



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

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

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

comprising n. 110,341,903 ordinary shares

Bologna Companies Register and tax identification no. 00397420399

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

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

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

14 – 15 APRIL 2022

EXPLANATORY NOTES ON THE ITEMS OF THE AGENDA OF IGD SIIQ S.P.A. ORDINARY ANNUAL GENERAL MEETING PREPARED BY THE BOARD OF DIRECTORS IN ACCORDANCE WITH ARTICLES 125- *TER* AND 154- *TER* OF LEGISLATIVE DECREE N. 58/1998 AS WELL AS ART. 73 OF THE CONSOB REGULATION ADOPTED BY RESOLUTION N. 11971/1999

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1. Separate financial statements at 31.12.2021; Directors' report on operations; External auditors' report; Report of the Board of Statutory Auditors; Presentation of the consolidated financial statements at 31.12.2021; related and consequent resolutions;
2. Allocation of the net income and distribution of the dividend to Shareholders; related and consequent resolutions;
3. Report on compensation and the compensation paid in accordance with Art. 123-*ter*, paragraphs 3-*ter* and 6, of Legislative Decree n. 58/98:
 - 3.1 First section: report on the compensation policy. Binding resolution
 - 3.2 Second section: report on the compensation paid. Non-binding resolution
4. Granting of the financial audit assignment for 2022-2030 and determination of the relative remuneration; related and consequent resolutions

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Item 1 of the Agenda of the Ordinary General Meeting - Separate financial statements at 31.12.2021; Directors' report on operations; External auditors' report; Report of the Board of Statutory Auditors; Presentation of the consolidated financial statements at 31.12.2021; related and consequent resolutions.

Dear Shareholders,

The separate financial statements as at 31 December 2021 which are being submitted to you for your approval show a net profit of € 50,093 thousand. Total revenues amounted to €120,466 thousands, recording a decrease with respect to the prior year of €1.2 million or 5.3%, explained primarily by the transfer, finalized on 25 November 2021, of 5 hypermarkets and 1 supermarket to Fondo Juice. Operating costs, including G&A expenses, are lower with respect to the previous year and their impact on revenues improved slightly going from 26.8% to 26.4%. The 2021 operating costs also include the credit notes issued for the discounts on rents that had already been invoiced as part of the actions to support retailers post-lockdown. EBIT, which amounted to €85 million, was €117 million higher due to the lower impairment in the real estate portfolio's fair value, equal to €0.3 million (impairment were equal to €111.5 million at 31December 2020).

Financial management showed a balance of €32.3 million at 31 December 2021, a decrease of €2.1 million with respect to prior year.

The IGD Group's total operating revenue at 31 December 2021 amounted to €152 million, a decrease of 0.5% compared to 2020 (the Group's total operating revenue at 31 December 2020 amounted to €152.7 million).

Rental income reached €145.1 million, showing a decrease of 0.4% compared to the same period of the prior year. Direct costs from rental activities amounted to €26.6 million, a decrease of 26.3% with respect to the prior year.

General expenses for the core business, including payroll costs at headquarters, amounted to €12.1 million, showing an increase of 8.4% compared to €11.2 million posted at 31 December 2020.

The core business EBITDA in 2021 amounted to €107.3 million, an increase of 7.9%

compared to the prior year. IGD Group's EBITDA at 31 December 2021 amounted to €106.8 million, with an increase of 8.2%.

The EBITDA Margin for the core business amounted to 70.8%, up by 54 basis points with respect to the same period of previous year.

EBIT, positive for €89.9 million, shows a increase of €142.1 million with respect to the same period of 2020.

Financial expense decrease from the €36.2 million recorded at 31 December 2020 to €33.3 million at 31 December 2021.

The pre-tax income at 31 December 2021 amounted to €55.8 million, compared to a loss equal to €88.6 million recorded in 2020.

As a result of the above the Group posted a net profit of €52.8 million, compared to a loss equal to €74.3 million posted in 2020. Core business Funds from Operations (FFO) amounted to €64.7 million, with an increase of €5.4 million compared to previous year.

IGD Group's net financial debt at 31 December 2021 shows an improvement compared to 31 December 2020 of approx. €168.4 million. Gearing ratio (0.84x) and Loan to Value (44.8%) show an increase compared with the prior year.

The Real Estate Portfolio at 31 December 2021

Based on CBRE Valuation S.p.A., KROLL S.p.A., Cushman & Wakefield and Jones Lang Lasalle's independent appraisals, the market value at 31 December 2021 of IGD Group's real estate portfolio reached €2,140.47 million, decreasing compared to €2,265.69 million recorded at 31 December 2020.

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

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

- *having seen the Board of Directors' report;*
- *having seen the Board of Statutory Auditors' report;*
- *having examined the Company's financial statements for the year ended 31 December 2021;*

- *having acknowledged the report prepared by the external auditors PricewaterhouseCooper S.p.A.;*

resolve

1. *to approve the financial statements of IGD SIIQ S.p.A. for the year ended at 31 December 2021 with a Net Profit of €54,093,401.45 and the Board of Directors' report;*

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Item 2 of the Agenda of the Ordinary General Meeting – Allocation of the net income and distribution of the dividend to Shareholders; related and consequent resolutions.

Dear Shareholders,

consistent with what was announced when the new Business Plan was presented, in 2022 IGD will once again be a dividend company, as it has always been, only one year after the decision to not pay a dividend in order to maintain a solid financial structure.

The Board of Directors proposes a dividend of 35 euro cents per share (for a total distributed of €38,619,666.05 or 59.7% of the FFO).

The dividend yield on the stock price recorded at 23 February 2022 is equal to approx. 8.6%.

The dividend comprises for 0.287588 euro cents the mandatory portion generated by the SIIQ perimeter and for 0.062412 euro cents the fair value reserves released as a result of the disposal described above. €10.2 million of these reserves remain as part of the mandatory portion to be distributed in 2023.

The Board of Directors, subject to the approval of the financial statements for the year ended on 31 December 2021 and the Board of Directors Report, proposes:

- to allocate € 6,557,849 of the profit to the fair value reserve, pertaining to the fair value measurement of the real estate portfolio, as a result of which the fair value reserve would go from €210,050,105.49 to €216,607,954.49;
- to allocate €13,869,118.24 of the profit generated by exempt operations as retained earnings;
- to allocate €1,933,427.01 of the profit generated by taxable operations as retained earnings;

- to allocate €31,733,007.20 of the profit generated by exempt operations as a dividend;
- to allocate €6,886,658.85 of the reserves, stemming from exempt operations, released following the disposal of 5 hypermarkets and 1 supermarket as a dividend.

The above dividend will be paid on each of the outstanding shares at the time the shares go ex-dividend, excluding, therefore, any treasury shares held at that date.

The total dividend payout, calculated based on the number of shares outstanding at the date of this report, equal to 110,341,903 ordinary shares net of treasury shares held by the Company at that date, amounts to €38,619,666.05 to be taken from:

- for €31,733,007.20, distributable income generated by exempt operations;
- for €6,886,658.85, utilization of the reserves released following the disposal of 5 hypermarkets and 1 supermarket finalized during the year.

The earnings distributed from exempt operations totals €38,619,666.05 or €0.35 per share;

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

“The shareholders of Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A., meeting in ordinary session, having examined the Board of Directors report,

resolve

1. to allocate Immobiliare Grande Distribuzione Società di Investimento Immobiliare Quotata S.p.A.'s statutory profit for 2021 of €54,093,401.45 as follows:

- *€6,557,849 to the fair value reserve, pertaining to the fair value measurement of the real estate portfolio, as a result of which the fair value reserve would go from €210,050,105.49 to €216,607,954.49;*
- *€13,869,118.24 to retained earnings from exempt operations;*
- *€1,933,427.01 to retained earnings from taxable operations;*
- *€31,733,007.20 of the profit generated by exempt operations as a dividend;*

2. *to pay a dividend of €0.35 per share on each of the outstanding ordinary shares at the time the shares go ex-dividend, excluding, therefore, any treasury shares held at that date.*

The total dividend payout, calculated based on the number of IGD shares outstanding at the date of 24 February 2022 (110,341,903 IGD shares), amounts to €38,619,666.05 to be taken from:

- *for €31,733,007.20, distributable income generated by exempt operations; for €6,886,658.85, using part of the reserves released following of 5 hypermarkets and 1 supermarket finalized during the year.*

The earnings distributed from exempt operations total 38,619,666.05 or €0.35 per share.

The dividend will be payable as from 11 May 2022 with shares going ex-dividend on 9 May 2022 (detachment of coupon n. 5) In accordance with Art. 83-terdecies of Legislative Decree n.58 of 24 February 1998, the shareholders of IGD at the record date (10 May 2022) as per the records of the intermediary, pursuant to Art. 83-quater, par. 3 of Legislative Decree n.58 of 24 February 1998, will be entitled to receive the dividend;

3. *to grant the Chairman and the Chief Executive Officer, jointly or severally, the power to determine the exact number of shares with dividend rights entitled to receive dividends, the exact amount of the dividend to be distributed."*

* * *

Item 3 of the Agenda of the Ordinary General Meeting – Report on compensation and the compensation paid in accordance with Art. 123-ter, paragraphs 3-ter and 6, of Legislative Decree n. 58/98:

3.1 First section: report on the compensation policy. Binding resolution

3.2 Second section: report on the compensation paid. Non-binding resolution

Dear Shareholders,

as you are well aware, pursuant to art. 123-ter of TUF, listed companies are required to prepare a Report on compensation and compensation paid and make it available to the general public.

This report was approved by the Board of Directors on 24 February 2022, subject to approval by the Nominations and Compensation Committee, and made available to the public at the Company's registered office, on the Company's website <http://eng.gruppoigd.it/>, in the *Governance – Shareholders' Meeting* section and on the authorized storage system eMarket STORAGE www.emarketstorage.com in accordance with the law.

Pursuant to Art. 123-*ter* of TUF and art. 84-*quarter* of Regulation adopted by Consob with resolution n. 11971 of 14 May 1999, this Report is divided into two sections.

The first section describes the Company's policy with respect to the compensation of the members of the Board of Directors, the Board of Statutory Auditors and executives with strategic responsibilities for 2022as well as the procedures used in the adoption and implementation of this policy. This section, pursuant to Art. 123-*ter*, paragraphs 3-*bis* and 3-*ter*, of TUF, as introduced in Legislative Decree n. 49/2019, is subject to the binding resolution of the ordinary Shareholders' Meeting.

The second section contains information about the compensation paid or accrued to the members of the Board of Directors, the Board of Statutory Auditors and executives with strategic responsibilities (shown as an aggregate) in 2021. This section, pursuant to the new paragraph 6 of Art. 123-*ter* TUF, introduced in Legislative Decree n. 49/2019, is subject to the non-binding resolution of the ordinary Shareholders' Meeting.

In light of the above, this item on the Agenda will be voted on during the Shareholders' Meeting as two separate items, as proposed below.

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3.1 First section: report on compensation. Binding resolution

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

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

- *having examined and discussed the first section of the Report on Compensation and Compensation Paid called for under art. 123-ter, paragraph 3, of Legislative Decree n. 58 dated 24 February 1998, prepared by the Board of Directors based on the recommendations of the Remuneration and Nominations Committee, which describes the*

Company's policy relating to remuneration of members of the Board of Directors, the Board of Statutory Auditors, general managers and executives with strategic responsibilities for the year 2022, as well as the procedures used to adopt and implement said policy, and made available to the public in accordance with the law;

resolves

to approve the first section of the Report on Compensation and Compensation Paid adopted by the Board of Directors on 24 February 2022 pursuant to art. 123-ter, paragraphs 3-bis) and 3-ter) of Legislative Decree n. 58 dated 24 February 1998."

* * * *

3.2 Second section: report on compensation paid. Non-binding resolution

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

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

- *having examined and discussed the second section of the Report on Compensation and Compensation Paid called for under art. 123-ter, paragraph 4, of Legislative Decree n. 58 dated 24 February 1998, prepared by the Board of Directors based on the recommendations of the Remuneration and Nominations Committee, which describes the compensation paid to the members of the Board of Directors, the Board of Statutory Auditors, general managers and executives with strategic responsibilities in 2021 or related to 2021;*

resolves

in favor to the second section of the Report on Compensation and Compensation Paid adopted by the Board of Directors on 24 February 2022 pursuant to art. 123-ter, paragraphs 6 of Legislative Decree n. 58 dated 24 February 1998."

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Item 4 of the Agenda of the Ordinary General Meeting – Granting of the financial audit assignment for 2022-2030 and determination of the relative compensation;

related and consequent resolutions.

Dear Shareholders,

Please be advised that the statutory audit assignment granted to the external auditors PricewaterhouseCoopers S.p.A. for the period 2013-2021 during the Annual General Meeting held on 18 April 2013, is due to expire on the day the Annual General Meeting is called in ordinary session, on 14 April 2022, in first call, and on 15 April 2022, in second call, to approve the financial statements for the year closed on 31 December 2021.

You are, therefore, asked to examine the proposal relative to the granting of the statutory audit assignment for the years 2022 through 2030 and the determination of the relative remuneration, pursuant to Legislative Decree n. 39 of 27 January 2010 ("Decree 39/2010"), as amended by Legislative Decree n. 135 of 17 July 2016, implementing EU Directive 2014/56 relative to statutory audit assignments.

Based on Art. 13 of Decree 39/2010, as amended, the shareholders meeting in ordinary session shall grant the statutory audit assignment and determine the statutory audit firm's remuneration for the duration of the assignment, as well as any criteria for the adjustment of said remuneration during the term, based on the motivated opinion presented by the Board of Statutory Auditors

Furthermore, based on Art. 17 of Decree 39/2010, as amended, Italian companies with shares listed on regulated Italian and EU markets shall grant the statutory audit assignment for nine years and the assignment may not be renewed unless at least three years have passed since the date on which the prior assignment ended.

In light of the above, the Board of Directors, therefore, submits the motivated opinion prepared by the Board of Statutory Auditors pursuant to Art. 13, par. 1 of Decree 39/2010 regarding the granting of the assignment for the statutory audit of Immobiliare Grande Distribuzione – Società di Investimento Immobiliare Quotata S.p.A.'s accounts to the external audit firm Deloitte & Touch S.p.A. for the years 2022 through 2030, attached to this report, to the shareholders for examination and approval. More in detail, after examining the qualitative and quantitative aspects considered as part of the selection process, the Board of Statutory Auditors found that the proposal submitted by Deloitte & Touch S.p.A. was more consistent with the Company's needs, as discussed in the attached proposal.

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

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

- *having examined the Board of Statutory Auditors’ motivated opinion relative to the granting of the statutory assignment for the years 2022-2020;*
- *having acknowledged that the selection process used complies with Legislative Decree n. 39 of 27 January 2010 (as amended by Legislative Decree n.135 of 17 July 2016);*
- *having examined the Board of Directors’ report;*

resolves

1. *to approve the Board of Statutory Auditors’ proposal attached and, by virtue of the motivated opinion,*
2. *to grant the assignment for the statutory audit of Immobiliare Grande Distribuzione – Società di Investimento Immobiliare Quotata S.p.A 's accounts, pursuant to Legislative Decree n. 39 of 27 January 2020 (as amended by Legislative Decree n.135 of 17 July 2016), for a period of nine years, namely for the years 2022 through 2030, to the external audit firm Deloitte & Touch S.p.A., which, as a result the selection process, was found to be the most qualified for the assignment, for an annual remuneration of €190,000.00 for the first year and, in subsequent years after a change in Gruppo IGD’s corporate structure takes effect in 2023, of €185,000, which does not include any expenses incurred to fulfill the assignment, the ancillary expenses incurred of up to 5% of the fees, the fees payable to CONSOB and VAT; the remuneration above will be adjusted each year based on changes in the ISTAT cost of living index as of the second year of the assignment; all of this is better explained in the offer presented by the external auditors and referred to in the Board of Statutory Auditor’s motivated opinion;*
3. *to grant the Chairman and the Chief Executive Officer, jointly or severally, the broadest of powers, including to delegate to third parties, to take all actions deemed necessary or useful to implementing the above resolution including, but not limited to, revising the general conditions of the assignment granted today, as well as sign the relative assignment and/or make any amendments to the resolution that are not substantial*

deemed necessary and/or useful to the registration in the relative Company registry and/or in relation to any indications received from supervisory or other competent authorities.”

Attached:

Motivated opinion of the Board of Statutory Auditors relative to the statutory audit assignment

Bologna, 24 February 2022

On behalf of the Board of Directors
The Chairman
Rossella Saoncella

**MOTIVATED OPINION OF IGD SIIQ S.P.A.'S BOARD OF STATUTORY AUDITORS
RELATIVE TO THE GRANTING OF THE ASSIGNMENT
FOR THE STATUTORY AUDIT OF THE ACCOUNTS**

Ordinary Shareholders' Meeting

14 April 2021 – 1st call

15 April 2021 – 2nd call

Motivated opinion of the Board of Statutory Auditors relative to the granting of the assignment for the statutory audit of the accounts.

Dear Shareholders,

With the approval of the financial statements at 31 December 2021 the assignment for the statutory audit of IGD S.p.A.'s (hereinafter also "IGD" or the "Company") accounts granted during IGD's Shareholders' Meeting held on 18 April 2013 for the period 2013-2021 to the accounting firm PricewaterhouseCoopers S.p.A. (hereinafter also "PWC" or the "outgoing external auditors") will expire.

Based on Art. 13 of Legislative Decree 39/2010 (hereinafter also the "Decree"), the shareholders meeting in ordinary session "*shall grant the statutory audit assignment and determine the statutory auditor's or the statutory audit firm's remuneration for the duration of the assignment, as well as any criteria for the adjustment of said remuneration during the term, based on the motivated opinion presented by the Board of Statutory Auditors*".

Art. 27 of IGD's corporate bylaws also establishes that the shareholders' meeting will grant the statutory audit assignment based on the motivated opinion of the Board of Statutory Auditors.

The assignment of the outgoing external auditors may not be renewed as the nine-year period provided for in Art. 17 of the Decree ends in 2021: "*the statutory audit assignment lasts for nine years*" and "*may not be renewed unless at least three years have passed since the date on which the prior assignment ended*".

Offers

In light of the above, on 3 November 2021 the Company – as specifically requested by the Board of Statutory Auditors (hereinafter also the "Board") –sent requests for proposals for the statutory audit of the Company's accounts for the period 2022-2030 (hereinafter also the "Offer" or the "Offers") to the companies KPMG S.p.A. ("KPMG"), Deloitte & Touche S.p.A. ("Deloitte"), EY S.p.A. ("EY").

An offer was requested for the following services:

1. statutory audit of the separate full year financial statements;
2. an opinion about the consistency of the Directors' Report with the content of the financial statements and compliance with the law; that the accounts are kept correctly, that they accurately represent the company's operations
3. verification that the accounts are kept correctly;

4. limited statutory audit of the financial statements used to determine the profit at 30 June;
5. limited examination of the non-financial statement;
6. verifications connected to the signing of tax returns.

When requesting the offers for the statutory audit assignment, the information to be provided was described in great detail:

- a statement from the Offeror declaring that no causes for incompatibility as per Art. 2409 quinquies and Art. 2399 of the Italian Civil Code or other legislation/applicable professional standards exist pursuant to Articles 10 and 17 of Legislative Decree n. 39 of 27 January 2010, Art. 149 bis et seq. of the CONSOB Regulation n. 11971 that cannot be eliminated prior to the granting of the assignment and that the Offeror, for the period of the assignment, will not violate the bans referred to in Art. 5 and complies with Art. 6 of EU Regulation n. 537/2014;
- a statement from the Offeror declaring the firm complies with the conditions referred to in Art. 10-bis and 10-ter of Legislative Decree 39/2010 and possesses the requisites needed to comply with Articles 10-quater, 10-quinquies and 26-bis Legislative Decree 39/2010, as well as the expertise and ability needed to carry out the statutory audit activities and comply with the applicable audit standards;
- list of the current and future appointments already agreed upon for consultancies/professional services, between the Offeror and the Company. All commercial, financial and, at any rate, relationships deemed relevant for the purposes of the law between the Company and the Offeror's network should be listed.

A specific request was also made for a declaration and commitment by the Offeror (including in the name of and on behalf of its Italian and international network and any related parties) to withdraw, as of the start date of any assignment granted, from contracts constituting sources of incompatibility with the statutory auditing activity or prejudicial to the independence of the offering auditing firm and, in any case, to eliminate elements that compromise the independence of the Offeror by the date of any assignment.

The requests made for offers clarified that the statutory audit assigned by IGD will be for nine years as of 1 January 2022 and, therefore, will expire, without prejudice to early termination – when the financial statements for FY 2030 are approved.

Selection criteria

The proposals of all the audit companies arrived, with the exception of KPMG who, on 26 November 2021, informed the Company that it could not participate in the tender due to the incompatibility that emerged when verifying independence, by the deadline set in the requests for offers sent by the Company.

Based on the Offers received, as well as the replies to the requests for additional information made subsequently in order to have a more complete overview for the purposes of the evaluation, the Board of Statutory Auditors began the selection process availing itself also of the support of the Financial Reporting Officer.

Before beginning the selection process and sending the requests for Offers, the Board of Statutory Auditors had identified transparent and object selection criteria in order to guarantee transparency and traceability in the activities carried out and the decisions made.

In defining the selection criteria, both qualitative (based on a percentage of the total) and quantitative scores defined expressed in hundredths for which a vote was expressed based on a scale of 1 to 5.

The evaluation criteria used and the weight of each expressed as a percentage include:

a) Qualitative aspects (60%)

- ✓ Knowledge of IGD: 30%;
- ✓ Evaluation of the audit firm: 10%;
- ✓ Evaluation of the audit team: 10%;
- ✓ Evaluation of approach and methods: 10%.

b) Quantitative aspects (40%)

- ✓ In terms of quantitative aspects, the breakdown of the total hours by professional level (head partner, specialized partner, specialized manager and expert/senior auditors and assistants) and the work to be done was looked at.

Based on the documentation received and taking into account the selection criteria defined by the Board of Statutory Auditors (i) during dedicated meetings, (ii) in light of the further investigations carried out by the statutory auditors, the Board examined the offers of the three audit companies carefully by identifying the unique and qualifying aspects for each indicator of each company based on the Offers.

The analysis also took into account the provisions and/or recommendations of the Supervisory Authorities in relation to statutory audit (for example, relating to independence, mandatory insurance coverage, professional composition of the team) as well as the information provided by the Financial Reporting Officer.

The analysis of the Offers and the additional information received showed that:

- that the ways in which the audit will be carried out as illustrated in the Offers, including in light of the hours and resources that will be provided, appear commensurate with the breadth and complexity of the assignment;
- all the Offers contain specific and motivated statements relative to the commitment to confirming qualifications as independent in accordance with the law, specifically Articles 10 and 17 of the Decree, in compliance with current legislation;
- all the statutory audit firms that submitted offers possess, albeit with different characteristics and qualitative elements, the organization and professional technical expertise commensurate with the breadth and complexity of the assignment.

Outcome of the selection.

In light of the above and taking into account the outcome of the scores assigned to the qualitative and quantitative aspects above, the following ranking was established:

1. Deloitte & Touche S.p.A. (total score 86/100)
2. EY S.p.A (total score 70/100)

Consequently, at the end of the selection process carried out, the Board of Statutory Auditors declared unanimously in favor of the Offer presented by Deloitte & Touche S.p.A.

More in detail, the Board found this Offer to be more in line with the Company's needs because of the following:

a) Qualitative aspects

Knowledge of IGD: Deloitte & Touche has had the opportunity to develop a deep understanding of the Company as a result of a few assignments carried out, specifically the statutory audit, that are still in effect with Coop Alleanza 3.0, the parent company which exercises management and coordination pursuant to Art. 2497sexies of the Italian Civil Code. As a result of the appointment of Deloitte, therefore, the Company and its parent company would have the same statutory auditor.

Evaluation of the audit firm: Deloitte & Touche has matured significant experience in the audit of listed Italian companies, including of companies active in the real estate sector with organizational structures and operations similar to those of IGD.

Evaluation of the audit team: the team proposed by Deloitte & Touche comprises resources with solid expertise and vast experience in the sector. The audit team comprises professionals with greater experience (partners and managers) for a significant part (30%). The head partner and the specialized partners all possess proven professionalism.

Evaluation of approach and methods: a positive opinion was expressed of the methods to be used, the data analytics techniques and the audit analytics processes used to optimize the effectiveness of the Audit procedures.

b) Quantitative aspects

In terms of the quantitative aspects, the total cost indicated in the Offer received from Deloitte & Touche for the statutory audit of IGD's financial statements was in line with the other audit firms comparable in terms of organizational structure and knowledge of the sector (EY). The estimate of the total hours, the breakdown of the different professionals (head partner, specialized partner, specialized manager and expert/senior auditors and assistants) and the average hourly fees appear commensurate with the breadth and complexity of the assignment.

Given the knowledge of the Company, Deloitte & Touche does not require additional compensation for the first year of statutory audit nor for the transition from the outgoing auditor.

More in detail, the Offer calls for an annual remuneration of €190,000.00 for the first year of the assignment and, in subsequent years after a change in Gruppo IGD's corporate structure takes effect in 2023, of €185,000, which does not include any expenses incurred to fulfill the assignment, including any travel outside headquarters, additional costs relating to technology (data banks, software, etc.), secretarial and communication services incurred for up to 5% of the total yearly remuneration, the fees payable to CONSOB pursuant to Art. 40 of Law n. 724 of 23 December 1994 (as amended), as well as VAT.

The remuneration will be adjusted each year based on changes in the fees made over time; the yearly adjustment will be tied to ISTAT's cost of living index (base: the consumer price index in Italy beginning January of the second year of the assignment).

Based on the Offer, if circumstances should materialize which call for more time than initially estimated (such as the change in the structure and size of the Company and/or Group, changes in the law, in accounting and/or audit standards, the carrying out of complex transactions by IGD),

as well as additional audit procedures or additional obligations for the statutory auditors (including, for example, requests for meetings, information and documents by the supervisory bodies, as well as any additional activities relating to companies examined by other auditors), the audit firm will advise IGD accordingly so that any additional fees may be agreed upon.

Lastly, with regard to connected services (including those relative to any capital increases, as well as the issue of debt instruments) there was a significant difference between Deloitte and EY (the latter was more costly).

The Board of Statutory Auditors proposal to the Shareholders' Meeting.

In light of the above, the Board of Statutory Auditors submits the following proposal to grant the assignment for the statutory audit of Immobiliare Grande Distribuzione – Società di Investimento Immobiliare Quotata S.p.A.'s accounts, pursuant to Art. 3.1 of Legislative Decree n. 39 of 27 January 2010, for the years 2022 through 2030, to the external audit firm Deloitte & Touch S.p.A, to the Shareholders' Meeting for approval:

"The Ordinary Shareholders' Meeting of IGD SIIQ S.p.A.

- ❖ having acknowledged that:
 - i. with the approval of the financial statements at 31 December 2021 the assignment for the statutory audit of IGD's accounts granted on 18 April 2013 for the period 2013-2021 to the accounting firm PricewaterhouseCoopers S.p.A. will expire;
 - ii. the assignment granted to PricewaterhouseCoopers S.p.A. may not be renewed as the nine-year period provided for in Art. 17 of Legislative Decree n. 39/2010 has ended;
 - iii. both Art. 13 of Legislative Decree n. 39/2010 and Art. 27 of the Company's corporate bylaws establish that the Shareholders' Meeting will grant the statutory audit assignment and determine the statutory auditor's or the statutory audit firm's remuneration for the duration of the assignment, as well as any criteria for the adjustment of said remuneration during the term, based on the motivated opinion presented by the Board of Statutory Auditors;
- ❖ having examined the motivated opinion of the Board of Statutory Auditors containing the terms of the audit firm's Offer, identified and drawn up in light of a selection process based on transparent and objective evaluation criteria, as well as characterized by the transparency and traceability of the activities carried out and the decisions made;
 - resolves
 - A) to grant the assignment for the statutory audit of IGD SIIQ S.p.A.'s accounts for the years 2022 through 2030, to the external audit firm Deloitte & Touch S.p.A, without prejudice to early termination, in accordance with the terms and conditions of the Offer submitted by the above mentioned audit firm and reported in the Board of Statutory Auditors' motivated opinion;
 - B) to grant the Chief Executive Officer, the broadest of powers, in accordance with the law, to execute this resolution, with any and all powers deemed necessary or useful to implementing the above resolution including, but not limited to, making any amendments to the resolution that are not substantial deemed necessary and/or useful to the

registration in the relative Company registry and/or in relation to any indications received from supervisory authorities.”

Bologna, 17 February 2022

The Board of Statutory Auditors

Gian Marco Committeri

Daniela Preite

Massimo Scarafuggi