12/2020	Change
Coop Alleanza 3.0	12,932	12,932	0
Alleanza Luce e Gas	55	55	0
Unicoop Tirreno s.c.a.r.l.	25	25	0
Distribuzione Centro Sud s.r.l.	450	450	0
Related parties sundry payables and other non-current liabilities	**13,462**	**13,462**	**0**

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

Note 32) Current financial liabilities

	Duration	30/06/2021	31/12/2020	Change
Mortgage loans		**41,608**	**51,418**	**(9,810)**
05 BreBanca IGD MONDOVICINO (Galleria)	23/11/2006 - 10/01/2023	1,280	1,250	30
06 Unipol Lungosavio IGD	31/12/2008 - 31/12/2023	792	769	23
09 Interbanca IGD	25/09/2006 - 05/10/2021	7,666	15,143	(7,477)
08 Carisbo Guidonia IGD TIBURTINO	27/03/2009 - 27/03/2024	4,128	4,130	(2)
01 Unipol SARCA	10/04/2007 - 06/04/2027	3,001	3,006	(5)
07 Carige Nikefin Asti I BRICCHI	31/12/2008 - 31/03/2024	1,890	1,830	60
13 CR Veneto Mondovi (Retail Park)	08/10/2009 - 01/11/2024	1,685	1,687	(2)
10 Mediocredito Faenza IGD	05/10/2009 - 30/06/2029	933	933	0
14 MPS Palermo (Galleria)	21/12/2010 - 30/11/2025	2,200	2,172	28
17 Carige Palermo IGD (Iper)	12/07/2011 - 30/06/2027	1,733	1,715	18
15 CentroBanca Coné (Galleria)	22/12/2010 - 31/12/2025	2,640	2,640	0
Loan UBI 5 Leonardo	19/04/2018 - 17/10/2022	2,074	2,080	(6)
Loan UBI 1 Lame RP Fav	19/04/2018 - 17/07/2023	2,520	2,553	(33)
Loan UBI 2 Lame RP Fav	19/04/2018 - 17/10/2021	7,399	8,178	(779)
Loan UBI 3 RP	19/04/2018 - 17/10/2021	1,667	3,332	(1,665)
Due to other source of finance		**9,629**	**9,448**	**181**
Leasing IGD Office	30/04/2009 - 30/04/2027	362	356	6
IFRS 16 Livorno liabilities current	01/01/2019 - 31/03/2026	2,959	2,896	63
IFRS 16 Abruzzo liabilities current	01/01/2019 - 31/12/2023	114	112	2
IFRS 16 Nova liabilities current	01/01/2019 - 28/02/2027	3,768	3,686	82
IFRS 16 Piave liabilities current	01/01/2019 - 30/06/2022	2,426	2,398	28
Debts for bonds		**159,721**	**76,400**	**83,321**
Bond 100 ML	11/01/2017- 11/01/2024	1,056	1,056	0
Bond 162 ML	21/04/2015 - 21/04/2022	153,659	2,815	150,844
Bond 300 ML	31/05/2016 - 31/05/2021	0	71,773	(71,773)
Bond 400 ML	28/11/2019 - 28/11/2024	5,006	756	4,250
Current financial liabilities		**210,958**	**137,266**	**73,692**

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

CURRENT FINANCIAL LIABILITIES	31/12/2020	COUPON OF THE YEAR	REPAYMENTS	AMORTIZED COST	RECLASSIFICATION	30/06/2021
Payables due to mortgage	51,418	0	(22,289)	73	12,406	41,608
Payables due to bond	76,400	7,706	(77,317)	464	152,468	159,721
Payables due to IFRS 16	9,092	0	(4,545)	0	4,720	9,267
Payables due to other source of finance	356	0	(177)	0	183	362
TOTAL	**137,266**	**7,706**	**(104,328)**	**537**	**169,777**	**210,958**

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

The principal changes in current financial liabilities relate to the reclassification from non-current liabilities of the €162 million bond loan maturing in April 2022, the repayment of principal falling due during the period on mortgage loans existing at the close of the previous year, and the reclassification from non-current liabilities of payments due within 12 months.

Note 33) Net financial position

The table below presents the net financial position at 30 June 2021 and 31 December 2020. At neither date does it include derivatives held for hedging purposes, which by nature do not constitute monetary assets or liabilities.

	30/06/2021	31/12/2020	Change
Cash and cash equivalents	(43,779)	(117,341)	73,562
LIQUIDITY	**(43,779)**	**(117,341)**	**73,562**
Mortgage loans - current portion	41,608	51,418	(9,810)
Leasing - current portion	9,629	9,448	181
Bond loans - current portion	159,721	76,400	83,321
CURRENT DEBT	**210,958**	**137,266**	**73,692**
CURRENT NET DEBT	**167,179**	**19,925**	**147,254**
Non-current financial assets	(174)	(174)	0
Leasing - non-current portion	34,723	39,626	(4,903)
Non-current financial liabilities	441,555	453,199	(11,644)
Bond loans	491,520	642,882	(151,362)
NON-CURRENT NET DEBT	**967,624**	**1,135,533**	**(167,909)**
Net debt	**1,134,803**	**1,155,458**	**(20,655)**

Net debt decreased by about €20.7 million with respect to 31 December 2020, due mainly to *(i)* the reduction in payables as a result of applying IFRS 16 and *(ii)* cash generated in the first half of 2021, net of investments carried out and payments on various mortgage loans.
Uncommitted credit facilities with banks amount to €151 million, of which all was unutilized at the close of the period.
Committed revolving credit facilities with banks, unutilized at 30 June 2021, amount to €60 million.
See the section "Statement of financial position and financial review" of the Directors' Report for comments.

As in previous years, the net financial position does not include payables for security deposits received from third parties and related parties for the rental of hypermarkets and malls, given their commercial nature.

Note 34) Trade and other payables

	30/06/2021	31/12/2020	Change
Trade payables within	15,688	12,091	3,597
Trade and other payables	**15,688**	**12,091**	**3,597**

Trade payables increased due mainly to the suspension of rent for the first half of 2021 for Fonti del Corallo, Centro Nova, and Centro Piave, as an interim measure until discounts are formally defined. In June, a discount of €406 thousand was arranged with the owners of the Centro Piave property. Further to that agreement, the rent due for Centro Piave was paid in early July.

Note 35) Related party trade and other payables

	30/06/2021	31/12/2020	Change
Coop Alleanza 3.0	167	165	2
Unicoop Tirreno s.c.a.r.l.	160	3	157
Cons. propr. del compendio com. del Commendone (GR)	8	30	(22)
Consorzio prop. Fonti del Corallo	96	0	96
Consorzio Cone'	38	5	33
Consorzio Clodì	2	0	2
Consorzio Crema (Gran Rondò)	29	0	29
Consorzio I Bricchi	44	0	44
Consorzio Katanè	345	5	340
Consorzio Lame	136	8	128
Consorzio Leonardo	111	16	95
Consorzio La Torre	293	21	272
Consorzio Porta a Mare	70	0	70
Consorzio Sarca	56	160	(104)
Consorzio Le Maioliche	65	5	60
Consorzio Punta di Ferro	8	13	(5)
Millennium Center	29	22	7
Consorzio Proprietari Centro Luna	34	5	29
Consorzio Esp	38	5	33
Consorzio La Favorita	4	10	(6)
Consorzio Le Porte di Napoli	176	20	156
Consorzio Casilino	235	6	229
Related parties trade and other payables	**2,144**	**499**	**1,645**

Related party trade and other payables increased by €1,645 thousand due mainly to the lack of offsetting, at 30 June 2021, of the trade receivables involving the same consortiums.
See Note 38 for additional information.

Note 36) Current tax liabilities

	30/06/2021	31/12/2020	Change
Due to tax authorities for withholdings	567	688	(121)
Irap	132	0	132
Ires	211	242	(31)
VAT	1,511	260	1,251
Other taxes	31	4	27
Substitute tax	620	620	0
Current tax liabilities	**3,072**	**1,814**	**1,258**

The change in this item, €1,258 thousand, relates mainly to the increase in VAT due as a result of the different timing of invoices with respect to the first half of last year.

Note 37) Other current liabilities

	30/06/2021	31/12/2020	Change
Social security	392	391	1
Accrued liabilities and deferred income	569	636	(67)
Insurance	8	8	0
Due to employees	934	842	92
Security deposits	7,571	7,016	555
Unclaimed dividends	2	2	0
Advances received due within the year	878	608	270
Amounts due to director for emoluments	158	321	(163)
Amounts due to statutory auditors for emoluments	1	0	1
Extention fee	500	500	0
SACE guarantee payable	320	320	0
Other liabilities	1,119	1,145	(26)
Other current liabilities	**12,452**	**11,789**	**663**

At 30 June 2021 this item had increased by €663 thousand, including €555 thousand for security deposits and €270 thousand for advances.

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	248	0	167	12.932	0	0	0	0
Robintur s.p.a.	37	0	0	0	0	0	5	0
Librerie Coop s.p.a.	9	0	0	0	0	0	0	0
Alleanza Luce e Gas	19	0	0	55	0	0	0	0
Unicoop Tirreno s.c.a.r.l.	58	0	160	25	0	0	150	0
Cons. propr. del compendio com. del Commendone (GR)	0	0	8	0	0	0	0	0
Consorzio prop. Fonti del Corallo	0	0	96	0	0	0	93	0
Consorzio Cone'	52	0	38	0	0	0	5	0
Consorzio Clodì	0	0	2	0	0	0	0	0
Consorzio Crema (Gran Rondò)	38	0	29	0	0	0	5	0
Consorzio I Bricchi	36	0	44	0	0	0	0	0
Consorzio Katanè	304	0	345	0	0	0	102	0
Consorzio Lame	156	0	136	0	0	0	0	0
Consorzio Leonardo	0	0	111	0	0	0	4	0
Consorzio La Torre	130	0	293	0	0	0	29	0
Consorzio Porta a Mare	56	0	70	0	0	0	0	0
Consorzio Sarca	0	0	56	0	0	0	3	0
Distribuzione Centro Sud s.r.l.	6	0	0	450	0	0	0	0
Consorzio Le Maioliche	106	0	65	0	0	0	0	0
Consorzio Punta di Ferro	12	0	8	0	0	0	4	0
Millennium Center	68	0	29	0	0	0	0	0
Consorzio Proprietari Centro Luna	6	0	34	0	0	0	0	0
Consorzio Esp	1	0	38	0	0	0	0	0
Consorzio La Favorita	3	0	4	0	0	0	0	0
Consorzio Le Porte di Napoli	182	0	176	0	0	0	11	0
Consorzio Casilino	178	0	235	0	0	0	29	0
Total	**1.705**	**0**	**2.144**	**13.462**	**0**	**0**	**440**	**0**
Amount reported	**66.791**	**174**	**30.284**	**22.718**	**1.178.756**	**129**		
Total increase/decrease for the period							**8.730**	**0**
% of the total	**2,55%**	**0,00%**	**7,08%**	**59,26%**	**0,00%**	**0,00%**	**5,04%**	**0,00%**

	Operating revenues	Financial Income	Total operating costs	Financial charges
Coop Alleanza 3.0	15.870	0	163	1
Robintur s.p.a.	151	0	0	0
Librerie Coop s.p.a.	484	0	0	0
Alleanza Luce e Gas	110	0	0	0
Unicoop Tirreno s.c.a.r.l.	2.517	0	10	0
Cons. propr. del compendio com. del Commendone (GR)	75	0	49	0
Consorzio Cone'	85	0	150	0
Consorzio Clodì	28	0	51	0
Consorzio Crema (Gran Rondò)	31	0	36	0
Consorzio I Bricchi	59	0	261	0
Consorzio Katanè	105	0	97	0
Consorzio Lame	93	0	43	0
Consorzio Leonardo	118	0	52	0
Consorzio La Torre	102	0	221	0
Consorzio Porta a Mare	39	0	120	0
Consorzio Sarca	90	0	0	0
Distribuzione Centro Sud s.r.l.	723	0	0	0
Consorzio Le Maioliche	87	0	120	0
R.P.T. Robintur	5	0	0	0
Consorzio Punta di Ferro	84	0	95	0
Millennium Center	51	0	2	0
Consorzio Proprietari Centro Luna	77	0	7	0
Consorzio Esp	105	0	118	0
Consorzio La Favorita	61	0	16	0
Consorzio Le Porte di Napoli	0	0	82	0
Consorzio Casilino	0	0	98	0
Consorzio del centro commerciale Nuova Darsena	0	0	187	0
Total	**21.150**	**0**	**1.978**	**1**
Amount reported	**76.783**	**36**	**18.289**	**16.763**
% of the total	**27,55%**	**0,00%**	**10,82%**	**0,01%**

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 (Robintur S.p.A., Librerie Coop S.p.A., R.P.T. Robintur Travel Partner S.r.l. and Alleanza Luce e Gas S.r.l.); with Unicoop Tirreno Soc. Coop.; and with Distribuzione Centro Sud S.r.l. (owned 70% by Coop Alleanza 3.0 Soc. Coop. and 30% by Unicoop Tirreno Soc. Coop.).
Related party transactions are conducted at arm's length and are recognized at face value.

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 2021, including for retail premises, amounted to €15.9 million;
- the provision of IT services by Coop Alleanza 3.0. Soc. Coop.;
- security deposits received on leases.

Transactions with Robintur S.p.A. and R.P.T. Robintur Travel Partner S.r.l. concern the leasing of store space at malls. For the period ended 30 June 2021, €151 thousand in rent was received from Robintur S.p.A. and €5 thousand from R.P.T. Robintur Travel Partner S.r.l..

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 €484 thousand under this arrangement.
Transactions with Alleanza Luce e Gas S.r.l. refer to the rental of part of the second floor of the building where IGD has its head office. For the half-year, the Group received €110 thousand under this arrangement.
Transactions with Distribuzione Centro Sud S.r.l. (owned 70% by Coop Alleanza 3.0. Soc. Coop. and 30% by Unicoop Tirreno Soc. Coop.) refer to the lease to those companies of the Guidonia and Afragola hypermarkets for €723 thousand, as well as security deposits received on leases.
Transactions with Unicoop Tirreno Soc. Coop.
Transactions with Unicoop Tirreno Soc. Coop. consist of:

- security deposits received on leases;
- receivables and income for the leasing of properties used as hypermarkets and supermarkets. For the half-year, the Group received €2.5 million under these arrangements.

Transactions with other Group companies
Transactions with the direct and indirect subsidiaries IGD Management S.r.l., Millennium Gallery S.r.l., Porta Medicea S.r.l., Arco Campus S.r.l., Win Magazin S.A., and RGD Ferrara 2013 S.r.l. concern the following: *(i)* administrative, technical and financial services provided by IGD; *(ii)* loans granted to the subsidiaries IGD Management S.r.l., Arco Campus S.r.l., Millennium Gallery S.r.l., and RGD Ferrara 2013 S.r.l., and financial payables to the subsidiary IGD Management S.r.l. for use of the pooled account; *(iii)* the tax consolidation agreement with IGD Management S.r.l., Millennium Gallery S.r.l., Porta Medicea S.r.l. and RGD Ferrara 2013 S.r.l.; *(iv)* the preliminary agreement for the purchase from a related party of the retail "Officine" portion of the Porta a Mare project in Livorno, for an original amount of €46.3 million, of which advances have been paid in the amount of €22.4 million.
Transactions with consortiums concern receivables and income for facility management services at shopping centers; the costs incurred refer to service charges for vacant units and extraordinary maintenance work on properties.

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 92.89% of the Group's exposure to rate fluctuations on long-term loans, including bonds. The Finance department analyzes and measures interest rate and liquidity risk while constantly evaluating the best means of implementation of the risk management model, and conducts routine scouting activities to find opportunities to reduce the cost of debt with banks and/or the capital markets.
See Note 40 for quantitative information on derivatives.

Foreign exchange risk

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

Price risk

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

Credit risk

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

counterparty's insolvency. The maximum exposure is presented gross of any mitigation through the use of various kinds of hedge.

Liquidity risk

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

Capital management

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

1. keeping the net debt/equity ratio at 1x or below over the medium term (the ratio was 1.03x at 31 December 2020 and 0.99x at 30 June 2021);
2. keeping the loan-to-value ratio (net of leasing installments due for the purchase of company premises) under 50% (it was 49.09% at the close of the half-year, compared with 49.90% at the end of 2020).

Note 40) Derivative instruments

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

Fair value - hierarchy	30/06/2021	31/12/2020	Change	Level
Derivative assets	0	0	0	2
Derivative liabilities	(11,220)	(14,396)	3,176	2
IRS net effect	**(11,220)**	**(14,396)**	**3,176**	

Contracts in detail	IRS 07 - Banca Aletti 3.420%	IRS 09 - BNP Paribas 3.439%	IRS 10 - ex MPS 3.439%	IRS 08 - ex MPS 3.420%	IRS 06 - Carisbo 3.3495%	IRS 12 - Carisbo 3.177%	IRS 11 - ex MPS 3.175%
Nominal account	1,280,144	1,280,144	1,280,144	1,280,144	2,627,090	1,280,144	1,280,144
Inception date	10/06/2009	10/06/2009	11/06/2009	12/06/2009	12/02/2009	27/10/2009	28/10/2009
Maturity	05/10/2021	05/10/2021	05/10/2021	05/10/2021	10/01/2023	05/10/2021	05/10/2021
IRS frequency	Quarterly	Quarterly	Quarterly	Quarterly	Half-yearly	Quarterly	Quarterly
Bank rate	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 6 months	Euribor 3 months	Euribor 3 months
Consumer rate	3.42%	3.44%	3.44%	3.42%	3.35%	3.18%	3.18%

Contracts in detail	IRS 16 - Aletti 3.285%	IRS 17 - Aletti 2.30%	IRS 14 - Carisbo 3.272%	IRS 13 - Carisbo 3.412%	IRS 15 - ex MPS 3.25%	IRS 18 - MPS 2.30%	IRS 19 - Carisbo 2.30%
Nominal account	4,351,459	8,416,750	5,801,945	5,234,052	4,351,459	8,416,750	8,416,750
Inception date	28/04/2010	27/08/2010	28/04/2010	28/04/2010	30/04/2010	31/08/2010	27/08/2010
Maturity	31/03/2024	27/03/2024	28/03/2024	29/12/2023	28/03/2024	27/03/2024	27/03/2024
IRS frequency	Quarterly	Quarterly	Quarterly	Half-yearly	Quarterly	Quarterly	Quarterly
Bank rate	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 6 months	Euribor 3 months	Euribor 3 months	Euribor 3 months
Consumer rate	3.29%	2.30%	3.27%	3.41%	3.25%	2.30%	2.30%

Contracts in detail	IRS 20 - Carisbo 2.285%	IRS 21 - MPS 2.80%	IRS 22 - Carisbo 3.25%	IRS 24 - Carisbo 2.429%	IRS 23 - Carisbo 2.429%	IRS 25 - Aletti 2.427%	IRS 29 – BNL 0.5925%
Nominal account	8,416,750	3,928,572	13,500,000	10,890,000	4,356,000	6,534,000	29,000,000
Inception date	27/08/2010	12/07/2011	12/07/2011	12/09/2011	12/09/2011	12/09/2011	08/06/2017
Maturity	27/03/2024	31/03/2024	01/11/2024	31/12/2025	31/12/2025	31/12/2025	06/04/2027
IRS frequency	Quarterly	Quarterly	Half-yearly	Quarterly	Quarterly	Quarterly	Quarterly
Bank rate	Euribor 3 months	Euribor 3 months	Euribor 6 months	Euribor 3 months	Euribor 3 months	Euribor 3 months	Euribor 3 months
Consumer rate	2.29%	2.80%	3.25%	2.43%	2.43%	2.43%	0.59%

Contracts in detail	IRS 30 – BIntesa 0.5925%	IRS 31 - UBI 0.333%	IRS 33 - BNP 0.11%	IRS 35 - MPS 0.115%	IRS 36 - BPM 0.115%	IRS 37 - ICCREA 0.115%	IRS 34 - BNP 0.07%
Nominal account	29,000,000	44,500,000	48,000,000	50,000,000	30,000,000	15,000,000	57,000,000
Inception date	08/06/2017	17/01/2019	29/03/2019	29/03/2019	29/03/2019	29/03/2019	29/03/2019
Maturity	06/04/2027	17/10/2023	15/10/2021	15/10/2021	15/10/2021	15/10/2021	15/10/2021
IRS frequency	Quarterly	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	Euribor 3 months
Consumer rate	0.59%	0.33%	0.12%	0.12%	0.12%	0.12%	0.08%

Note 41) Subsequent events

On 2 July 2021 the company IGD Service S.r.l. was formed with share capital of €10 thousand. This is a wholly-owned subsidiary of IGD SIIQ S.p.A.

On 21 July 2021 the shareholders of the subsidiaries IGD Management S.r.l., Millennium Gallery S.r.l., RGD Ferrara S.r.l., and IGD Service S.r.l. approved the single merger and demerger plan, which calls for: (i) the merger by incorporation of RGD Ferrara 2013 S.r.l. and Millennium Gallery S.r.l. in IGD Management S.r.l. and (ii) the proportional partial demerger of IGD Management post-merger into IGD Service S.r.l..

The main objective is to reorganize and streamline the Group's ownership structure by reducing the number of subsidiaries and separating, where possible, the business lease operations (licenses) from the property rental business, also for the purposes of transforming the real estate subsidiary into a SIINQ with a view to economic efficiency and tax optimization.

The reorganization will take place through a single merger and demerger plan, effective for statutory purposes as from 1 October 2021. The accounting and tax effects of the merger will be retroactive to 1 January 2021, while those of the demerger will coincide with the statutory effects.

As a result of the reorganization, the properties pertaining to the shopping centers Centro Sarca and Millennium Center (currently owned by IGD Management S.r.l. and Millennium Gallery S.r.l.) will be allocated to IGD Management, while IGD Service S.r.l. will operate the licenses for Centro Sarca, Centro Nova, Centro Piave, Millennium Center, Gran Rondò, and Darsena and manage equity investments, shopping centers and network personnel.

Note 42) Commitments

At 30 June 2021 the Group had the following major commitments:

- contract for the development of the Officine Storiche section (Livorno), for a remaining amount of €6 million;
- contract for the remapping of Conè shopping center (Conegliano Veneto), for a remaining amount of €181 thousand.

Note 43) Tax litigation

On 23 December 2015 the regional tax authorities of Emilia Romagna served Immobiliare Grande Distribuzione 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 it definitively cleared the IRES and IRAP assessments, and with decision no. 254/17 (also filed on 28 February) it accepted IGD's arguments concerning VAT and annulled that assessment as well, a ruling that became definitive on 14 June 2018.

For both proceedings, the Commission ordered the revenue office to reimburse IGD's legal expenses in the amount of €6,000.00 total.

On 29 September 2017 the Emilia Romagna regional authorities appealed the VAT decision (254/17) and on 28 November IGD filed its counterarguments against that appeal.

On 9 January 2020, the Emilia Romagna regional authorities filed a statement of defense to rebut the Company's counterarguments.

With a decision filed on 23 November 2020, the Regional Tax Commission of Emilia Romagna confirmed the lower commission's ruling, rejected the regional authorities' appeal, and ordered the regional authorities to pay the costs of both levels of justice in the amount of €7,000.00 (reimbursed in the first half of 2021).

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

2.7 // Certification of the condensed consolidated half-year financial statements

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

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

- the adequacy of in relation to the characteristics of the business; and
- the company's due compliance with the administrative and accounting procedures for the preparation of the consolidated financial statements during the first half of 2021.

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, 5 August 2021

Claudio Albertini	Carlo Barban
Chief Executive Officer	Financial Reporting Officer

2.8 // External Auditors' Review Report on the consolidated condensed interim financial statements

REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
Immobiliare Grande Distribuzione SIIQ SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of Immobiliare Grande Distribuzione SIIQ SpA (hereinafter, also the "Company" and together with its subsidiaries the "IGD Group") as of 30 June 2021 which comprise the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related explanatory notes. The Directors of the Company are responsible for the preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope 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 on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of IGD Group as of 30 June 2021 are not prepared, in all

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material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Bologna, 5 August 2021

PricewaterhouseCoopers SpA

Signed by
Giuseppe Ermocida
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

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 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.

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 2021 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.